
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

November 18, 2019

YANDEX N.V.

Schiphol Boulevard 165

1118 BG Schiphol

Netherlands

+31 (0)20 206 6970

(Address, including ZIP Code, and Telephone Number,
including Area Code, of Registrant's Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

On November 18, 2019, Yandex N.V. (the “Company”) gave notice of a Meeting of Holders of Class A Ordinary Shares and an Extraordinary General Meeting of Shareholders of the Company (the “Meetings”), each to be held on December 20, 2019, for purposes of approving a proposed restructuring of the corporate governance of the Yandex Group (the “Restructuring”) and related matters.

Furnished as Exhibit 99.1 to this Report on Form 6-K is a press release of the Company announcing the proposed Restructuring.

Furnished as Exhibit 99.2 to this Report on Form 6-K is a Shareholder Circular of the Company dated November 18, 2019, describing the Restructuring and giving notice of the Meetings.

Furnished as Exhibit 99.3 to this Report on Form 6-K is the form of Deed of Amendment of Articles of the Company to be proposed for amendment at the Meetings.

Also furnished as Exhibits to this Report on Form 6-K, solely for informational purposes, are additional corporate documents of the Company and its subsidiary in connection with the Restructuring.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YANDEX N.V.

Date: November 18, 2019

By: /s/ Greg Abovsky
Greg Abovsky
Chief Financial Officer and
Chief Operating Officer

INDEX TO EXHIBITS

Number	Description
99.1	Press Release, dated as of November 18, 2019
99.2	Shareholder Circular, dated as of November 18, 2019
99.3	Form of Amended Articles of the Company
99.4	Form of Nominating Committee Charter of the Company
99.5	Form of Public Interest Committee Charter of the Company
99.6	Form of Corporate Governance Committee Guidelines of the Company
99.7	Form of Corporate Governance Committee Charter of the Company
99.8	Form of Board Rules of the Company
99.9*	Form of Amended Charter of Yandex LLC
99.10*	Form of Charter of International Foundation “Public Interest Foundation”

* Convenience translation from Russian; the Russian version prevails. A copy of the bilingual version is available at <https://ir.yandex/shareholder-meetings>.

Yandex Board Recommends Targeted Amendments to Corporate Governance Structure

MOSCOW and AMSTERDAM, the Netherlands, November 18, 2019 — Yandex (NASDAQ and MOEX: YNDX), one of Europe’s largest internet companies and the leading search provider in Russia, today announces that its Board of Directors has approved targeted amendments to the company’s corporate governance structure, as it seeks to respond to an evolving regulatory environment while supporting the company’s business interests and the interests of all its stakeholders.

The proposed amendments will be subject to shareholder approval at a Meeting of Class A Shareholders and an Extraordinary General Meeting of Shareholders, both scheduled to take place on December 20, 2019.

“I am pleased to endorse the proposed amendments,” said John Boynton, Chairman of the Board of Yandex. “They are good for Yandex and good for our shareholders.”

“It is clear that Yandex has to adapt to the evolving legal and regulatory environment in Russia. As a Board, we carefully evaluated many different approaches, recognizing the importance of balancing the interests of a number of different stakeholders. The proposed amendments balance the concerns of public authorities in our core market with the interests of our shareholders, our employees and our users.”

The amendments include the creation of a Public Interest Foundation (PIF), with no economic rights, but with certain limited governance rights. The Company’s Priority Share, currently held by Sberbank, will be transferred to the PIF and its terms will be amended. The amended Priority Share will give the PIF the right to block the accumulation by a single entity, or a group of related parties acting in concert, of shares

representing 10% or more of economic or voting interests in Yandex (compared with the current threshold of 25%).

The Priority Share will also give the PIF the right to make binding nominations of two members of the Yandex NV twelve-person Board (“Designated Directors”). One of the Designated Directors will serve on the Nominating Committee of the Yandex NV Board, where he will have a say over the nomination of four Yandex NV directors.

The PIF’s two Designated Directors will also serve on a newly created Public Interest Committee of the Yandex NV Board, which will have oversight over a limited and clearly defined set of questions deemed to be of public interest:

- Transactions involving the sale or transfer of material intellectual property
- Transactions involving the sale or transfer of Russian users’ personal data to non-Russians
- Changes to Yandex internal policies on protection of Russian users’ personal data
- Entry into agreements with a non-Russian state or international intergovernmental organizations

As additional support for the protective rights of the PIF, we propose to issue a Special Voting Interest in Yandex LLC, our principal operating subsidiary. The Special Voting Interest will allow the PIF to temporarily replace the General Director of our principal Russian subsidiary in certain exceptional circumstances, a list of which is described in the Shareholder Circular. Importantly, the PIF will not have any other control over Yandex’s business and operations.

The PIF will be governed by a board comprising 11 directors, including representatives from five leading Russian universities (Higher School of Economics, Moscow Institute of Physics and Technology, Moscow State University, St Petersburg State University and the St Petersburg National Research University of Information Technologies, Mechanics and Optics) and three non-governmental institutions (the Russian Union of Industrialists and Entrepreneurs (RSPP), Moscow School of Management Skolkovo and the

Endowment of Moscow School #57), all of which have long and successful histories of cooperation with Yandex. The PIF Board will also include three representatives of Yandex management (Arkady Volozh, Tigran Khudaverdyan and Elena Bunina).

The proposed amendments also provide additional rights to Class A shareholders, including a requirement for separate approval by the Class A shareholders of certain material transactions, including a substantial issuance of shares.

In addition, as part of the proposed restructuring, in order to address the “single-man risk”, we are proposing an amendment to the automatic conversion feature of the Class B Shares. Currently, such shares would immediately convert into Class A Shares upon the death of the holder. To avoid this “cliff-edge” scenario, in which the voting control of the Company could suddenly shift, the amendment would provide that Class B Shares held by a family trust will not automatically convert for a period of two years. Mr. Volozh intends to establish such a trust.

Mr. Volozh has also agreed to enter into a two-year lock-up agreement with respect to 95% of his Class B Shares, thereby providing an additional layer of assurance that there will be no abrupt change in our voting structure.

“In our 22-year history, Yandex has consistently developed world-class services, which today play an important role in the lives of millions of people in Russia, and we continue to develop new ideas that will shape the future of the Russian and global tech sector,” said Arkady Volozh, Chief Executive Officer of Yandex. “We already have one of the only sizeable online taxi businesses in the world that is profitable, and still growing fast. We have some of the best self-driving car technology in the world. And you just have to look at what we are doing with our core search business, our personalized social platform Zen, Cloud and many other businesses to see that the possibilities are endless.”

“I am very committed to this business and urge our shareholders to support the proposals we are announcing today,” continued Mr. Volozh. “With this behind us, we

can get back to doing what we do best: innovating, providing world-class products and services to our users, and delivering superior returns to our investors.”

The proposed amendments are subject to shareholder approval, including the separate approval of the Class A shareholders. Notice has been given today of a meeting of the Class A shareholders and an Extraordinary General Meeting of Shareholders, both to be held on December 20, 2019. Shareholders of record as of 11:59 p.m. on November 22, 2019 will be entitled to receive notice of and to vote at the meetings.

Copies of the Notices and accompanying Shareholder Circular are available at <https://ir.yandex/shareholder-meetings> or by request from askIR@yandex-team.ru, and will be posted to shareholders of record on the record date. Shareholders are urged to read the Notices and Shareholders Circular for details of the proposed restructuring.

The Board of Directors of Yandex recommends that shareholders vote in favor of all resolutions set out in the Notices and the accompanying Shareholders Circular.

The company will hold an investor conference call today to discuss the proposed restructuring at 8:00 AM U.S. Eastern Time (4:00 PM Moscow time; 1:00 PM London time).

CONFERENCE CALL INFORMATION

Yandex’s management and Chairman of the Board will hold a conference call to discuss the proposed restructuring on November 18, 2019 at 8:00 AM U.S. Eastern Time (4:00 PM Moscow time; 1:00 PM London time).

To access the conference call live, please dial:

US: +1 866 966 1396

UK/International: +44 (0) 844 571 8892

Russia: 8 10 800 2357 5011

Passcode: 6066482

A replay of the call will be available until November 25, 2019. To access the replay, please dial:

US: +1 917 677 7532

UK/International: +44 (0) 844 571 8951

Russia: +7 495 249 9138

Passcode: 6066482

A live and archived webcast of this conference call will be available at <https://edge.media-server.com/mmc/p/fv9a4tkh>

ABOUT YANDEX

Yandex (NASDAQ:YNDX) is a technology company that builds intelligent products and services powered by machine learning. Our goal is to help consumers and businesses better navigate the online and offline world. Since 1997, we have delivered world-class, locally relevant search and information services. Additionally, we have developed market-leading on-demand transportation services, navigation products, and other mobile applications for millions of consumers across the globe. Yandex, which has 34 offices worldwide, has been listed on the NASDAQ since 2011. More information on Yandex can be found at <https://yandex.com/company>.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that involve risks and uncertainties. These include statements regarding the approval, implementation and impact of the proposed restructuring of our capital and governance structure. Actual results may differ materially from the results predicted or implied by such statements. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by such statements include, among others, geopolitical developments affecting Russia or our business and changes in the political, legal and/or regulatory environment, as well as those risks and uncertainties included under the caption "Risk Factors" in our Shareholders Circular dated November 18, 2019 and our

Annual Report on Form 20-F for the year ended December 31, 2018, each of which is on file with the U.S. Securities and Exchange Commission (SEC) and is available on our investor relations website at <http://ir.yandex.com/sec.cfm> and on the SEC website at www.sec.gov. All information in this release and in the attachments is as of November 18, 2019, and Yandex undertakes no duty to update this information unless required by law.

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YANDEX N.V.

SHAREHOLDER CIRCULAR

RESTRUCTURING OF THE CORPORATE GOVERNANCE OF THE YANDEX GROUP

To be voted on at:

a meeting of the holders of Class A Ordinary Shares

to be held on December 20, 2019 at 10:00 a.m. CET

and

an Extraordinary General Meeting

to be held immediately following the meeting of the holders of Class A Ordinary Shares

at:

Hotel De L'Europe | Nieuwe Doelenstraat 2-14 | 1012 CP Amsterdam | The Netherlands

Dated November 18, 2019

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Notice of Meeting of Holders of Class A Ordinary Shares of Yandex N.V.

Agenda and Explanatory Notes to Meeting of Holders of Class A Ordinary Shares of Yandex N.V.

Notice of Extraordinary General Meeting of Shareholders of Yandex N.V.

Agenda and Explanatory Notes to Extraordinary General Meeting of Shareholders of Yandex N.V.

November 18, 2019

Dear Shareholders,

I am pleased to introduce this Shareholder Circular for Yandex N.V. in relation to two shareholder meetings to be held on Friday, December 20, 2019 starting at 10:00 a.m. CET: a meeting of the holders of the Class A Shares and, immediately following the Class A Meeting, an Extraordinary General Meeting of all shareholders. At these two meetings, we will ask our shareholders to approve a restructuring of the corporate governance structure of the Yandex Group (the “Restructuring”).

Since our inception two decades ago, we have aspired to set the highest standards for corporate governance. We are especially proud of the careful consideration we have always given to the interests of all our stakeholders, particularly our public shareholders.

I am writing to explain the background to and reasons for the proposed Restructuring and why the Board considers the proposed Restructuring to be in the best interest of Yandex and all of its stakeholders, including in particular the Class A Shareholders. The Board thought long and hard and worked closely with management and external advisors before recommending this set of modifications to the Company’s governance structure.

These modifications allow us to address the fundamental issues facing the Company today. Specifically, we believe we have dealt with key concerns of the public authorities in our principal market, as well as issues relating to “single-man risk”, without affecting our day-to-day business and operations or long-term prospects. We believe we have cleared the path for continued growth and success.

This is why the Board unanimously recommends that Yandex shareholders vote in favor of the proposed Restructuring at the Class A Meeting and the Extraordinary General Meeting.

In this Shareholder Circular, we provide you with information regarding the proposed Restructuring. We advise all our shareholders to carefully read this and other related documents for further information.

We are proposing the Restructuring in light of regulatory and legislative developments in Russia, which is our principal market. The Board and management of Yandex carefully monitor the political and regulatory environment in which the Company operates, and maintain a regular dialogue with relevant government stakeholders about Yandex’s role in the Russian economy and society. As you know, our success has allowed our core business to grow into an ecosystem that serves tens of millions of consumers and businesses in Russia and beyond that collects and stores vast amounts of personal data of our users. We have developed cutting-edge intellectual property and other technology that serve as the backbone of our products and services. During the course of 2018 and 2019, it became clear that Russian authorities had concerns about foreign influence over this strategically important business. We believed that these concerns created a serious risk for the Company, evident in ongoing consideration of potential restrictions on foreign ownership of businesses in our sector.

In response to these developments, the Board created a Special Committee in October 2018, consisting solely of independent non-executive directors, to assist the Board in considering and evaluating potential courses of action. The Special Committee sought to identify mechanisms to address concerns in Russia’s developing regulatory environment, while preserving the continuity of our business and our ability to advance our evolution as a global leader in technology and innovation. In carefully considering a broad range of strategic options, the Special Committee developed and recommended, and the Board approved, the proposal for the Restructuring laid out in this Shareholder Circular, with the goal of ensuring the ongoing success of Yandex and protecting the interests of all of its stakeholders, including in particular the Class A Shareholders, consistent with our duties as directors of a Dutch company. This was a rigorous process that we believe explored all feasible alternatives to achieve the aims I have just laid out.

The changes we are proposing are targeted in nature and we believe are proportionate to achieving these aims. The Board fully endorses them, believing that this is the best option for enabling Yandex to balance a number of competing demands, including:

- the interests, financial and otherwise, of our Class A Shareholders;
- the public interests in our principal market;
- the need for the business to attract and retain talent;
- the interests of our users in the continued development of our offerings; and
- the overall continuity of our business.

I will be voting my shares in favor of the proposed Restructuring, and I hope that you will too, so that we can focus on what we all want: supporting Yandex's continued development as a world-class technology leader with a growing portfolio of innovative products and services, and a focus on maximizing long-term shareholder value.

Shareholder Meetings

The notice, agenda and explanatory notes for the Shareholder Meetings are set out below and are available at <https://ir.yandex/shareholder-meetings>. If you would like to cast your votes by proxy at either meeting, you will have to do so in any event no later than 11:59 p.m. (Amsterdam time) on December 19, 2019. Please see the Notice of Meeting for details.

To implement the proposed Restructuring, an amendment of the Articles of Association is required. Such amendment requires both a majority of at least three-quarters (3/4) of the votes cast in the Class A Meeting, and a majority of at least two-thirds (2/3) of the votes cast at the EGM.

All votes are important to us and I urge you to cast your vote.

The Shareholder Meetings present an important opportunity for all Yandex shareholders to express their views by asking questions about the proposed Restructuring and related resolutions. If you are planning to attend the Shareholder Meetings in person we ask that you please provide advance notice by notifying us at EGM2019@yandex-team.ru before 5.30 p.m. (Amsterdam time) on December 17, 2019. If you would like to be assured of the fullest possible response to a question asked during either of the Shareholder Meetings, it would be helpful if you could give me prior notice of your question. Of course, you are also invited to write to me at YNVchairman@Yandex-team.ru at any time should you wish.

I look forward to seeing as many of you as possible there.

Yours sincerely,

John Boynton
Chairman of the Board

LETTER FROM OUR CEO

November 18, 2019

Dear Shareholders,

Over the past year, our Board has been conducting a rigorous process to evaluate the evolving environment in which we operate, to examine and anticipate potential challenges facing our business — regulatory and otherwise — and to proactively find solutions aimed at ensuring our future success in the interests of all of our stakeholders.

John Boynton, our Chairman, has outlined some of the wider context and why we felt it was important to address these issues. I would just add some additional context from my perspective as founder and CEO of this business.

Since we started Yandex 22 years ago, we have grown and transformed it into one of the world's largest and most innovative technology companies. We are developing breakthrough ideas and innovating across multiple platforms and services in a way that will shape the future of the technology sector — not just in Russia but around the world.

This is an exciting time for our business. We have built a scaled ride-sharing business that is both rapidly growing and profitable. We have developed one of the leading self-driving car technologies in the world. And we continue to develop around our search business, mapping, streaming music, cloud and so much more — the possibilities are endless.

Today we have an ecosystem that touches the daily lives of millions of people in Russia. We also collect and are responsible for securely storing personal data of millions of Russian users. The intellectual property we own is significant and sensitive enough to be a potential concern for national security. The same goes for some of our core technology.

As a result, we also have this great responsibility to protect and safeguard public interests in a way that is both targeted and measured.

This is why I urge our shareholders to support the proposals we are announcing today. It is what we need to do so that we can focus on what we do best — innovating, providing world-class products and services to our users, and delivering superior returns to our investors. I will be voting my shares in favor of the proposed Restructuring, and I hope that you will too.

To demonstrate my commitment and belief in the Company's future, I have agreed to a lock-up agreement covering 95% of my Class B shares until January 1, 2022.

I urge all our shareholders to read this Shareholder Circular carefully for further information about our plans.

Thank you for your continued support and I look forward to hearing from many of you over the coming weeks.

Yours sincerely,

Arkady Volozh
Chief Executive Officer

1. INTRODUCTION AND SUMMARY

Introduction

Below we describe the proposed Restructuring and why the Board is asking you to approve the proposals set out in this Circular. Our Board members are required under Dutch law to take into account the interests of all of our stakeholders, including our users, employees and the broader community in which we operate — as well as our shareholders. Our Board believes that the proposed Restructuring is in the best interests of the Company and the enduring success of its business and of all its stakeholders, including in particular our Class A Shareholders.

To implement the proposed Restructuring, an amendment of the Articles of Association is required. Such amendment requires both a majority of at least three-quarters (3/4) of the votes cast in the Class A Meeting, and a majority of at least two-thirds (2/3) of the votes cast at the EGM.

Background

Over the past 22 years, Yandex has grown tremendously, transforming into one of the world's most innovative technology companies and the leader in our home market, Russia. Our broad ecosystem of services touches many areas of daily life in Russia, affecting tens of millions of users. We are a unique and highly strategic constituent of the Russian economy and play a critical role in the broader community in which we operate.

While Yandex is the leading search provider in Russia, it is also much more than that. When people compare us with the big international players, they often call us the Russian Google, Uber, Waymo, Amazon and Spotify combined. Our audience equals the total number of Internet users in Russia - more than 100 million people a month, most of whom use Yandex services several times a day. Users ask Yandex more than 7 billion search queries per month. Our voice assistant, Alice, responds to more than a billion requests monthly. Every day, people listen to more than 265 years of audio and more than 58 million tracks on Yandex.Music. Yandex.Taxi completes more than 100 million trips every month.

More than a million Russians also derive some or all of their income with the help of the Yandex ecosystem. More than 700,000 drivers and couriers connect to our Yandex.Taxi and Yandex.Food apps, for example, while more than a million people contribute to our Yandex.Toloka crowd-sourced task platform. At the same time, we not only create technological services and products, but also develop educational projects, with more than a million children and adults learning with Yandex services.

In common with our international peers, we operate in a rapidly evolving environment of increasing scrutiny of technology companies by policymakers, regulators and the consumers alike. Indeed, the trend towards increasing scrutiny of technology businesses is not confined to any one country or region. Politicians and regulators across the globe are grappling with how best to ensure that the increasing reach and influence of technology companies can best serve the interests of users and the public. Although these concerns are still emerging, it is clear that the security of data and intellectual property is a key issue. These same concerns have become pronounced in Russia in recent years.

The Board has been particularly mindful of proposed new legislation that would restrict foreign influence on companies that provide internet services and collect user data in Russia. Accordingly, our Board has been considering how best to address these concerns while safeguarding the interests of our public shareholders, providing a framework for strong corporate governance and ensuring that the unique culture and growth potential of the Company are preserved. The Board has therefore developed the proposals described in this document (the "Restructuring") with a view to addressing these concerns in a targeted and proportionate manner.

The Restructuring has a number of different features. Although these proposals entail a degree of complexity, they have been carefully calibrated to preserve our strong current governance structure. The proposals would create a structure that enables a new body that will represent a broad set of public interests in Russia, which we call the Public Interest Foundation, to have a direct or indirect say in specified and targeted matters in respect of our operations in Russia, such as the Company's ability to provide direct access to personal data of Russian users to foreign persons, or dispose of material intellectual property.

As technology and our business continue to evolve, the regulatory environment will likely continue to evolve as well. As a consequence, additional concerns may arise that we may need to address. It is possible that the proposed Restructuring may not address all future concerns as to foreign influence over Russian internet and technology companies. We will continue to monitor the Company's position and if we conclude that further steps are required to protect the interests of our stakeholders, including in particular our Class A Shareholders, we may return to shareholders for further approvals.

It is important to note that the Restructuring does not affect the economic rights of the Class A Shares. Indeed, the proposed amendment to the Articles of Association would provide the Class A Shareholders with additional rights. Separate Class A Shareholder approval will be required for:

- the transfer of the enterprise or substantially all of the enterprise of Yandex to a third party;
- the conclusion or cancellation of any long-lasting cooperation by Yandex or a subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the cancellation thereof is of essential importance to Yandex;
- the acquisition or disposal of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets according to the consolidated balance sheet in the most recently adopted set of annual accounts of Yandex, by Yandex or a subsidiary;
- entering into of any transaction or series of related transactions by Yandex or a subsidiary involving (i) the payment of an amount in excess of one-third of the sum of the assets according to the consolidated balance sheet in the most recently adopted set of annual accounts of Yandex, or (ii) the sale of assets with a value in excess of the amount set forth in (i) above; and
- the issuance of shares in excess of 20% of our issued share capital.

Summary of Changes to Corporate Governance

We have designed the proposed Restructuring as a targeted approach to addressing the core public interest concerns we have identified, as well as the specific "single-man" risk arising as a result of Mr. Volozh's concentrated holding of voting power. The proposed structure includes elements at the levels of both Yandex N.V., the parent company of our group, and Yandex Russia, our principal operating subsidiary in Russia, which holds, directly or indirectly, most of our material intellectual property, data centers and our core business, including search and portal.

Public Interest Foundation and Designated Directors

The Public Interest Foundation is a key element of the Restructuring and is designed to address the public interest concerns we have identified. The statutory purpose of the Foundation, as set out in its charter, will be to preserve the continuity and promote the success of the Yandex Group business. The Public Interest Foundation will be incorporated in the Oktyabrskiy special administrative region in Kaliningrad, in the Russian Federation, under a new legislative framework that is similar to the Dutch foundation structure (the so-called "stichting"), which is a widely-used feature of Dutch law. The draft legislation was approved by the State Duma in its third reading on November 13, 2019, and is expected to be considered by the upper chamber of the Russian parliament, the Federation Council, in the coming weeks and if approved, to be submitted to the President of the Russian Federation for signature by the end of 2019.

The Public Interest Foundation will have no shareholders, owners or beneficiaries, and will be governed by the Foundation Board. The Foundation Board will have 11 members, to consist initially of five directors to be appointed by specified Russian universities, three directors to be appointed by specified non-governmental Russian institutions, and three members of Yandex management. The Company has an established and productive working relationship with each of these universities and non-governmental Russian institutions (details of which are set out below) that will have a right to appoint a director to the Foundation Board.

The Public Interest Foundation will hold a Priority Share in the Company, allowing it to make binding nominations of two Designated Directors (out of a total of 12 directors). Under Dutch law, a binding

nomination will be adopted at a General Meeting of shareholders, unless rejected by a two-thirds (2/3) majority of those voting.

The Priority Share will also give the Public Interest Foundation an effective veto over the acquisitions of stakes greater than 10% in our Company, or the sale of our material business, as described below.

Through the nomination of Designated Directors, the Public Interest Foundation will have indirect control over material decisions related to providing direct access to personal data of Russian users to foreign persons, or disposing of material intellectual property. Through the Designated Directors, the Public Interest Foundation will also have a right of veto over candidates to be nominated for election to four of the seats on our Board. Therefore the Foundation will have a direct or indirect say in the composition of half of our 12 person Board. In addition, the election of the General Director of Yandex Russia in the ordinary course will require the Board to vote by a special majority of eight (as may be adjusted for any Board vacancies) including at least one vote of the Designated Directors. If a candidate to the position of General Director is rejected five times due to the absence of the affirmative vote of the Designated Director, the Board may approve the candidate by the special majority of nine (as may be adjusted for any Board vacancies).

The Public Interest Foundation will also hold a Special Voting Interest in Yandex Russia with a right to replace the General Director on a temporary basis in certain exceptional situations described below.

The Priority Share is currently held by Sberbank. The existing Priority Share provides the holder with the right:

- to approve the accumulation by a party, group of related parties or parties acting in concert, of the legal or beneficial ownership of shares representing 25% or more, in number or by voting power, of the outstanding Class A and Class B Shares (taken together), if the Board has otherwise approved such accumulation of shares; and
- to approve a decision of the Board to sell, transfer or otherwise dispose of, directly and indirectly, all or substantially all of our assets to one or more third parties in any transaction or series of related transactions, including the sale of Yandex Russia.

It is proposed that the existing Priority Share will be transferred to the Public Interest Foundation and its terms will be amended to provide the new holder with the following rights (with the new provisions in bold italics):

- to approve the accumulation by a party, group of related parties or parties acting in concert, of the legal or beneficial ownership of shares representing **10% or more**, in number or by voting power, of the outstanding Class A and Class B Shares (taken together), if the Board has otherwise approved such accumulation of shares. The accumulation threshold will be lowered from 25% (as it currently is) to 10%;
- to approve a decision of the Board to sell, transfer or otherwise dispose of, directly and indirectly, all or substantially all of our assets to one or more third parties in any transaction or series of related transactions, including the sale of Yandex Russia; and
- **to make binding nominations of two Designated Directors, as described above.**

The Priority Share does not carry any rights to control the management or operations of the Company, and its economic rights are limited to its pro rata nominal entitlement to dividends and other distributions (a maximum distribution of one eurocent annually).

Special Voting Interest

As additional support for the protective rights of the Public Interest Foundation, we propose to issue to the Public Interest Foundation a Special Voting Interest in Yandex Russia. The Special Voting Interest will allow the Public Interest Foundation to temporarily replace the General Director of Yandex in certain exceptional circumstances, a list of which will be set out in the publicly available charter of Yandex Russia and are described in detail below. We believe that the issuance of the Special Voting Interest in Yandex Russia, giving the Public Interest Foundation the right in certain defined and targeted circumstances to exert control over the management of our principal Russian operating subsidiary, will effectively provide comfort to the public authorities that this protective structure is not entirely reliant on resolution outside of Russia.

Public Interest Committee

The Public Interest Committee will be a new committee of the Board. It will consist of three members: the Yandex CEO and both of the Designated Directors. Importantly, decisions of the Public Interest Committee may only be taken unanimously. The Public Interest Committee will not review ordinary business or commercial matters. Its right of approval will be limited to a defined list of specific matters related to the provision of direct access to personal data of Russian users to foreign persons, or disposal of material intellectual property. The Board cannot act in respect of any of the Public Interest Committee's specified matters prior to receiving a recommendation from the Public Interest Committee. The Public Interest Committee will act only as a check on the Board's actions; it cannot proactively make any decisions on behalf of the Board.

Amendment to the Class B Shares; Volozh Family Trust

As part of the proposed Restructuring, we are also proposing an amendment to the automatic conversion feature of the Class B Shares. Currently, such shares would immediately convert into Class A Shares upon the death of the holder, including Mr. Volozh. To avoid this "cliff edge" scenario, in which the voting control of the Company could suddenly shift, the amendment would provide that Class B Shares held by a family trust would not automatically convert until the end of a period of two years following the holder's death, at which point the shares will automatically convert into Class A Shares. Mr. Volozh intends to establish a family trust in connection with the Restructuring, which will agree, during the two-year period following Mr. Volozh's death, to vote the Class B shares it will hold in favor of any proposals made by our Board and otherwise in accordance with the recommendations of the Board. These measures are intended to ensure an orderly transition period, and are similar to the structures that have been adopted by other public technology companies such as CrowdStrike, Dropbox, Lyft, Pinterest and Snap.

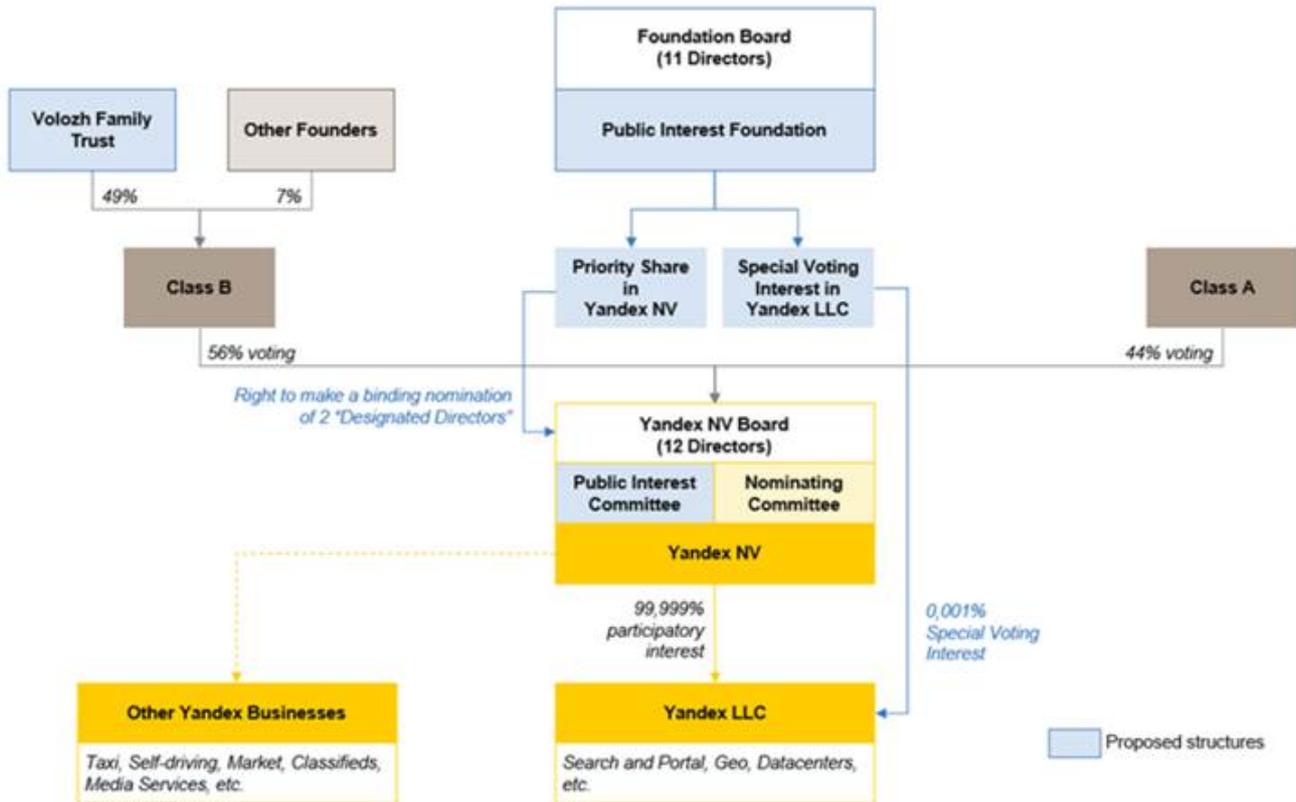
Lock-up Agreement

Mr. Volozh and the Volozh Family Trust intend to enter into a lock-up agreement in favor of the Company with respect to 95% of the Class B Shares currently held by Mr. Volozh, pursuant to which they will undertake not to dispose of such shares prior to January 1, 2022. Even if the other holders of Class B Shares were to sell their shares and Mr. Volozh were to sell up to 5% of his Class B Shares, as permitted under his lock-up agreement, he would still hold over 51% of votes in the Company and, as such, control would remain in Russian hands during this period.

Mr. Volozh is not currently subject to any lock-up restriction in respect of his Class B Shares. He has agreed that he, and his family trust, will enter into such restriction to demonstrate his commitment to the Company and provides an additional layer of assurance that there will be no abrupt change in the voting structure of our Company.

The lock-up agreement will provide that such restrictions may be waived or released by our Board, acting by a supermajority of eight (8) directors, subject to adjustment in the case of Board vacancies.

Overview of the Proposed Restructuring



Current Corporate Governance Structure

Currently, Yandex has three classes of authorized ordinary shares in issue: Class A Shares, with one vote per share, Class B Shares, with ten votes per share and Class C Shares, with nine votes per share; as well as one Priority Share. The Class B Shares are held by Arkady Volozh and other members of our founding team, and together have approximately 56% of the voting power of our equity shares. This structure was introduced before Yandex's initial public offering in 2011, and was designed to ensure that our founding management continued to exercise voting control even after they ceased to hold a majority of our issued shares, thereby enabling them to focus on the long-term interests of our Company. Our Class C Shares serve only to facilitate the conversion of our Class B Shares into Class A Shares under Dutch law. For the limited period of time during which Class C Shares are outstanding, they are voted by a Dutch foundation that holds these shares in the same proportion as the votes by holders of our Class A Shares and Class B Shares, so as not to influence the outcome of any vote.

We originally issued our Priority Share in September 2009 to Sberbank for its nominal value of €1.00. The Priority Share currently affords the holder the right to approve the accumulation by a party, group of related parties or parties acting in concert, of the legal or beneficial ownership of shares representing 25% or more, in number or by voting power, of the outstanding Class A and Class B Shares (taken together), if the Board has otherwise approved such accumulation of shares. Yandex shareholders approved the decision to issue the Priority Share to Sberbank with the objective of strengthening the control over the Company's ownership structure and providing transparency with respect to changes in ownership.

Any decision by the Board to sell, transfer or otherwise dispose of, directly and indirectly, all or substantially all of our assets to one or more third parties in any transaction or series of related transactions, including the sale of Yandex Russia, is also subject to the prior approval of the holder of the Priority Share. The Priority Share does not carry any rights to control the management or operations of the Company, and its economic rights are limited to its pro rata nominal entitlement to dividends and other distributions (a maximum distribution of one eurocent annually).

Yandex has also authorized, but has not issued, a class of preference shares. These shares are intended to serve as an anti-takeover measure, and could, for example, be issued to a protective foundation for the

purposes of making a hostile takeover of the Company impossible or undesirable. The Board believes that this additional protective measure will no longer be necessary in light of the proposed Restructuring, and the shareholders are now being asked to agree to amend the Articles of Association so as to no longer authorize this class of shares.

Risk Factors

The Board believes that the corporate governance changes it is proposing are targeted in nature and proportionate in addressing the concerns the Board has identified. However, these proposals will result in significant changes to our corporate governance, including through the powers granted to the Public Interest Foundation. See Section 5 of this Shareholder Circular for a description of some of the risks relating to the proposed Restructuring.

2. DETAILED DESCRIPTION OF THE PROPOSED RESTRUCTURING

This section contains a detailed summary of the main features of the proposed Restructuring.

Public Interest Foundation

A key element of the proposed structure is a new legal entity to be formed in Russia, the Public Interest Foundation. This entity will be formed in the Oktyabrskiy special administrative region in Kaliningrad. The applicable law governing the Public Interest Foundation has recently passed its third reading in the State Duma, which means it is now in final form, and is expected to be considered by the upper chamber of the parliament, the Federation Council, in the coming weeks and if approved, to be submitted to the President of the Russian Federation for signature by the end of 2019.

The Public Interest Foundation will hold the Priority Share (with its terms and rights amended as described above) in Yandex N.V., as well as the Special Voting Interest in Yandex Russia. Together, these will provide the Public Interest Foundation with certain important but targeted rights in relation to the ongoing corporate governance of the Yandex Group. The Priority Share may not be transferred without the prior approval of the Board, acting by a majority of eight directors (including one Designated Director). Transfer of the Special Voting Interest will be expressly restricted by Yandex Russia's charter.

The Public Interest Foundation will have no shareholders, owners or beneficiaries, and will be governed by a board of directors operating under its charter. The Public Interest Foundation will not be permitted by its charter to engage in any commercial activities and its operating costs will be covered by the Company.

The effectiveness of the Restructuring is subject to, and conditional on, the final adoption of the Foundation Legislation.

Funding of the Public Interest Foundation

The Company will provide initial funding to cover ten years of expenses of the Public Interest Foundation and will extend a corporate guarantee to secure coverage of its normal operating costs. We do not expect such funding to exceed \$200,000 annually.

Board of the Public Interest Foundation

The Public Interest Foundation will be governed by the Foundation Board. As set out in the Foundation Charter, the Foundation Board will be composed of 11 members, consisting of University Directors, Institutional Directors and Management Directors, as defined below.

The University Directors

Initially, five of the 11 directors will be nominated by Russian academic institutions (the "**University Directors**"). Each institution listed below will have the right to appoint one University Director to the Foundation Board. The academic institutions will be able to appoint and remove their directors at their discretion, provided their nominees meet the Eligibility Criteria (set out below).

- Moscow Institute of Physics and Technology ("**MIPT**");
- Moscow State University ("**MSU**");

- National Research University “Higher School of Economics” (“**HSE**”);
- Saint Petersburg University (“**SPbU**”); and
- University of Information Technologies, Mechanics and Optics (“**ITMO**”).

The Institutional Directors

Three of the 11 directors will be nominated by specified non-governmental institutions (the “**Institutional Directors**”). Each such institution will have the right to appoint one Institutional Director to the Foundation Board, subject to compliance with the Eligibility Criteria. Any replacement of an Institutional Director must be approved by at least two of the University Directors and at least two of the Management Directors. If one of the Institutional Directors ceases to hold office, the vacant position of the Institutional Director will be temporarily occupied by the head of the relevant institution until a new candidate is approved. The Management Directors and University Directors will use their best efforts to appoint a replacement Institutional Director within 30 days of the office becoming vacant. The named non-governmental institutions are:

- Moscow School of Management SKOLKOVO;
- Russian Union of Industrialists and Entrepreneurs; and
- Moscow School No. 57 Alumni Fund.

The Management Directors

Initially, three of the 11 directors will be members of Yandex Group management (the “**Management Directors**”), as follows:

- one of the three Management Directors will be Mr. Volozh, in his capacity as our CEO, and thereafter it will be our CEO from time to time or another executive director if there is no CEO then in office; and
- two senior managers of the Yandex Group, as selected by the director referred to above.

Future Composition of the Foundation Board

After Russian parties (including Russian citizens, Russian beneficially owned legal entities and the Volozh Family Trust) cease to hold cumulative voting power over at least 50% plus one vote in Yandex N.V., the number of Management Directors entitled to sit on the Foundation Board will be decreased from three to two. When this happens, the Management Directors will be the CEO or another executive director of the Company and a senior manager of the Yandex Group. In this case, the number of University Directors will increase from five to six as one additional director will be appointed by the Higher School of Economics. As a result, the University Directors’ votes will be sufficient to decide on the following matters without any additional votes by Management Directors or Institutional Directors:

- selection of candidates for binding nomination as Designated Director; and
- proposals of candidates for inclusion on the list of persons who may serve as Interim General Director from time to time.

Yandex's Relationships with the Universities and Institutions

We believe that the representation of the named universities and non-governmental institutions on the Foundation Board will provide a valuable opportunity for us to gain insights into broader concerns about the public interest in our principal markets through their focused participation in certain aspects of our corporate structure. We have close and long-standing academic and business relationships with each of these entities, including those described below.

In 2007, Yandex founded the Data Analysis School, an educational institution with classes held directly at Yandex Campus and lectures given by both professors of various educational organizations and Yandex's employees. As Mr. Volozh was the head of department of data analysis at MIPT at the time, MIPT naturally became the first university to start cooperation with the Data Analysis School, followed by HSE in 2008, and MSU and SPbU later on. Such cooperation is mutually important and sustainable, as the universities are able to increase their application rates by offering students unique opportunities to learn from Yandex's leading industry expertise, while Yandex relies on the universities in its search for talent.

MIPT

- In 2007, Yandex founded a department of data analysis at MIPT that offers its students the opportunity to attend all core-specialty classes at the Data Analysis School. Mr. Volozh was the head of that department from 2007 until 2017; since 2019, it has been headed by Ms. Elena Bunnia (the General Director of Yandex Russia).
- The cooperation between Data Analysis School of Yandex with the School of Applied Mathematics and Computer Science of MIPT in 2011 developed further into offering students a dual-grade Master's program in data search and machine learning.
- For over ten years, Yandex has been sponsoring the prestigious International Collegiate Programming Contest ("ICPC") competitions held by MIPT and supported a number of MIPT's team participating in the competitions.

HSE

- Yandex's cooperation with HSE started in 2008, with a Master's program in data analysis, where a large part of the curriculum was provided through Data Analysis School.
- In 2011, Yandex founded, under Yandex brand, a big data and information retrieval school at the Department of Applied Mathematics and Informatics at HSE.
- In 2014, Yandex and HSE co-founded the Faculty of Computer Science, which has set records for application rates since then.
- In 2015, Yandex founded a research laboratory dedicated to big data analysis in cooperation with the CERN, and is supporting multiple research projects by other laboratories.
- Mr. Volozh is a member of the Board of Trustees of the HSE and Chairman of that institution's School of Computer Science, and Ms. Bunina was appointed to HSE's supervisory board in 2019.

MSU

- MSU's teaching staff represents a fair portion of teaching staff at the Yandex's Data Analysis School. Since 2012, MSU and Data Analysis School offer dual-degree programs for the students of the MSU's Faculty of Mathematics.
- Ms. Bunina has been a professor at Moscow State University since 2001. A substantial number of top managers of Yandex are graduates of MSU.
- Yandex is an active contributor to MSU's MBA program run by the Graduate School of Management and Innovation.

SPbU

- In 2014, Yandex’s Data Analysis School and SPbU co-founded a Master’s program in data analysis.
- In 2019, Yandex co-founded a new Faculty of Mathematics and Computer Science. The faculty offers a brand new bachelor program developed by Yandex and the Data Analysis School.
- Yandex established a scholarship for outstanding students in the Mathematics, Algorithms and Data Analysis course.

ITMO

- Yandex has had an academic collaboration with ITMO’s renowned Computer Technology Department, which has evolved into a recognized Faculty of Information Technology and Programming.
- For over a decade, Yandex has been sponsoring the ITMO-organized ICPC World Programming Championship semi-finals. In addition, Yandex also supports quarter-finals in St. Petersburg and the National Programming Olympiad for Student Teams, also organized by ITMO.

Moscow School of Management SKOLKOVO

- The Moscow School of Management SKOLKOVO is a private business school founded in 2006 as a joint project of the national and international businesses.
- Our collaboration with SKOLOVO includes joint conferences and courses. Yandex is also supporting SKOLKOVO in development of online courses.
- Our Board member, Mr. Alexander Voloshin, is the Chair of the Board of Directors of Moscow School of Management SKOLKOVO.

Moscow School No. 57 Alumni Fund

- School No. 57 is one of the leading mathematical schools in Russia, one of Russia’s top ten schools by the number of national academic competition winners.
- Yandex has a long history of collaboration with School No. 57, which started in 2016 with the launch of Yandex.Lyceum as a testing ground for our educational projects.
- General Director of Yandex Russia, Ms. Elena Bunina, is a School No. 57 graduate. She has been teaching mathematics to senior year students at this school for 15 years.

Russian Union of Industrialists and Entrepreneurs (“RSPP”)

- Yandex is an active member of RSPP, an association for leading blue-chip Russian companies.

We believe that the broad and diverse membership of the Foundation Board, including members of management, will provide a balanced approach that will constructively consider the interests of our various stakeholders.

Appointment of Foundation Board Members

The Foundation Charter includes detailed provisions regarding the appointment, removal and replacement of the Foundation Board directors. Any amendment to the appointment mechanisms for the Foundation Board members requires the Company’s consent and approval of the Foundation Board, acting unanimously.

Priority Share

The Priority Share is currently held by Sberbank. As part of the proposed Restructuring, Yandex will repurchase the Priority Share from Sberbank for its €1.00 nominal value, and then transfer the Priority Share to the Public Interest Foundation, subject to shareholder approval of the Restructuring.

In addition, Sberbank will undertake to vote its Priority Share at the EGM in favor of the proposed Restructuring before it transfers the Priority Share.

Under the existing Priority Share, the holder has the right:

- to approve the accumulation by a party, group of related parties or parties acting in concert, of the legal or beneficial ownership of shares representing 25% or more, in number or by voting power, of the outstanding Class A and Class B Shares (taken together), if the Board has otherwise approved such accumulation of shares; and
- to approve a decision of the Board to sell, transfer or otherwise dispose of, directly and indirectly, all or substantially all of our assets to one or more third parties in any transaction or series of related transactions, including the sale of Yandex Russia.

It is proposed that the existing Priority Share will be transferred to the Public Interest Foundation and its terms will be amended to provide the new holder with the following rights (with the new provisions in bold italics):

- to approve the accumulation by a party, group of related parties or parties acting in concert, of the legal or beneficial ownership of shares representing **10% or more**, in number or by voting power, of the outstanding Class A and Class B Shares (taken together), if the Board has otherwise approved such accumulation of shares. The accumulation threshold will be lowered from 25% (as it currently is) to 10%;
- to approve a decision of the Board to sell, transfer or otherwise dispose of, directly and indirectly, all or substantially all of our assets to one or more third parties in any transaction or series of related transactions, including the sale of Yandex Russia; and
- ***to make binding nominations of two Designated Directors, as described above.***

Any amendment that affects the rights of the Priority Share will require the approval of the holder of the Priority Share.

Special Voting Interest in Yandex Russia

The Special Voting Interest in Yandex Russia represents an immaterial 0.001% interest in the charter capital of Yandex Russia and is designed solely for the purpose of ensuring an additional protection for the Public Interest Foundation functions. This participation interest entitles the Public Interest Foundation to remove the Yandex Russia General Director on a temporary basis in certain defined circumstances. This removal right may be triggered in only two types of situations: (1) a Special Corporate Situation; and (2) a Special Situation related to a matter of national security, which we describe in more detail below.

Eligibility Criteria

The University Directors and Institutional Directors must satisfy the following agreed requirements (the “Eligibility Criteria”):

- within the prior two years, they should not have been a political appointee or member of the governing body of a political party, a government official or a member or employee of any state apparatus, a member of parliament, or a political office-holder;
- they should have no criminal record, not be subject to professional disqualification under the Code of Administrative Offenses of the Russian Federation or administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation;

- they should not be a person with whom Yandex or the Public Interest Foundation is restricted by law from conducting business;
- they should not currently be an employee of a state corporation or other company controlled by the state (or any state agency); and
- they and their family members and members of their household should not and have not had for the preceding two full calendar years any commercial conflict of interest.

With respect to the last item of the Eligibility Criteria, a director must disclose any conflict of interest, including if it arises after their election. In such case, the Company, as well as any Management Director or University Director, may initiate the process of removal of such director from the Foundation Board; removal in this manner will be deemed effective 20 days from the date of that notice. If there is a disagreement as to whether or not the Eligibility Criteria are satisfied, an independent expert from among the “Big Four” accounting firms can be asked to resolve the matter.

The satisfaction of the Eligibility Criteria by a candidate proposed by one of the non-governmental institutions will be mutually considered by the Management Directors and the University Directors before such candidate’s appointment. The Foundation Board will be able to waive one or more of the Eligibility Criteria in respect of a specific candidate by a resolution of at least two of the University Directors and at least two of the Management Directors.

The Yandex N.V. Board

Pursuant to the Articles of Association of the Company, the Board will consist of 12 members, of whom two will be Designated Directors nominated by way of binding nomination by the Public Interest Foundation as holder of the Priority Share. The same Eligibility Criteria will apply to the Designated Directors as to the members of the Foundation Board.

The remaining ten members of the Board will be nominated by the Nominating Committee, pursuant to the provisions described below.

The proposed amendment to the Articles of Association as part of the proposed Restructuring will increase the maximum terms of Yandex directors from three years to four. We believe that this change will provide greater stability for the oversight of our Company over the long term.

Initial Designated Directors

The Board is proposing for election at the EGM the following two persons to serve as the initial Designated Directors:

- Alexey Komissarov
- Alexei Yakovitsky

See section 3 of this Shareholder Circular for biographical information regarding these individuals.

Nominating Committee

The Nominating Committee will consist of five directors and will form two subcommittees.

Subcommittee I will consist of one Designated Director, one director with a Russian passport and residency, and one other Director. Subcommittee I will recommend to the Board for nomination four directors to the Board (the “Class I Directors”), which will then be subject to the approval of the Board as a whole. The Designated Director will have the right to veto any candidates for such slots, provided that the exercise of such veto has first been approved by the Foundation. The initial Class I Directors are Herman Gref, Mikhail Parakhin, Charles Ryan and Ilya Strebulaev.

Subcommittee II will consist of three directors who are not Class I Directors and will, by simple majority, recommend to the Board for nomination six directors (the “Class II Directors”); the Designated Directors will have no right of veto over candidates for these seats. The Board must adopt the recommendations of

candidates recommended by Subcommittee II, unless the Board votes by a supermajority of ten Directors (subject to adjustment for Board vacancies) to reject such recommendation.

Public Interest Committee

Certain targeted and defined actions in respect of material intellectual property or personal data will require the prior approval of the Public Interest Committee (see below). The Public Interest Committee will consist of three members: the Yandex CEO and both of the Designated Directors, and its decisions must be unanimous. The Public Interest Committee is not empowered to review ordinary business or commercial matters.

If the Public Interest Committee does not approve the matter referred to it, the Board will follow the decision of the Public Interest Committee not to authorize such matter, unless the Board rejects such decision by either (i) a supermajority of eight votes (subject to adjustment for Board vacancies), which shall include the affirmative votes of the two Designated Directors; or (ii) a supermajority of eight votes (subject to adjustment for Board vacancies) (not including the affirmative votes of the two Designated Directors) provided that the Foundation Board has given its approval. The Public Interest Committee will act only as a check on the Board's actions; it cannot proactively make any decisions on behalf of the Board or require the Board to take any action.

Competence of the Public Interest Committee

The following are the matters that will require the approval of the Public Interest Committee:

- transactions or other transfers resulting in the granting of direct access to Russian users' personal data owned by us and non-depersonalized big data owned by us to non-Russian persons;
- the adoption, modification, amendment, and cancellation of the Yandex internal policies on protection of personal data and non-depersonalized big data of Russian users (including storage procedures, and sale/provision of such information to foreign persons);
- entry by the Company into any agreement which concerns Russia with a non-Russian state or a international intergovernmental organization (or its bodies and agencies); and
- direct or indirect transfers or encumbrances of material intellectual property rights, including licensing such rights, if as a result of such license the Company would lose the ability to use such rights in Russia.

Special Voting Interest in Yandex Russia

As an additional protection for the overall structure, the Public Interest Foundation will hold a Special Voting Interest in Yandex Russia, which will provide limited and defined powers that will be exercisable only in the case of what we describe as a Special Corporate Situation or a Special Situation related to a matter of national security (each, the "Relevant Situation"). We believe that the issuance of the Special Voting Interest in Yandex Russia to the Public Interest Foundation, giving the Public Interest Foundation the right in certain defined and targeted circumstances to replace, on a temporary basis, the General Director of our principal Russian operating subsidiary, should effectively provide comfort to the public authorities that this protective structure is not entirely reliant on resolution outside of Russia.

The Relevant Situations will provide a special ground for the termination of the employment of the General Director. The defined circumstances in which this power will arise is set out in the charter of Yandex Russia, which is a public document, and are described below.

Special Corporate Situations

A Special Corporate Situation is deemed to arise only in the following specific circumstances:

- the Public Interest Committee is not formed;
- the Public Interest Committee is dismissed by the Board;
- a Designated Director is not included in the Nominating Committee;

- a binding nomination for a Designated Director is rejected by the Company's General Meeting;
- a Designated Director is removed by the Company's General Meeting without approval of the holder of the Priority Share;
- the General Meeting of Yandex appoints a candidate as a Class I Director that has not been recommended by the Nominating Committee through Subcommittee I; or
- a decision of the Public Interest Committee is breached by Yandex Russia.

If the Foundation Board decides that any of the above triggers for a Special Corporate Situation has occurred, it must send a notice to the Company. This will require the approval of five University Directors and one additional vote of an Institutional Director or a Management Director. That notice must clearly indicate the trigger for a Special Corporate Situation. Following receipt of such notice, the matter may be cured by the Company, and Yandex Russia if applicable, by taking appropriate corporate actions that are within the powers of the Company and Yandex Russia as clearly defined in the charter of Yandex Russia. The cure period is dependent on the particular trigger for the Special Corporate Situation and provides the Company, and Yandex Russia if applicable, an opportunity to eliminate the trigger before the next regular Board meeting, the next regular shareholders meeting, or until the expiry of a period of 60 days from the date of the relevant notice from the Public Interest Foundation (as specified for each trigger of the relevant Special Corporate Situation in the charter of Yandex Russia).

If the Company and Yandex Russia do not eliminate the trigger for the Special Corporate Situation after the relevant cure period has expired, the Public Interest Foundation may by the votes of five University Directors and one additional vote of an Institutional Director or a Management Director resolve that the Special Corporate Situation is pending and call a general meeting of Yandex Russia's participants to dismiss the then-acting General Director and appoint an Interim General Director. The Foundation's Special Voting Interest in Yandex Russia becomes "super-voting" on this matter. This means that the Public Interest Foundation will have the ability to replace the General Director of Yandex Russia without the vote of Yandex N.V. The Public Interest Foundation will appoint an Interim General Director from the pre-approved list, in accordance with the charter of Yandex Russia.

As soon as the situation is resolved in accordance with the procedure set out in the charter of Yandex Russia, the Company as the holder of the majority interest in Yandex Russia will remove the Interim General Director and appoint a permanent General Director. The permanent General Director may be the former General Director, in which case no additional Board approval of the candidacy of such General Director will be required, or a new permanent General Director, if the Board resolves not to reinstate the former General Director by the vote of a supermajority of eight (as may be adjusted for any Board vacancies) increased with one affirmative vote.

Special Situations related to a matter of national security.

A Special Situation is a matter constituting an extraordinary one-off event related to matters of the national security of the Russian Federation requiring quick remedy.

If the Foundation Board decides that a Special Situation has occurred it must send a notice to management of the Company and Yandex Russia specifying the particular violation that the Foundation Board considers to constitute a Special Situation relevant to national security. This will require the approval of five University Directors and two additional votes from either Institutional Directors or Management Directors. That notice must provide for a period of at least seven days for such potential Special Situation to be cured or averted.

The Public Interest Foundation may, at its discretion, by the vote of five University Directors and two additional votes from either Institutional Directors or Management Directors, resolve upon the expiry of the cure period that the Special Situation is pending and call a general meeting of Yandex Russia participants to dismiss the acting General Director and appoint an Interim General Director. The Public Interest Foundation's Special Voting Interest in Yandex Russia becomes "super-voting" in this event. This means that the Public Interest Foundation will have the ability to replace the General Director of Yandex Russia. The Public Interest Foundation will appoint an Interim General Director, in accordance with the charter of Yandex Russia.

The Interim General Director so appointed due to a Special Situation will hold office for 15 days. Upon the expiration of such 15-day period (or earlier, if the Board and the Public Interest Foundation mutually agree that the relevant Special Situation has been resolved) the Company as the holder of the majority of votes in Yandex Russia will appoint a permanent General Director of Yandex Russia. If the person nominated to be permanent General Director is the former General Director then no additional Board approval of the candidacy of such General Director will be required. If the Board resolves not to reinstate the former General Director by a special majority of nine (as may be adjusted for any Board vacancies) a new General Director may be appointed.

The Foundation Board is not entitled to adopt repeated decisions on the occurrence of a Special Situation in connection with the same violation related to a matter of national security.

General Director of Yandex Russia

The General Director of Yandex Russia will be appointed in the normal course of business by Yandex, as the majority participant in Yandex Russia, subject to a resolution by the Board made by a special majority of eight (as may be adjusted for any Board vacancies), including at least one Designated Director. If a Designated Director vetoes five proposed candidates, then the next proposed candidate may be selected by the Board upon the approval of the special majority of nine (as may be adjusted for any Board vacancies) and the vote of a Designated Director will not be required.

In connection with the Restructuring, the charter of Yandex Russia will be amended to limit the powers of the General Director in the ordinary course. Accordingly, certain actions on behalf of Yandex Russia will be subject to the approval of the general meeting of participants, including the following:

- entering into transactions with any governmental authorities or with any entity owned or controlled by the state;
- transactions exceeding RUB 3,000,000 (approximately \$47,000 as of the date hereof) individually, or RUB 30,000,000 (approximately \$470,000) in aggregate during one month;
- entering into transactions related to any borrowings, provision of any guarantees or indemnities; and
- amending the staffing schedule.

Previously, no requirement to obtain consent of the Company for those actions was envisaged for the General Director by the charter of Yandex Russia.

Powers of Interim General Director

The charter of Yandex Russia includes a specific and exclusive list of powers that may be exercised by an Interim General Director appointed as a result of a Special Corporate Situation or a Special Situation. This list of powers is significantly more limited than the powers ordinarily afforded to the General Director, reflecting the interim nature of the appointment and that the appointment is for a specific purpose (being to manage the exceptional circumstances that have led to his appointment). In particular, the Interim General Director is not authorized to terminate employees, manage the bank accounts of Yandex Russia or enter into significant transactions.

The Interim General Director will report to the general meeting of participants in Yandex Russia (i.e., the Company and the Foundation) and may not take actions on any matters reserved for the general meeting, which is controlled by Yandex N.V. Accordingly, all material matters will require the approval of Yandex N.V. However, the Interim General Director will have the power, without a prior approval from the Company, to:

- enter into a single transaction not exceeding RUB 3 million (approximately \$47,000) or a series of related transactions not exceeding RUB 30 million (approximately \$470,000) in aggregate on a monthly basis;
- challenge transactions and hire outside counsel for litigation within a limit of RUB 10 million (approximately \$157,000);

- enter into legal services agreements with high-ranking legal counsel for an amount not exceeding RUB 10 million (approximately \$157,000) and issue and revoke powers of attorney for court representation to such legal counsel, and
- impose disciplinary penalties on Yandex Russia employees.

The financial authority of the Interim General Director is limited and requires that any expenditure of Yandex Russia's funds, borrowings or extension of loans be co-signed by the financial director of Yandex Russia.

List of Candidates for Interim General Director

In the course of proposed Restructuring, at least three alternative/successor candidates will be agreed upon to serve as Interim General Director of Yandex Russia, each of whom will meet the Eligibility Criteria and will be available to become an Interim General Director from time to time.

Going forward, a list of candidates to serve as Interim General Director will be supplemented by the Company as the holder of the majority votes in Yandex Russia, subject to a supermajority vote (eight out of 12 Directors, subject to adjustment in the case of Board vacancies), provided however that both Designated Directors vote in favor. If both Designated Directors are unavailable, the Board may make a decision with the consent of the Public Interest Foundation.

To ensure that there is always a candidate for Interim General Director, if at any time:

- only two candidates remain on the list and the Company cannot appoint a new candidate within 120 days, such candidate will be appointed by a majority vote of the Foundation Board, subject to the Eligibility Criteria;
- only one candidate remains on the list and the Company cannot appoint new candidates within 60 days, up to two candidates will be appointed by a majority vote of the Foundation Board, subject to the Eligibility Criteria; and
- no candidates remain on the list and the Company cannot appoint at least one candidate within 15 days, such candidate will be appointed by a majority vote of the Foundation Board, subject to the Eligibility Criteria.

Once at least one candidate is added to the list, the Company will again have the power to appoint further candidates by its majority vote subject to the above terms.

Volozh Family Trust; Lock-up Agreement

As part of the proposed Restructuring, we are proposing an amendment to the automatic conversion feature of the Class B Shares.

Under the current articles, our Class B Shares would automatically convert into Class A Shares immediately upon the death of the holder, including Mr. Volozh. To avoid this "cliff edge" scenario, in which the voting control of the Company could suddenly shift, the proposed amendment to the Class B Shares would provide that any Class B Shares held by a family trust would not automatically convert for a period of two years following the holder's death. The proposed amendments are intended to ensure an orderly transition period, and is similar to the structures that have been adopted by other public technology companies, such as CrowdStrike, Dropbox, Lyft, Pinterest and Snap.

Mr. Volozh anticipates establishing a family trust prior to the implementation of the proposed Restructuring. During the two-year transition period following the death of Mr. Volozh, the trustee of the Volozh Family Trust will be bound to vote in favor of any proposal of the Board, and in accordance with the Board's recommendation on any other matter. These restrictions will fall away, and the Class B Shares will automatically convert into Class A Shares, after the end of that two-year period pursuant to the Articles of Association.

Lock-Up Agreement

Mr. Volozh and the Volozh Family Trust intend to enter into a lock-up agreement in favor of the Company with respect to 95% of the Class B Shares currently held by Mr. Volozh, pursuant to which they will undertake not to dispose of such shares prior to January 1, 2022. Even if the other holders of Class B Shares were to sell their shares and Mr. Volozh sold the permitted 5% of his Class B Shares, he would still hold over 51% of votes in the Company and, as such, control would remain in Russian hands during this period.

Mr. Volozh is not currently subject to any lock-up restriction in respect of his Class B Shares. He has agreed that he, and his family trust, will enter into such restriction to demonstrate his commitment to the Company and provide an additional layer of assurance that there will be no abrupt change in the voting structure of our Company.

The lock-up agreement will provide that such restrictions may be waived or released by our Board, acting by a supermajority of eight (8) Directors, subject to adjustment in the case of Board vacancies.

Amendments to the Articles of Association of Yandex

In accordance with the proposed Restructuring, the Board is proposing that the Yandex shareholders approve amendments to the Articles of Association of Yandex. A separate vote of the Class A Shareholders will take place prior to the EGM. Our shareholders are advised to consider the amendments contained in the draft Deed of Amendment of the Articles of Association. For convenience, certain key amendments are summarized below:

- The rights attaching to the Priority Share are being amended. The holder of the Priority Share will have the right to make a binding nomination for the appointment by the General Meeting of two Non-Executive Designated Directors (see below), in addition to rights in respect of the accumulation of large stakes (with the threshold being reduced from 25% to 10% of the voting rights or number of Class A Shares and Class B Shares) in the Company, and the approval of the sale of substantially all of the Company's assets. The Priority Share may only be held by the Public Interest Foundation or another party specifically nominated by the Board for this purpose.
- The two Non-Executive Directors who will be appointed on the basis of a binding nomination by the holder of the Priority Share will form a separate class of Designated Directors. One Designated Director will be a member of the Nominating Committee and both Designated Directors will be members of the Public Interest Committee.
- The holder of the Priority Share will be entitled (1) to request the Board to call a General Meeting to fill a vacancy in respect of one or both Designated Directors, (2) to propose specific items for the agenda of the Annual General Meeting (such as a proposal to remove a Designated Director from office and, subject to and conditional upon the approval by a General Meeting of such removal, a binding nomination of a replacement Designated Director) and (3) once every calendar year to call a General Meeting solely for purposes of proposing the removal of a Designated Director and the election of a replacement Designated Director.
- Any amendments to the Articles of Association which affect the rights of the Priority Share, including, but not limited to: (i) the size of the Board, (ii) the Eligibility Criteria, (iii) the Nominating Committee; or (iv) the Public Interest Committee, will require the prior approval of the holder of the Priority Share.
- Each Director will have to meet Eligibility Criteria and certain Directors will have to meet Independence Criteria (as defined in the Articles of Association).
- The General Meeting may appoint substitute Directors in the event one or more Directors ceases to hold office or is unable to execute his/her duties and responsibilities during such period of absence until a new Director has been appointed. The appointment of substitute Directors may be made at any time including at the time of the appointment of the original Director. A substitute Designated Director shall be appointed on the basis of a binding nomination by the holder of the Priority Share.

- Any resolution by the Board taken at a meeting shall require the affirmative votes of at least seven (7) Directors (if the Board of Directors consists of eleven (11) Directors or more) or six (6) Directors in case the Board of Directors consists of seven (7), eight (8) or nine (9) Directors (or if the Board of Directors consists of less Directors, such lesser number as are then in office) present or represented at such meeting, unless the Articles of Association provide otherwise; and certain resolutions by the Board can only be taken with certain majorities which in certain circumstances has to include the affirmative votes of one or more Designated Directors.
- The appointment by the Board of a Chief Executive Officer requires the affirmative vote of at least eight (8) Directors (excluding the vote of the Director who is being considered for the position).
- The following new committees of the Board will be established and existing committees of the Board will be formally established in the Articles of Association:
 - Public Interest Committee (new);
 - Nominating Committee (new); formerly constituted as part of the Nominating and Corporate Governance Committee;
 - Corporate Governance Committee (new); formerly constituted as part of the Nominating and Corporate Governance Committee
 - Audit Committee (existing); and
 - Compensation Committee (existing).
- The provision in the Articles of Association that provides that qualified shareholding restrictions for holders of ordinary shares will terminate if any law or regulation of the Russian Federation is adopted which imposes a limitation or restriction on the ownership of internet business in Russia by non-Russian parties, will be deleted. This means that if foreign ownership laws are adopted in Russia that are applicable to our Company, the veto right of the Priority Share over the accumulation of a stake of more than 10% in our Company will continue in force, rather than terminate.
- Any resolution of the General Meeting to issue Class A Shares or Class B Shares or to delegate the authority to issue Class A Shares or Class B Shares to another corporate body, will require the prior approval of the Meeting of holders of Class A Shares if the issue of Class A Shares or Class B Shares exceeds 20% of the issued share capital of the Company.
- Any resolution by the Board (1) to transfer the enterprise or substantially all of the enterprise of the Company to a third party, (2) to conclude or cancel a long-lasting cooperation that is of essential importance to the Company, (3) to acquire or dispose of an interest in the capital of a company with a value in excess of one-third (1/3) of the total consolidated assets of the Company or (4) to enter into a transaction or series of related transactions by the Company or a subsidiary involving the payment of an amount in excess of one-third (1/3) of the total consolidated assets of the Company or the sale of assets in excess of that amount, will require the prior approval of the Class A Meeting.
- Any resolution of the General Meeting to amend the Articles of Association, to conclude a legal merger or demerger or to dissolve the Company will require the prior approval of the Meeting of holders of Class A Shares.
- The automatic conversion mechanism for Class B Shares is being amended in that Class B Shares held by a family trust will not automatically convert into Class A Shares until the end of a period of two (2) years following the holder's death.
- The automatic conversion mechanism for Class B Shares if and when 95% or more of all issued and outstanding Class A Shares and Class B Shares (by number, taken together) are Class A Shares, will be deleted.

- A technical amendment to eliminate the preference shares from the authorised share capital of the Company.
- The authorised share capital of the Company is being amended as set out in the draft Deed of Amendment of the Articles of Association.
- The threshold for shareholders to propose agenda items for a General Meeting will be increased to at least 3% (from at least 1%) of the issued share capital of the Company and the alternative market value threshold of EUR 50 million will be deleted.
- The right of shareholders together holding at least 10% of the issued share capital of the Company to request the Board to call a General Meeting, will be made subject to court approval.

3. INITIAL DESIGNATED DIRECTORS

Assuming the proposed Restructuring is approved, we expect that the appointing parties specified above will select their initial representatives to sit on the Foundation Board. Going forward, the Foundation Board will select candidates to be proposed from time to time by way of binding nomination for election as Designated Directors on the Board of Yandex.

Although the Foundation Board has not yet been formed, we understand from the relevant universities and non-governmental institutions that the preferred initial candidates for nomination as Designated Directors have been identified. Accordingly, the Board is proposing for election at the EGM the following two persons to serve as the initial Designated Directors, each for an initial term ending at the Annual General Meeting of shareholders ending in 2023:

- **Alexey Komissarov** (age 50) is vice-rector of the Russian Presidential Academy of National Economy and Public Administration. He is also a member of PJSC SIBUR Holding's board of directors. From 2015 to 2017, he was director of the Industry Development Fund and served as independent director, member of the Strategy and Investment Committee and chairman of the Budget and Reporting Committee to GLONASS. From 2011 to 2015, he worked in the Moscow government as a minister and head of the Department of Science, Industrial Policy and Entrepreneurship, and also served as advisor to the Mayor. Mr. Komissarov has a degree from the Moscow Automobile and Road Construction State Technical University in Automotive Engineering and Maintenance, and an MBA from Kingston University in the UK.
- **Alexei Yakovitsky** (age 44) is the CEO of VTB Capital, VTB Group's investment banking business. He is also a member of VTB Capital's board of directors. In addition, he is the chairman of the Supervisory Board of VTB Bank (Europe) SE, headquartered in Frankfurt, Germany. Mr Yakovitsky is also a member of the board of directors of VTB Capital Plc, VTB Capital's London subsidiary and a member of the board of directors of Rostelecom. Mr. Yakovitsky started his career in equity research at United Financial Group ("UFG"). He was ranked the #1 telecom analyst for Russia by Institutional Investor in 2004 and was co-head of Russian equity research at UFG and Deutsche Bank (which acquired UFG) in 2005-2008. He then joined VTB Capital in 2008 as co-head of equities and head of research, and became its Moscow CEO in 2009. Mr Yakovitsky has degrees from Moscow Lomonosov State University, Department of History, as well as from the Nelson A. Rockefeller College of Public Affairs and Policy (Albany, US).

Although neither Mr. Yakovitsky nor Mr. Komissarov has a commercial conflict of interest with our Company, neither satisfied all of the Eligibility Criteria applicable to Designated Directors. Consistent with the provisions of our Articles of Association that will be effective following the implementation of the Restructuring, our Board considered the qualifications and experience of such individuals and determined to waive the applicable criteria in respect of these candidates.

4. GENERAL BACKGROUND TO THE PROPOSED RESTRUCTURING

The Yandex Group operates in a rapidly evolving environment of increasing regulatory complexity, reflecting a trend towards increasing scrutiny of large technology companies by policymakers, regulators and the general public in jurisdictions across the globe, including in Russia.

Scrutiny of technology companies by U.S. regulators

The United States government has been taking steps to regulate its technology market in recent years, including, for example, the following:

- In September 2019, the U.S. Treasury issued draft regulations to implement changes required under the Foreign Investment Risk Review Modernization Act 2018 (known as “FIRRMA”). The effect of the proposed changes would be to expand the number and type of investments and activities that will fall within the jurisdiction and scrutiny of the Committee on Foreign Investment in the United States (known as “CFIUS”) (being a committee chaired by the Secretary of the Treasury authorized to review certain transactions involving foreign investment in the United States). The U.S. government has taken steps to exclude Huawei from developing 5G networks in the United States based on perceptions of the Chinese government’s influence over Huawei. Limits have also been placed on U.S. companies working with Huawei. These developments come amidst reports that the Trump Administration is weighing the delisting of Chinese stocks as part of a broader protectionist agenda from the government.
- Similarly, CFIUS recently ordered the divestiture of Beijing Kunlun’s ownership of the online dating site Grindr, opposing its plans for an initial public offering.
- In late November 2019, the U.S. Federal Communications Commission is expected to vote on the U.S. Attorney General’s proposal barring U.S. rural wireless carriers from purchasing, as well as requiring them to replace any telecommunications equipment produced by, Huawei and ZTE.
- CFIUS also blocked the proposed takeover by Broadcom Limited (a Singapore-incorporated company) of Qualcomm Incorporated (a US-incorporated company).
- Facebook has been called on by political parties and campaigners to review its policies of allowing unchecked political advertising on its platform, following Twitter’s recent announcement that it would prohibit all forms of political advertising.
- In October 2019, the U.S. government launched a security review of the China-based parent company of TikTok, a fast-growing social media platform.

Scrutiny elsewhere

Examples of these developing trends outside the U.S. include the following:

- Following a full-scale national security review in 2018, the Canadian government blocked CCCC International Holdings Limited (a Chinese entity) from acquiring the Canadian company Aecon Group Ltd due to concerns that critical infrastructure could become foreign-investor controlled.
- In France, a decree, applying to investments from January 1, 2019 onwards, saw the scope of French foreign investment regulations broadened, and the list of protected industries and strategic assets subject to governmental authorizations extended, most notably into the field of digital technologies.
- The European Commission has been significantly intensifying its review of global technology companies’ antitrust practises over the recent years. Latest cases include:
 - issuing more than \$9 billion fines to Google since 2017 for breaching the EU antitrust rules;
 - investigating Amazon’s use of sensitive data from independent retailers who sell on its marketplace;

- investigating Apple’s practices around promoting the use of Apple Pay and Apple Music; and
 - reviewing Facebook’s practices for the breach of the EU antitrust regulation.
- In 2018 the European Commission adopted EU’s General Data Protection regulation, giving EU citizens more rights over how their personal data is collected, used and stored. Following the adoption of the new legislation, multiple member’s local regulators opened inquiries into data protection practices of the global internet and tech companies. Selected cases include:
 - the French data regulator’s EUR 50 million fine to Google for breaching the EU’s data protection rules. The French regulator said it had levied the record fine for “lack of transparency, inadequate information and lack of valid consent regarding ads personalisation”;
 - the launch of 19 statutory investigations by Ireland’s Data Protection Commission into Facebook, Twitter, LinkedIn and Google. The most common concerns of the Irish regulators related to the legal basis for processing personal data, lack of transparency about how a company collects personal data, and people’s right to access their data; and
 - the investigation by the UK regulator of Facebook’s use of data analytics for political purposes.
 - In China, the telecommunications, internet and media industries have become subject of strict comprehensive regulation, particularly over the past decade.
 - In 2010, China’s State Council Information Office (“SCIO”) published the country’s first white paper on internet policy. The document included a list of vaguely-defined “prohibited topics” which should be restricted from being published online. The burden of censoring user content was placed on internet companies, which resulted in significant spending on censoring staff and technologies for the businesses.
 - In 2014, China established the Cyberspace Administration of China (“CAC”), which is headed by the President Xi Jinping. Since its establishment, CAC has expanded and formalized the country’s internet regulation, primarily focusing on online content and personal identity.
 - In June 2017, China adopted the Cyber Security Law (“CSL”) which oversees China’s internet management. CSL regulates all online activities in China and obliges online service providers to track and verify user identities. Furthermore, network operators and internet companies are required to monitor user-generated content for restricted information and “immediately restrict transmission” of banned content. The adoption of CSL was followed by numerous investigations and fines for local companies:
 - In June 2017, Apple was ordered to remove VPN applications from its app store. Skype calling platform was subsequently removed as well.
 - In August 2017, Weibo, WeChat, and Baidu Tieba were investigated by the authorities for failing to restrict information that “endangered national security, public security, and social order.”
 - In September 2017, Tencent, Weibo, and Baidu were fined for allowing users to post restricted content.
 - In June 2019 CAC released a draft regulation focusing on the protection of personal information.
 - In January 2019 China Netcasting Services Association released regulation setting out binding censoring standards for companies providing online video services, including the removal of content aimed at “attacking China’s political or legal systems or damaging

national image”. The regulation also specifies requirements to internal censorship teams, requiring businesses to employ at least one “content review” employee for every 1,000 new videos posted on the platform each day.

- In July 2019, Cyberspace Administration of China introduced a regulation which would allow adding users to the Social Credit System blacklist for violating internet-related regulation.
- Foreign investment into Chinese telecommunications, internet and media industries is also subject to strict regulation. Most media sectors, such as online publishing or provision of online audiovisual services such as Video-on-Demand remain completely restricted to foreign investment. Historically, foreign investors were able to participate in the growth of selected Chinese tech sector by investing into the so-called variable interest entities (“VIEs”), which provided an indirect non-equity based exposure to Chinese companies.
- The German government has also adopted amendments to the foreign investment laws and regulations in December 2018. Those amendments lower the threshold for screening and prohibiting acquisitions in entities carrying out strategic activities relevant for state security from 25 percent to 10 percent. The activities deemed strategic include, among other, certain types of crypto-technology used for governmental needs.
- The Foreign Exchange and Foreign Trade Act (known as “FEFTA”) of Japan has been recently amended to expand the scope of the ‘Restricted Business Sectors’ that require filings with the relevant government ministry, including the Bank of Japan, for foreign investment. These sectors include the manufacture of communication equipment, phones and telecommunications infrastructure. The control threshold for foreign investment in those areas was lowered from the current 10 percent to as little as 1 percent.

Regulatory developments in Russia

The Russian government has passed a series of laws regulating the technology sector and foreign investor involvement in the economy. Examples of these legislative measures include the following.

- Amendments to the law on mass media which became effective on 1 January 2016, imposed a limitation on foreign ownership in mass media companies to 20%, by voting or economics. This amendment had significant repercussions throughout the industry, including, for example, material adverse consequences for the trading value of CTC Media, a then-Nasdaq listed company, followed by a sale of the business at a deflated valuation.
- Since July 2017, the Chairman of the Government Commission on Control of Foreign Investments (Prime Minister Dmitry Medvedev), has had a right put any transaction with respect to any Russian legal entity involving foreign investors under the review of this Commission in the interests of national defence and state security.
- A new VPN law, effective November 2017, requires operators of private networks like VPNs to prevent Russian users from accessing websites and resources banned by the Russian authorities.
- New rules applying to owners of messaging services, effective January 1, 2019, require registration with the Russian regulator Roskomnadzor and that certain information is maintained on servers located within Russia. Recently, Roskomnadzor has begun to enforce liability for violations of these laws with recent examples including blocking access to LinkedIn for failure to localize its databases with information about Russian nationals and fines imposed on Facebook and Twitter for same violations. Another example of intensified enforcement efforts of Roskomnadzor include attempts to block access to Telegram messenger in Russia, for failure to disclose messaging encryption keys. Data operators, including the Yandex Group, are also required to ensure that personal data of Russian citizens is stored and processed in databases located within Russia.

- Yandex Russia, together with other search engine operators, is required to connect to the register of blocked websites and filter search results accordingly, including filter links to websites promoting illegal activities, terrorism and other illegal content.
- Russia's online piracy protections have been expanded since May 2019 to cover sites that share links to pirated music, books and software, in addition to the existing regime for pirated film and TV shows. Sites can be shut down without court order and those accused of pirating material have just 72 hours to respond to a complaint before receiving a permanent ban.
- Most recently, in November 2019 a new law, known as the 'sovereign internet' law, came into force giving wide-ranging powers to government officials to restrict Russian internet traffic. The powers include, amongst other controls, the ability of the Russian government to heavily regulate internet connections within Russia and across its national borders if the government considers there to be an emergency.

The Board and senior management regularly consider questions relating to the optimal corporate governance structure of the Company in light of the evolving regulatory frameworks in which our business operates.

The Board has followed closely the development of legislative proposals to impose limitations on foreign ownership of technology companies. Of particular note in this respect is the current draft legislation, referred to in this Shareholder Circular as the Foreign Ownership Law, first proposed in the State Duma on July 26, 2019, which is designed to impose restrictions which are broad in both nature and scope and which cover a wide range of regulations and restrictions on certain internet services. The restrictions set out in the current draft of the proposed law include the following:

- A special Governmental Commission would be granted the right to designate companies that provide internet services that collect user data as 'strategic information resources' ("SIR"). As the draft law currently provides, the criteria for becoming a SIR are not clearly defined and would likely result in the special Governmental Commission exercising a high level of discretion.
- There would be a prohibition of more than 20% of the shares in a SIR being held by international or foreign organizations, foreign companies and individuals, or Russian companies that are more than 20% owned by foreign owners (the "Foreign Shareholders").
- Foreign Shareholders would be denied access to the data of the Russian users that are collected and held by the SIR.
- Those Foreign Shareholders holding an interest above the applicable cap would be permitted to exercise voting rights only up to such cap. Any shares held in excess will become non-voting shares.
- SIRs with Foreign Shareholders holding in excess of the cap would be prohibited from providing advertising services as well as prevented from advertising themselves where such excess was not authorised by the Russian government.

The Board has noted the mixed reactions to the proposed Foreign Ownership Law and recognises the significant public debate that has focused on the foreign ownership restriction. A number of parties have urged that the cap be based on voting powers rather than economic ownership and that this cap be set at 49%. Initially there were reports the certain members of the Russian parliament supported the more restrictive cap of 20% and when news of this endorsement was published, the trading value of our Class A Shares declined substantially. However, on October 18, 2019, the Russian government indicated, through a formal opinion on the draft law, that it supported the 50% minus one voting share model. Various media outlets, including Kommersant, RBC and Vedomosti, have reported that the Russian Union of Industrialists and Entrepreneurs (the "RSPP") filed its review of the bill with the State Duma, noting that Russian businesses were likely to find a 49% limit on foreign voting power acceptable, although Kommersant highlights that the RSPP committee responsible for this review did not include Yandex or other significant IT companies in Russia.

5. STEPS TAKEN BY YANDEX

Introduction

Our Board and management have closely monitored the legislative and regulatory actions and proposals affecting internet and technology businesses described above globally, including in the United States, the European Union, China and the Russian Federation. We have paid particular attention to discussions over the past several years regarding the possibility of new legislation in Russia that would impose limitations on foreign (non-Russian) ownership of internet and technology businesses. We are aware of the negative impact that the adoption of the Russian Mass Media Law in 2014 had on some mass media businesses, including in particular CTC Media, and we recognize that the imposition of similar restrictions applicable to Yandex would potentially have significant consequences for the value of our Class A Shares, as well as our ability to continue to attract and retain the talented staff who contribute to our technological and commercial success. Although there has been speculation about the potential for such legislation for several years, the introduction of the proposed law restricting foreign ownership in the State Duma in July 2019 crystallized these concerns. Although it remains unclear if the proposed law will ultimately be adopted, or what the final terms of such law or any similar law may be, the Board believes that it is appropriate to take proactive steps designed to minimize the potential effect of any such law on Yandex or our Class A Shareholders, and to address the broader risks described below.

Recent Developments

During the course of 2018 and 2019, our Board and management became aware that the public authorities in Russia increasingly recognized the central role Yandex plays in the information ecosystem in Russia and, consequently, in light of broader geopolitical considerations, had rising concerns about the ownership and governance structure of Yandex over the long term. We came to understand that the potential sudden loss of voting power by Russian citizens, in particular in the event of substantial sales of shares by Mr. Volozh or of his death, created a serious risk for the Company in light of the potential for the introduction of restrictions on the foreign ownership of businesses in our sector.

In addition, on October 18, 2018, rumours were published in the business press regarding a potential strategic transaction involving Yandex, as a result of which the trading price of our Class A Shares declined substantially.

Special Committee

Following the press speculation noted above, the Board met on October 18, 2018 to assess recent developments and to consider appropriate actions. Following further consideration, on October 21, 2018, the Board formed the Special Committee, consisting solely of independent non-executive directors, to assist the Board in evaluating courses of action. The members of the Special Committee are John Boynton, Charlie Ryan and Alexander Voloshin. On October 22, 2018, the Company addressed these market rumours in a press announcement.

The overarching goal of the Special Committee has been to develop a structure that would ensure the long-term continuity and growth potential of the business and protect the economic interests of the Class A Shareholders, while addressing the concerns of regulators.

Appointment of Advisors

The Special Committee engaged Goldman Sachs International as strategic advisor in October 2018, to assist the Special Committee in identifying and evaluating appropriate courses of action, and to develop a proposal that would be designed to best protect the interests of our Class A Shareholders as well as our other stakeholders. The Special Committee also engaged outside U.S. and Dutch legal counsel in October 2018 to assist the Special Committee in ensuring that it functioned properly and fulfilled its fiduciary duties. As the Special Committee's work continued into the summer of 2019, the Company determined that it would be advisable to engage additional financial advisors, in addition to Goldman Sachs, and accordingly engaged JSC VTB Capital as strategic advisor to the Company in August 2019.

Special Committee Process

Since its formation in October 2018, the Special Committee has met formally, in person or by teleconference, more than 50 times, and its members have met and conferred informally on numerous additional occasions. The Special Committee has overseen and been assisted by a broader working group consisting of Mr. Volozh, other members of management, and external legal and financial advisors to the Company and to the Special Committee.

With the assistance of the working group, the Special Committee sought to identify the specific and varied risks faced by the Company and the concerns of various regulators, and to identify and develop potential approaches to address such risks. The Special Committee has overseen a comprehensive process that involved extensive communications with the relevant public authorities and other stakeholders to identify and develop an approach that would best address the specific risks and concerns identified in a manner that would best protect the interests of Class A Shareholders and preserve the continuity of the business.

The Special Committee spent considerable time assessing the environment in which Yandex operates, and in particular seeking to identify and analyse signals from the public authorities regarding their concerns about the ownership and governance structure of Yandex. It became clear to the Special Committee that the potential for what was viewed as excessive foreign influence on the Board, as well as the risk that all of the Company's Class B Shares could be converted into Class A Shares automatically at any time in the event of Mr. Volozh's death, with the resulting abrupt shift in voting control, were viewed as a serious risk to the public interest in Russia.

Accordingly, against the backdrop of broader geopolitical developments and in the context of discussions with various interested parties, the Special Committee concluded that the concerns that needed to be addressed were to ensure that acceptable Russian parties would have ongoing oversight over certain strategically sensitive aspects of our operations, and to develop a structure that begins to address the succession concern related to the Class B Shares, while protecting the economic rights of our Class A Shareholders.

Consideration of Alternatives

The Special Committee therefore undertook a lengthy and comprehensive process to identify and assess potential alternatives to address the concerns identified. In particular, before approving the proposed Restructuring, the Special Committee considered the following alternatives (in isolation and in combination):

- issuance of a new priority (golden) share providing extended veto rights over sensitive matters in respect of our Russian operations;
- redomiciliation in Russia;
- delisting from Nasdaq and migration to MOEX as the principal trading market;
- creation of super-voting shares for Russian citizens;
- implementation of a Chinese VIE-type structure that would separate economic and votes rights on the basis of nationality;
- merging with another Russian technology company to achieve a more significant, long-term Russian shareholder base;
- restructuring or spin-off of Yandex's Russian operations;
- take-private transaction;
- substantial share buyback with the goal of reducing non-Russian ownership;
- facilitating a tender offer by Russian investors or pension funds for a significant stake in Yandex;
- issuance of new shares or an equity-linked instrument to one or more significant Russian investors;

- internal restructuring of the Yandex Group to separate the strategically important parts of the business in Russia and/or to enter into joint venture or partnership arrangements with Russian parties; and
- continuation of the status quo as the regulatory and legislative framework continues to evolve.

The Special Committee considered these alternatives in light of their anticipated impact on the Board's goals of maintaining independence, preserving and increasing long-term shareholder value, maintaining the Company's ability to attract and retain the best talent and ensuring that the public interest in our home market is appropriately protected. Each of the alternatives outlined above had the potential to address one or more of these goals to a greater or lesser extent, but the Special Committee concluded that none of them provided a viable approach that would adequately address all of these goals. The Special Committee and the Board determined that these alternatives presented to an unacceptable extent one or more of the following drawbacks or limitations:

- the threat to the continuity of the business;
- the loss of control over strategic commercial and business matters;
- the loss of access to the capital markets, to which the Company is committed;
- the potential for commercial conflicts with larger and more powerful institutions;
- depletion of the company's financial resources in a manner that would not adequately address the core issues that have been identified;
- insufficient certainty that the concerns of the public authorities would be addressed; and
- the potential for material destruction of shareholder value.

As the process developed over the past year, the Special Committee devoted considerable time to considering whether the concerns identified might be best addressed by introducing a significant Russian strategic or financial investor into our shareholder base. The Special Committee and members of management, with the assistance of Goldman Sachs, sought to identify appropriate potential parties, and conducted exploratory discussions with certain parties. Following extensive efforts and discussions, at that time the Special Committee concluded that such an investment would not adequately address the concerns identified or protect the interests of Class A Shareholders and other stakeholders. The Special Committee concluded that any such transaction could entail numerous risks and drawbacks, including threats to the continuity of the business, conflicts of interests with any such party, significant dilution to Class A Shareholders, particularly if any such investment were made at a discount, and excessive dependence on a single party. The Special Committee and the Board concluded that it would be prudent and in the best interests of Class A Shareholders and all of the Company's stakeholders to address the concerns identified with respect to the public interest described above separately from any such potential investment and to implement the proposed Restructuring without any economic element.

The Special Committee ultimately concluded that the proposed Restructuring would best address these goals, and therefore represents a superior approach from the perspective of the Company's Class A Shareholders and all of its stakeholders.

Factors Considered

In assessing potential paths forward, the Special Committee and the Board recognized that it would be necessary to balance a number of competing demands, including:

- the overall continuity of our business;
- the interests, financial and otherwise, of our Class A Shareholders;
- the need for the business to attract and retain talent through the use of equity incentives;
- the interests of our users in the continued development of our offerings; and

the public interests in our home market.

Based on the comprehensive process undertaken over a number of months, the Special Committee concluded that the key concerns of the public authorities related to the potential for excessive influence of non-Russian parties in sensitive matters in Russia, including the ability to make strategic decisions regarding material intellectual property or the transfer of personal data. We believe that the proposed Restructuring and, specifically, the creation of the Public Interest Foundation, provides an appropriate framework for the safeguarding of these interests in a carefully targeted manner. We believe that the issuance of the Special Voting Interest in Yandex Russia to the Public Interest Foundation, giving the Public Interest Foundation the right in certain defined and targeted circumstances to exert temporary control over the management of our principal Russian operating subsidiary, should effectively provide comfort to the public authorities that this protective structure is not entirely reliant on resolution outside of Russia.

We believe that the amendment to the terms of the Class B Shares, providing that Class B Shares held in a family trust would not automatically convert until the end of a period of two years following the holder's death, avoids the "cliff edge" scenario, in which the voting control of the Company could suddenly shift. We therefore believe that this represents an important first step in addressing concerns about the succession of voting control. We believe that each element of the structure, together with the addition of a requirement for separate approval by Class A Shareholders, voting as a separate class, of material or dilutive transactions in the future, provide effective protection of the economic interests of Class A Shareholders.

We believe that, by protecting the economic interests of Class A Shareholders and introducing only targeted changes to our corporate governance in a proportionate way, the proposed Restructuring is designed to preserve the potential for long-term value of the Class A Shares and the continued ability of the Company to use international capital markets as a source of capital for future growth.

Most importantly, we believe that, compared with potential alternatives and considering the possible actions that could be taken by the state, including efforts to limit foreign ownership, the proposed Restructuring is the best approach to preserving the continuity, value and long-term growth potential of Yandex.

Approval of proposed Restructuring

Once the Special Committee and the broader working group had finalized the key terms of the proposed Restructuring proposal, they presented the proposal to the full Board on October 29, 2019, and other members of the Board provided comments and asked questions. Following further refinement of the proposal and completion of the draft documentation, the Special Committee then met on November 16, 2019 and considered the final proposal and resolved to recommend such approval to the Board for approval. On November 17, 2019, the Board met and discussed the proposal in detail, considered the recommendation of the Special Committee, and then approved the proposal, including the proposed amendments to the Articles of Association, and unanimously resolved to recommend such amendments to the shareholders for approval.

6. RISK FACTORS

Set out below are various risks relating to the proposed Restructuring. The following is not intended to be an exhaustive list and should be read in conjunction with the other information in this Shareholder Circular. The risks described below are not the only ones that we face in relation to the proposed Restructuring; additional risks of which we are unaware, or that we currently deem immaterial, may also become important factors that affect us. Any of these risks could adversely affect our business. In such case, the trading price of our Class A Shares could decline.

If the proposed Restructuring is not approved, proposed changes in Russian legislation could materially adversely affect our business and/or the long-term interests of our shareholders, as well the trading price of our Class A Shares.

The draft proposed Foreign Ownership Law, first proposed in the Russian parliament on July 26, 2019, is designed to impose restrictions which are broad both in nature and scope and which cover a wide range of regulations and restrictions on certain internet services. Although it remains unclear if the proposed law will ultimately be adopted, or what the final terms of such law or any comparable law may be, the Company believes that neither the Company nor the Yandex Group would currently comply with the requirements of the Foreign Ownership Law in its current form. If the proposed Restructuring is not approved and the Foreign Ownership Law or any comparable restrictions are adopted, we can provide no assurance that we would be successful in identifying and implementing another strategic option that would be compliant with such law. Any resulting enforcement action by the Russian government could result in a substantial decline in the value of our business, and the loss by Class A Shareholders of all or a significant portion of their investment.

Even if the proposed Restructuring is approved, we may not be compliant with the Foreign Ownership Law or any comparable legislation that might ultimately be adopted and become applicable to the Company or its business. Any such non-compliance could have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as on the trading price of our Class A Shares.

The terms of the Foreign Ownership Law, or any comparable legislation, have not yet been finalized. We cannot assure you that the proposed Restructuring, if approved, will comply with the Foreign Ownership Law or any law that might ultimately be adopted. If, following implementation of the proposed Restructuring, the Company becomes subject to, and is found not to be compliant with, the Foreign Ownership Law or any comparable law that is eventually introduced, we cannot assure you that enforcement actions against the Company by the Russian authorities will not be imposed. The imposition of such enforcement actions could have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as on the trading price of our Class A Shares.

Other legislative efforts in Russia and other countries in which we operate may create an uncertain environment for investment and business activity that could materially adversely affect our business and/or the long-term interests of our shareholders, as well as the trading price of our Class A Shares.

We cannot assure you that the Foreign Ownership Law, or any comparable legislation, if adopted, will be the end of national legislative efforts to address increased concerns about the role of large technology and internet companies. Around the world, such companies are operating in an increasingly uncertain environment, partially due to increased scrutiny from policymakers, regulators and the public.

The legal framework in which we operate in Russia and other markets continues to evolve. The current geopolitical environment increases the risk of further regulatory and legislative initiatives in Russia that would be seen as protecting the country's national security and/or limiting foreign influence over the sector. We cannot assure you that further restructuring of the Yandex Group will not be necessary in the future as a result of further national regulatory and legislative developments. In addition, the Company plays a significant role in society, and additional restrictions, limitations or obligations could be imposed by the relevant authorities.

Should our business practices, the governance structures to be implemented pursuant to the Restructuring or strategic direction receive continued adverse scrutiny or experience increased regulation in any material market in which we operate, our business, financial condition and results of operations and cash flows, as well as the trading price of our Class A Shares, could be materially adversely affected.

The Proposed Restructuring gives the Public Interest Foundation important rights in our corporate governance structure, which could be exercised in a manner that may have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares.

The proposed Restructuring gives the Public Interest Foundation limited and targeted rights, through the powers associated with its holding of the Priority Share and the Special Voting Interest in Yandex Russia. The board of the Public Interest Foundation, as well as the Designated Directors and any Interim General Director appointed as a result of a Special Corporate Situation or Special Situation, may however take actions which are not in the interests of the Company's stakeholders, including the Class A Shareholders, or decline to approve actions that would be in the best interests of our Class A Shareholders. These actions could include exercise the veto right over the nomination of four members of our Board in such a way as to prevent the nomination of persons whom the other members of our Nominating Committee and Board believe would best serve the interests of our Company and our shareholders. Moreover, these directors, together with the two Designated Directors, could act in a manner that results in Board deadlocks on material matters, such as budget approvals, that restrict our flexibility or ability to operate. Further, if the Public Interest Foundation exercised its right to use the Special Voting Interest in Yandex Russia in a manner that is inconsistent with our expectations, or if it did so repeatedly, it could disrupt our operations and materially adversely affect the public perception of our business. Any such actions could have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares. The impact and perception of such actions could also make it difficult or impossible for us to access the public capital markets going forward.

The proposed Restructuring may result in trading volatility and a decline in the price of the Class A Shares.

The proposed Restructuring could damage our reputation for independence and commitment to the principles of neutrality. The proposed Restructuring could reduce the ability of foreign investors to have a say in the governance of our Company in certain circumstances and, as a result, Class A Shareholders may decide to sell all or part of their shares. Such circumstances may result in trading volatility and a decline in the trading price of our Class A Shares.

The Foundation Legislation applicable to the Public Interest Foundation is subject to uncertainties regarding its adoption and application. Delays in the adoption of the Foundation Legislation may result in our inability to implement the Restructuring as and when proposed and achieve the goals of the proposed Restructuring. Uncertainties regarding the interpretation and enforcement of the Foundation Legislation, when adopted, and other laws, could have a material adverse effect on our operations and corporate governance, as well as on the trading price of our Class A Shares.

The Restructuring proposal depends on the Foundation Legislation being enacted. The Foundation Legislation has not yet been signed into law by the President of the Russian Federation and we cannot assure you when this may occur. No entities have previously been formed under the Foundation Legislation and we may face unorthodox issues with implementing the Restructuring as proposed due to untested mechanics of the Foundation Legislation and supporting regulations that are yet to be adopted to make the Foundation Legislation fully functional.

In addition, as is common in markets where the legal framework is still developing, there can be unforeseen consequences from different laws and regulations, and the enforcement of laws can be subject to different interpretations. At the same time, there is sometimes a perceived lack of judicial and prosecutorial independence from external forces. Government authorities around the world are entrusted with a high degree of discretion and have at times exercised their discretion in ways that may be perceived as selective or unpredictable, and sometimes in a manner that is seen as being influenced by political or commercial considerations.

These uncertainties may result in the changes introduced through the proposed Restructuring being implemented, administered or interpreted in unexpected ways. In addition, we cannot assure you that there will not be further changes to the regulatory environment in which we operate. Any of these risks, if

realized, could have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares.

The proposed Restructuring will introduce new elements of our corporate governance with which we have no experience, and the rights granted may be exercised in unexpected ways.

Although the proposed Restructuring has been carefully designed to provide targeted and precise powers, there are certain aspects which provide for powers that are not well defined. For instance, what may constitute a “Special Situation” is not defined, although it is our understanding, based on our discussions with the relevant authorities, that such “Special Situations”, if they ever arose, would relate to an action, failure to act or practice by the Yandex Group that was deemed to be materially adverse to the national security interest of Russia as is expressly referred in the charter of Yandex Russia. However, it is possible that the Foundation Board, by approval of at least seven of its directors, may interpret the scope of national security broadly and determine that there is a Special Situation in the circumstances that we cannot foresee or reasonably consider to be related to the national security. Given the breadth of the proposed Restructuring generally, it is possible that the powers granted to the Public Interest Foundation, the Designated Directors, the Public Interest Committee and any Interim General Director may be exercised in unexpected ways, which may be adverse to the interests of Class A Shareholders and result in a decline in the trading price of our Class A Shares.

Uncertainties associated with the proposed Restructuring may result in the loss of key personnel, or a failure to attract, retain and motivate qualified personnel, which could have a material adverse effect on our business, financial condition and results of operations, as well as on the trading price of our Class A Shares.

Our current and prospective employees may be uncertain about their future roles and relationships with our operating business if the proposed Restructuring is implemented. This uncertainty may adversely affect our ability to attract and retain key management and personnel. In addition, any decline or volatility in our share price as a result of the proposed Restructuring could reduce the incentive value of our equity awards program, and could result in an increase in our cash compensation expense in order to retain staff. If any member of our senior management team or other key personnel should leave the Yandex Group, our ability to successfully operate our business and execute our business strategy could be impaired. We may also have to incur significant costs in identifying, hiring, training and retaining replacements for departing employees.

The competition for software engineers and qualified personnel who are familiar with the internet industry in Russia is intense. We may encounter difficulty in hiring and/or retaining highly talented software engineers to develop and maintain our services. There is also significant competition for personnel who are knowledgeable about the accounting and legal requirements related to a Nasdaq listing, and we may encounter difficulty in hiring and/or retaining appropriate financial staff needed to enable us to continue to comply with the internal control requirements under the Sarbanes-Oxley Act and related regulations.

Any inability to successfully retain key employees and manage our personnel needs may have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares.

The proposed Restructuring may result in changes to our corporate culture and create business uncertainties, and adversely affect our strong brand, which could have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares.

We believe our focus on teamwork and innovation has contributed to our success. The proposed Restructuring anticipates the implementation of a more complex organizational management structure. As a result, we may find it increasingly difficult to maintain the favorable aspects of our corporate culture. The proposed Restructuring may also create the perception of increased state involvement in our business, which could cause the loss of some of our users and other counterparties. It is possible that some users, suppliers and other persons with whom we have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with us or be less inclined to use our services. We may also have a more limited ability to ensure that our business is

operated in a manner that is consistent with the broader Yandex brand and how it has been operated in the past, and may find access to financing more difficult. Any of these risks, if realized, could have a material adverse effect on our business, financial condition and results of operations and cash flows, as well as on the trading price of our Class A Shares.

The proposed Restructuring requires additional administrative effort, which may put strain on our management and other resources. Such efforts may result in us being unable to pursue other opportunities that could be beneficial to our Company. We will also need to continue to improve our operational and financial systems and managerial controls and procedures and maintain close coordination among our technical, accounting, finance, marketing and sales personnel. If the improvements are not implemented successfully or our growth is impaired as a result of the proposed Restructuring, our business, financial condition and results of operations and cash flows, as well as the trading price of our Class A Shares, could be materially adversely affected.

As a result of the amendments to the Class B Shares, voting control exercised by the holders of the Class B Shares may be extended for a period of time following their deaths, limiting your ability to influence corporate matters during this period.

As part of the proposed Restructuring, the automatic conversion feature of the Class B Shares is proposed to be amended to provide that upon the death of a Class B holder, including Mr. Volozh, Class B Shares held by a family trust established by such holder will not automatically convert for a period of two years. During the two-year transition period following the death of Mr. Volozh, the trustee of the family trust will be bound to vote in favor of any proposal of the Board, and in accordance with the Board's recommendation on any other matter. These restrictions will fall away, and the shares will automatically convert into Class A Shares, after the end of that two-year period, by express provision of the Articles of Association.

This provision, which is intended to ensure an orderly transition in such circumstances, will nonetheless limit your ability to influence corporate matters during this period. We may take actions that our public shareholders do not view as beneficial or as maximizing value for them. As a result, the trading price of our Class A Shares may be adversely affected.

7. RECOMMENDATION

The Board believes that it is prudent to implement the proposed Restructuring to address the concerns identified with respect to public interests (as described above). Based on the process undertaken by the Special Committee, the Board and the broader working group, the Board believes that, if implemented, the proposed Restructuring will reduce the risks faced by the Company with respect to public interest concerns.

The Board therefore believes that the proposed Restructuring is in the best interests of Yandex and all of its stakeholders, including in particular its Class A Shareholders, and recommends that the Class A Shareholders and Class B Shareholders vote FOR the proposals set forth herein.

8. EXPENSES RELATED TO THE RESTRUCTURING

The aggregate fees and expenses that we expect to incur in connection with the proposed Restructuring, including the fees of financial and legal advisors, fees paid to members of the Special Committee, and the expenses of proxy solicitation, are estimated to be approximately \$12 million.

9. TIMETABLE

Set out below is an indicative timetable for the key steps in relation to the proposed Restructuring.

Event	Date and Time (CET)*
Voting record date for both Shareholder Meetings	November 22, 2019 at 11.59 p.m. CET
Latest time and date for receipt of forms of proxy for both Shareholder Meetings	December 19, 2019 at 11.59 p.m. CET
Class A Meeting	December 20, 2019 at 10:00 a.m. CET
EGM	December 20, 2019, immediately following the Class A Meeting, and subject to approval of the proposal at the Class A Meeting
Restructuring becomes effective if all shareholder resolutions are successfully passed	As promptly as practicable following approval

*The dates and times are indicative only and are based on current expectations and may be subject to change.



YANDEX N.V.

Schiphol Boulevard 165
1118 BG Schiphol
The Netherlands

To: Holders of Class A Ordinary Shares in Yandex N.V.
From: Board of Directors
Date: November 18, 2019

Notice of Meeting of holders of Class A Ordinary Shares of Yandex N.V.

We hereby inform you that Yandex N.V. (the “Company”) will hold a Meeting of holders of Class A Ordinary Shares (the “Class A Meeting”) on December 20, 2019 (the “Meeting Date”), **beginning at 10:00 a.m. local time at the Hotel De L’Europe | Nieuwe Doelenstraat 2-14 | 1012 CP Amsterdam | The Netherlands.**

Enclosed with this notice you will find the Agenda for the Class A Meeting, together with Explanatory Notes, as well as a Power of Attorney / Proxy to authorize Company representatives to vote your shares at the Class A Meeting.

All shareholders of the Company will be given notice of a separate Extraordinary Meeting of Shareholders (the “EGM”) which will be held on the same date and immediately following the Class A Meeting. At the EGM, various agenda items will be tabled including the amendment of the articles of association of the Company (the “**Articles of Association**”). The resolution of the EGM to amend the Articles of Association is conditional upon the Class A Meeting giving its prior approval to such resolution of the EGM with a majority of at least three-fourths (3/4) of the votes cast at the Class A Meeting.

If you are planning to attend the Class A Meeting or the EGM in person, we kindly request you to provide advance notice by notifying the Company at EGM2019@yandex-team.ru before 5.30 p.m. (Amsterdam time) on December 17, 2019.

The agenda item scheduled for the Class A Meeting:

1. Prior approval to resolution of the EGM to amend the Articles of Association of the Company. **(Decision)**

Copies of materials related to the Class A Meeting, including this Notice of Meeting, the Agenda and Explanatory Notes, and a Draft Deed of Amendment of the Articles of Association (in Dutch and in English), are available:

- at: <http://www.edocumentview.com/YNDX>
- on our website at <https://ir.yandex/shareholder-meetings>
- at the Company’s offices (Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands)
- from Investor Relations, tel +7 495 739-7000 or by email: EGM2019@yandex-team.ru

On October 31, 2019 the total number of Class A Ordinary Shares outstanding (excluding shares held in treasury) was 291,547,431, with each Class A Ordinary Share carrying one vote.

The persons who will be considered as entitled to vote and/or attend the Class A Meeting are those persons who on November 22, 2019, after processing of all settlements as of this date (the record date), have these rights and are registered as such in a register designated by the Board. The designated register is maintained by the Company's transfer agent and registrar, Computershare Trust Company N.A.

If you would like to attend the Class A Meeting and your Class A Ordinary Shares are held by a broker, bank or other nominee, you must bring to the Class A Meeting a letter from the nominee confirming your beneficial ownership of such shares. In order to vote your shares at the Class A Meeting, you must obtain from the nominee a proxy issued in your name. You must also bring a form of personal identification.

Your vote is important regardless of the number of shares you own. Whether or not you expect to attend the Class A Meeting, we hope you will take the time to vote your shares. If you are a shareholder of record, you may vote your Class A Ordinary Shares over the Internet (at <http://www.investorvote.com/YNDX>), by telephone (at +1-800-652-8683) or by completing and mailing the enclosed Power of Attorney / Proxy card in the envelope provided. If your shares are held in "street name", meaning they are held for your account by a broker or other nominee, you will receive instructions from the broker that you must follow for your shares to be voted.

Many brokers are subject to New York Stock Exchange ("NYSE") rules. The NYSE rules direct that, if you are the beneficial owner of shares held in "street name" by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instruction. If you do not give instructions to the broker, the broker will be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (those shares are treated as "broker non-votes"). The election of directors is not considered a discretionary item. This means that brokers who have not been furnished voting instructions from their clients will not be authorized to vote in their discretion for the election of directors. We urge you to provide voting instructions to your broker so that your votes may be counted.

The resolution of the Class A Meeting approving the resolution of the EGM to amend the Articles of Association requires pursuant to Article 28.3 of the current Articles of Association a majority of at least three-fourths (3/4) of the votes cast at the Class A Meeting. Under our Articles of Association, blank or invalid votes count towards establishing a quorum, but do not count for voting purposes. Shareholders and interested parties may contact any of the Company's directors, including the Chairman, the non-management directors as a group, the chair of any committee of the Board of Directors or any committee of the Board by writing them via e-mail at EGM2019@yandex-team.ru.

Amsterdam, November 18, 2019



MEETING OF HOLDERS OF CLASS A ORDINARY SHARES

Agenda and Explanatory Notes

To: Holders of Class A Ordinary Shares in Yandex N.V. (the “Company”)
Date: December 20, 2019 at 10:00 a.m. local time
Location: Hotel De L’Europe | Nieuwe Doelenstraat 2-14 | 1012 CP Amsterdam | The Netherlands

Opening

Introductory Remarks

Prior approval to resolution of the Extraordinary General Meeting of the Company to amend the current Articles of Association of the Company

To approve pursuant to Article 28.3 of the current Articles of Association of the Company the resolution of the Extraordinary General Meeting of the Company to amend the current Articles of Association of the Company in accordance with the Draft Deed of Amendment of the Articles of Association. **(Decision)**

Other business

Any other business.

Opening

The Chairman and the Chief Executive Officer will explain the rationale and background of the proposed Restructuring as set out in the Shareholder Circular dated November 18, 2019.

Prior approval to resolution of the EGM to amend the Company's Articles of Association

It is proposed to amend the Articles of Association of the Company in accordance with the Draft Deed of Amendment of the Articles of Association. In accordance with Article 28.3 of the current Articles of Association, a resolution of the EGM to amend the Articles of Association in which rights of holders of Class A Ordinary Shares are taken away/affected, including but not limited to any change in certain specified provisions set forth in the Articles of Association, requires the prior approval of the Class A Meeting by resolution of the Class A Meeting taken with a majority of at least three-fourths (3/4) of the votes cast at such Class A Meeting. The tabled resolution of the EGM to amend the Articles of Association requires in accordance with Article 28.2 of the current Articles of Association a two-thirds (2/3) majority of the votes cast at the EGM.

The tabled resolution of the EGM to amend the Articles of Association is conditional upon the Class A Meeting giving its prior approval such resolution with a majority of at least three-fourths (3/4) of the votes cast at the Class A Meeting.

Holders of Class A Ordinary Shares are advised to take good notice of the amendments contained in the Draft Deed of Amendment of the Articles of Association. For convenience, the key amendments are summarized below. It should be noted that the summary of key amendments is qualified in its entirety by the text of the Draft Deed of Amendment of the Articles of Association, which in addition to the key amendments contains further amendments. The Draft Deed of Amendment of the Articles of Association will in all circumstances prevail.

For a further explanation and background to the various proposed amendments of the Articles of Association, reference is made to the Shareholder Circular. Unless the context otherwise requires, capitalised terms used hereunder have the same meaning as given thereto in the English translation of the Draft Deed of Amendment of the Articles of Association.

- The rights attaching to the Priority Share are being amended. The holder of the Priority Share will have the right to make a binding nomination for the appointment by the General Meeting of two Non-Executive Directors, in addition to rights in respect of the accumulation of large stakes (with the threshold being reduced from 25% to 10% of the voting rights or number of Class A Ordinary Shares and Class B Ordinary Shares) in the Company. The Priority Share may only be held by the Public Interest Foundation or another party specifically nominated by the Board of Directors for this purpose.
- The two Non-Executive Directors who will be appointed on the basis of a binding nomination by the holder of the Priority Share and form a separate class of Designated Directors. One Designated Director will be a member of the Nominating Committee and both Designated Directors will be members of the Public Interest Committee.
- The holder of the Priority Share will be entitled (1) to request the Board of Directors to call a General Meeting to fill a vacancy in respect of one or both Designated Directors, (2) to propose specific items for the agenda of the Annual General Meeting and (3) once every calendar year to call a General Meeting to replace a Designated Director and elect a replacement.
- Any amendments to the Articles of Association which affect the rights of the Priority Share, including, but not limited to: (i) the size of the Board of Directors, (ii) the Eligibility Criteria, (iii) the Nominating Committee; or (iv) the Public Interest Committee, will require the prior approval of the holder of the Priority Share.

- Each Non-Executive Director will have to meet Eligibility Criteria and certain Non-Executive Directors will have to meet Independence Criteria (as defined in the Articles of Association).
- The General Meeting may appoint substitute Directors in the event one or more Directors ceases to hold office or is unable to execute his/her duties and responsibilities during such period of absence until a new Director has been appointed. The appointment of substitute Directors may be made at any time including at the time of the appointment of the original Director. A substitute Designated Director shall be appointed on the basis of a binding nomination by the holder of the Priority Share.
- Any resolution by the Board of Directors taken at a meeting shall require the affirmative votes of at least seven (7) Directors (or such lesser number as are then in office) unless the Articles of Association provide otherwise and certain resolutions by the Board of Directors can only be taken with certain majorities which in certain circumstances has to include the affirmative votes of one or more Designated Directors (with adapted majorities in case less than twelve Directors are in office).
- The appointment by the Board of Directors of a Chief Executive Officer requires the affirmative vote of at least eight (8) Directors (excluding the vote of the Director who is being considered for the position) (with an adapted majority in case less than twelve Directors are in office).
- The following new committees of the Board of Directors will be established and existing committees of the Board of Directors will be formally established in the Articles of Association:
 - Public Interest Committee (new);
 - Nominating Committee (new);
 - Corporate Governance Committee (new);
 - Audit Committee (existing); and
 - Compensation Committee (existing).
- The provision in the Articles of Association, that provides that qualified shareholding restrictions for holders of Ordinary Shares shall terminate if any law or regulation of the Russian Federation is adopted which imposes a limitation or restriction on the ownership of internet business in Russia by non-Russian parties, will be deleted. This means that if foreign ownership laws are adopted in Russia that are applicable to our Company, the veto right of the Priority Share over the accumulation of a stake of more than 10% in our Company will continue in force, rather than terminate.
- Any resolution of the General Meeting to issue Class A Ordinary Shares or Class B Ordinary Shares or to delegate the authority to issue Class A Ordinary Shares or Class Ordinary B Shares to another corporate body, will require the prior approval of the Meeting of holders of Class A Ordinary Shares if the issue of Class A Ordinary Shares or Class B Ordinary Shares exceeds 20% of the issued share capital of the Company.
- Any resolution by the Board (1) to transfer the enterprise or substantially all of the enterprise of the Company to a third party, (2) to conclude or cancel a long-lasting cooperation that is of essential importance to the Company, (3) to acquire or dispose of a participating interest in the capital of a Company with a value in excess of one-third (1/3) of the total consolidated assets of the Company or (4) to enter into a transaction or series of related transactions by the Company or a subsidiary involving the payment of an amount in excess of one-third (1/3) of the total consolidated assets of the Company or the sale of assets in excess of that amount, will require the prior approval of the Meeting of holders of Class A Ordinary Shares.

- Any resolution of the General Meeting to amend the Articles of Association, to conclude a legal merger or demerger or to dissolve the Company will require the prior approval of the Meeting of holders of Class A Ordinary Shares.
- The automatic conversion mechanism for Class B Ordinary Shares is being amended in that Class B Ordinary Shares held by a family trust will not automatically convert into Class A Ordinary Shares until the end of a period of two (2) years following the holder's death.
- The automatic conversion mechanism for Class B Ordinary Shares if and when 95% or more of all issued and outstanding Class A Ordinary Shares and Class B Ordinary Shares (by number, taken together) are Class A Ordinary Shares, will be deleted.
- A technical amendment to delete the preference shares from the authorised share capital of the Company.
- The authorised share capital of the Company is being amended as set out in the Draft Deed of Amendment of the Articles of Association.
- The threshold for shareholders to propose agenda items for a General Meeting will be increased to at least 3% (from at least 1%) of the issued share capital of the Company and the alternative market value threshold of EUR 50 million will be deleted.
- The right of shareholders together holding at least 10% of the issued share capital of the Company to request the Board of Directors to call a General Meeting, will be made subject to court approval.



YANDEX N.V.

Schiphol Boulevard 165
1118 BG Schiphol
The Netherlands

To: Shareholders of Yandex N.V.
From: Board of Directors
Date: November 18, 2019

Notice of Extraordinary General Meeting of Shareholders of Yandex N.V.

We hereby inform you that Yandex N.V. (the “**Company**”) will hold an Extraordinary General Meeting of Shareholders (the “**EGM**”) on December 20, 2019 (the “**EGM Date**”), **beginning immediately following the Class A Meeting, at the Hotel De L’Europe | Nieuwe Doelenstraat 2-14 | 1012 CP Amsterdam | The Netherlands.**

Enclosed with this notice you will find the Agenda for the EGM, together with Explanatory Notes, as well as a Power of Attorney / Proxy to authorize Company representatives to vote your shares at the EGM.

Holders of Class A Ordinary Shares will be given notice of a separate Meeting of Holders of Class A Ordinary Shares (the “Class A Meeting”) which will be held on the same date but prior to the EGM. At the Class A Meeting the prior approval by the Class A Meeting of agenda item 1 (Amendment of Articles of Association) will be tabled. No other agenda items will be tabled at the Class A Meeting and only holders of Class A Ordinary Shares are entitled to attend and vote at the Class A Meeting. The tabled resolution of the EGM to amend the Articles of Association (agenda item 1) is conditional upon the Class A Meeting resolving to give prior approval to the amendment of the Articles of Association with a majority of at least three-fourths (3/4) of the votes cast at the Class A Meeting.

If you are planning to attend the EGM in person, we kindly request you to provide advance notice by notifying the Company at EGM2019@yandex-team.ru before 5.30 p.m. (Amsterdam time) on December 17, 2019.

The following agenda items are scheduled for the EGM:

1. Amendment of Articles of Association. **(Decision)**
2. Authorisation to repurchase Priority Share **(Decision)**
3. Appointment of Alexey Komissarov as Non-Executive Director of the Company for term ending at the Annual General Meeting to be held in 2023. **(Decision)**
4. Appointment of Alexei Yakovitsky as Non-Executive Director of the Company for a term ending at the Annual General Meeting to be held in 2023. **(Decision)**
5. Cancellation of outstanding Class C Ordinary Shares. **(Decision)**

Copies of materials related to the EGM, including this Notice of Meeting, the Agenda and Explanatory Notes, and a Draft Deed of Amendment of the Articles of Association (in Dutch and in English), are available:

- at: <http://www.edocumentview.com/YNDX>
- on our website at <https://ir.yandex/shareholder-meetings>
- at the Company's offices (Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands)
- from Investor Relations, tel +7 495 739-7000 or by email: EGM2019@yandex-team.ru

On October 31, 2019 the total number of Class A Ordinary Shares outstanding (excluding shares held in treasury) was 291,547,431, with a total of 291,547,431 voting rights; the total number of Class B Ordinary Shares was 37,138,658, with a total of 371,386,580 voting rights; and the total number of Class C Ordinary Shares was 610,000, with a total of 5,490,000 voting rights. Each Class A Ordinary Share carries one vote; each Class B Ordinary Share carries ten votes; and each Class C Ordinary Share carries nine votes. The Class A Ordinary Shares and Class B Ordinary Shares will vote together as a single class on all matters at the EGM. The Class C Ordinary Shares will be held by the Company. In accordance with the current Articles of Association, the Company shall not be entitled to vote on the Class C Ordinary Shares.

The persons who will be considered as entitled to vote and/or attend the EGM are those persons who on 22 November 2019, after processing of all settlements as of this date (the record date), have these rights and are registered as such in a register designated by the Board. The designated register for the Class A Ordinary Shares is maintained by the Company's transfer agent and registrar, Computershare Trust Company N.A. The designated register for the Class B Ordinary Shares is maintained by the Company.

If you would like to attend the EGM and your Class A Ordinary Shares are held by a broker, bank or other nominee, you must bring to the EGM a letter from the nominee confirming your beneficial ownership of such shares. In order to vote your shares at the EGM, you must obtain from the nominee a proxy issued in your name. You must also bring a form of personal identification.

Your vote is important regardless of the number of shares you own. Whether or not you expect to attend the EGM, we hope you will take the time to vote your shares. If you are a shareholder of record, you may vote your Class A Ordinary Shares over the Internet (at <http://www.investorvote.com/YNDX>), by telephone (at +1-800-652-8683) or by completing and mailing the enclosed Power of Attorney / Proxy card in the envelope provided. If your shares are held in "street name", meaning they are held for your account by a broker or other nominee, you will receive instructions from the broker that you must follow for your shares to be voted.

Many brokers are subject to New York Stock Exchange ("NYSE") rules. The NYSE rules direct that, if you are the beneficial owner of shares held in "street name" by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instruction. If you do not give instructions to the broker, the broker will be entitled to vote the shares with respect to "discretionary" items but will not be permitted to vote the shares with respect to "non-discretionary" items (those shares are treated as "broker non-votes"). The election of directors is not considered a discretionary item. This means that brokers who have not been furnished voting instructions from their clients will not be authorized to vote in their discretion for the election of directors. We urge you to provide voting instructions to your broker so that your votes may be counted.

Agenda item 1 (Amendment of Articles of Association) requires a resolution of the EGM with a majority of at least two-thirds (2/3) of the votes cast at the EGM. All other matters require an absolute majority of the votes cast. Under our Articles of Association, blank or valid votes count towards establishing a quorum, but do not count for voting purposes.

Shareholders and interested parties may contact any of the Company's directors, including the Chairman, the non-management directors as a group, the chair of any committee of the Board of Directors or any

committee of the Board by writing them via e-mail at EGM2019@yandex-team.ru. Shareholders who are eligible and intend to have an item added to the agenda of the EGM must comply with the requirements contained in Article 18 of the Company's Articles of Association, as amended. We reserve the right (subject to the laws of The Netherlands) to reject, rule out of order or take other appropriate action with respect to any proposal or nomination that does not comply with these and other applicable requirements.

Amsterdam, November 18, 2019



EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Agenda and Explanatory Notes

To: Holders of Shares in Yandex N.V. (the “Company”)
Date: December 20, 2019 immediately following the Class A Meeting
Location: Hotel De L’Europe | Nieuwe Doelenstraat 2-14 | 1012 CP Amsterdam | The Netherlands

Opening

Introductory Remarks

Amendment of Articles of Association

1. To amend the current Articles of Association of the Company in accordance with the Draft Deed of Amendment of the Articles of Association and to authorize Mr. Alex de Cuba, legal counsel at the Company, and each of the lawyers, notaries and tax advisers of Van Doorne N.V., acting individually, to sign a notarial Deed of Amendment of the Articles of Association on behalf of the Company. **(Decision)**

Authorisation to repurchase Priority Share

2. To authorise the Board of Directors to repurchase the Priority Share. **(Decision)**

Appointment of Non-Executive Directors (Designated Directors)

3. To appoint Alexey Komissarov as Non-Executive Director of the Company for a term ending at the Annual General Meeting to be held in 2023, conditional upon the amendment of the Articles of Association in accordance with the Draft Deed of Amendment of the Articles of Association referred to under agenda item 1. **(Decision)**
4. To appoint Alexei Yakovitsky as Non-Executive Director of the Company for a term ending at the Annual General Meeting to be held in 2023, conditional upon the amendment of the Articles of Association in accordance with the Draft Deed of Amendment of the Articles of Association referred to under agenda item 1. **(Decision)**

Cancellation of Class C Ordinary Shares

5. To cancel 610,000 outstanding Class C Ordinary Shares, all held by the Company. **(Decision)**

Other business

Any other business.

The Chairman and the Chief Executive Officer will explain the rationale and background of the proposed Restructuring as set out in the Shareholder Circular dated November 18, 2019.

Amendment Articles of Association

1. Amendment Articles of Association

It is proposed to amend the Articles of Association of the Company in accordance with the Draft Deed of Amendment of the Articles of Association. In accordance with Article 28.2 of the current Articles of Association this resolution requires a majority of at least two-thirds (2/3) of the votes cast at the EGM. In addition, the resolution of the EGM to amend the Articles of Association in which rights of holders of Class A Ordinary Shares are taken away/affected, including but not limited to any change in certain specified provisions set forth in the Articles of Association, requires in accordance with Article 28.3 of the current Articles of Association the prior approval of the Class A Meeting by resolution of the Class A Meeting taken with a majority of at least three-fourths (3/4) of the votes cast at the Class A Meeting.

Shareholders are advised to take good notice of the amendments contained in the Draft Deed of Amendment of the Articles of Association. For convenience, the key amendments are summarized below. It should be noted that the summary of key amendments is qualified in its entirety by the text of the Draft Deed of Amendment of the Articles of Association, which in addition to the key amendments contains further amendments. The Draft Deed of Amendment of the Articles of Association will in all circumstances prevail.

For a further explanation and background to the various proposed amendments of the Articles of Association, reference is made to the Shareholder Circular. Unless the context otherwise requires, capitalised terms used hereunder have the same meaning as given thereto in the English translation of the Draft Deed of Amendment of the Articles of Association.

- The rights attaching to the Priority Share are being amended. The holder of the Priority Share will have the right to make a binding nomination for the appointment by the General Meeting of two Non-Executive Directors, in addition to rights in respect of the accumulation of large stakes (with the threshold being reduced from 25% to 10% of the voting rights or number of Class A Ordinary Shares and Class B Ordinary Shares) in the Company. The Priority Share may only be held by the Public Interest Foundation or another party specifically nominated by the Board of Directors for this purpose.
- The two Non-Executive Directors who will be appointed on the basis of a binding nomination by the holder of the Priority Share and form a separate class of Designated Directors. One Designated Director will be a member of the Nominating Committee and both Designated Directors will be members of the Public Interest Committee.
- The holder of the Priority Share will be entitled (1) to request the Board of Directors to call a General Meeting to fill a vacancy in respect of one or both Designated Directors, (2) to propose specific items for the agenda of the Annual General Meeting and (3) once every calendar year to call a General Meeting to replace a Designated Director and elect a replacement.
- Any amendments to the Articles of Association which affect the rights of the Priority Share, including, but not limited to: (i) the size of the Board of Directors, (ii) the Eligibility Criteria, (iii) the Nominating Committee; or (iv) the Public Interest Committee, will require the prior approval of the holder of the Priority Share.
- Each Non-Executive Director will have to meet Eligibility Criteria and certain Non-Executive Directors will have to meet Independence Criteria (as defined in the Articles of Association).

- The General Meeting may appoint substitute Directors in the event one or more Directors ceases to hold office or is unable to execute his/her duties and responsibilities during such period of absence until a new Director has been appointed. The appointment of substitute Directors may be made at any time including at the time of the appointment of the original Director. A substitute Designated Director shall be appointed on the basis of a binding nomination by the holder of the Priority Share.
- Any resolution by the Board of Directors taken at a meeting shall require the affirmative votes of at least seven (7) Directors (or such lesser number as are then in office) unless the Articles of Association provide otherwise and certain resolutions by the Board of Directors can only be taken with certain majorities which in certain circumstances has to include the affirmative votes of one or more Designated Directors (with adapted majorities in case less than twelve Directors are in office).
- The appointment by the Board of Directors of a Chief Executive Officer requires the affirmative vote of at least eight (8) Directors (excluding the vote of the Director who is being considered for the position) (with an adapted majority in case less than twelve Directors are in office).
- The following new committees of the Board of Directors will be established and existing committees of the Board of Directors will be formally established in the Articles of Association:
 - Public Interest Committee (new);
 - Nominating Committee (new);
 - Corporate Governance Committee (new);
 - Audit Committee (existing); and
 - Compensation Committee (existing).
- The provision in the Articles of Association, that provides that qualified shareholding restrictions for holders of Ordinary Shares shall terminate if any law or regulation of the Russian Federation is adopted which imposes a limitation or restriction on the ownership of internet business in Russia by non-Russian parties, will be deleted. This means that if foreign ownership laws are adopted in Russia that are applicable to our company, the veto right of the Priority Share over the accumulation of a stake of more than 10% in our Company will continue in force, rather than terminate.
- Any resolution of the General Meeting to issue Class A Ordinary Shares or Class B Ordinary Shares or to delegate the authority to issue Class A Ordinary Shares or Class Ordinary B Shares to another corporate body, will require the prior approval of the Meeting of holders of Class A Ordinary Shares if the issue of Class A Ordinary Shares or Class B Ordinary Shares exceeds 20% of the issued share capital of the Company.
- Any resolution by the Board (1) to transfer the enterprise or substantially all of the enterprise of the Company to a third party, (2) to conclude or cancel a long-lasting cooperation that is of essential importance to the Company, (3) to acquire or dispose of a participating interest in the capital of a Company with a value in excess of one-third (1/3) of the total consolidated assets of the Company or (4) to enter into a transaction or series of related transactions by the Company or a subsidiary involving the payment of an amount in excess of one-third (1/3) of the total consolidated assets of the Company or the sale of assets in excess of that amount, will require the prior approval of the Meeting of holders of Class A Ordinary Shares.

- Any resolution of the General Meeting to amend the Articles of Association, to conclude a legal merger or demerger or to dissolve the Company will require the prior approval of the Meeting of holders of Class A Ordinary Shares.
- The automatic conversion mechanism for Class B Ordinary Shares is being amended in that Class B Ordinary Shares held by a family trust will not automatically convert into Class A Ordinary Shares until the end of a period of two (2) years following the holder's death.
- The automatic conversion mechanism for Class B Ordinary Shares if and when 95% or more of all issued and outstanding Class A Ordinary Shares and Class B Ordinary Shares (by number, taken together) are Class A Ordinary Shares, will be deleted.
- A technical amendment to delete the preference shares from the authorised share capital of the Company.
- The authorised share capital of the Company is being amended as set out in the Draft Deed of Amendment of the Articles of Association.
- The threshold for shareholders to propose agenda items for a General Meeting will be increased to at least 3% (from at least 1%) of the issued share capital of the Company and the alternative market value threshold of EUR 50 million will be deleted.
- The right of shareholders together holding at least 10% of the issued share capital of the Company to request the Board of Directors to call a General Meeting, will be made subject to court approval.

Authorisation to repurchase Priority Share

2. Authorisation of the Board of Directors to repurchase the Priority Share from the current holder thereof for a purchase prices of EUR 1.

As part of the Restructuring as described in the Shareholder Circular, the Company proposes to repurchase the Priority Share from the current holder thereof. The purchase price will be EUR 1 being the nominal value of the Priority Share. The repurchase of the Priority Share is conditional upon the amendment of the Articles of Association being approved with the requisite majorities and will be effected prior to the execution of the Deed of Amendment of the Articles of Association. Following the repurchase of the Priority Share and the execution of the Deed of Amendment of the Articles of Association, the Company will transfer the Priority Share to the Public Interest Foundation.

The authorisation of the Board of Directors by the General Meeting to repurchase the Priority Share is required pursuant to Article 10 of the current Articles of Association.

Appointment of Non-Executive Directors (Designated Directors)

3. To appoint Alexey Komissarov as Non-Executive Director of the Company for a term ending at the Annual General Meeting to be held in 2023, conditional upon the amendment of the Articles of Association in accordance with the Draft Deed of Amendment of the Articles of Association

It is proposed to appoint Alexey Komissarov as Non-Executive Director of the Company for a term running from the date of the execution of the Deed of Amendment of the Articles of Association until the Annual General Meeting to be held in 2023. The appointment will be conditional upon the amendment of the Articles of Association in accordance with the Draft Deed of Amendment of the Articles of Association referred to under agenda item 1. The Board of Directors will irrevocably designate Alexey Komissarov as Designated Director as such term is defined in the Articles of Association as to be amended. As a result, as from the designation Alexey Komissarov will have all authorities of a Designated Director as provided for in the Articles of Association. Accordingly, the Board of Directors cannot revoke the designation as Designated Director and any successor of the Designated Director shall be appointed by the General Meeting on the basis of a binding nomination by the holder of the Priority Share.

Alexey Komissarov (age 50) is vice-rector of the Russian Presidential Academy of National Economy and Public Administration. He is also a member of PJSC SIBUR Holding's board of directors. From 2015 to 2017, he was director of the Industry Development Fund and served as independent director, member of the Strategy and Investment Committee and chairman of the Budget and Reporting Committee to GLONASS. From 2011 to 2015, he worked in the Moscow government as a minister and head of the Department of Science, Industrial Policy and Entrepreneurship, and also served as advisor to the Mayor. Mr. Komissarov has a degree from the Moscow Automobile and Road Construction State Technical University in Automotive Engineering and Maintenance, an MBA from Kingston University in the UK.

4. To appoint Alexei Yakovitsky as Non-Executive Director of the Company for a term ending at the Annual General Meeting to be held in 2023, conditional upon the amendment of the Articles of Association in accordance with the Draft Deed of Amendment of the Articles of Association

It is proposed to appoint Alexei Yakovitsky as Non-Executive Director of the Company for a term running from the date of the execution of the Deed of Amendment of the Articles of Association until the Annual General Meeting to be held in 2023. The appointment will be conditional upon the amendment of the Articles of Association in accordance with the Draft Deed of Amendment of the Articles of Association referred to under agenda item 1. The Board of Directors will irrevocably designate Alexei Yakovitsky as Designated Director as such term is defined in the Articles of Association as to be amended. As a result, as from the designation Alexei Yakovitsky will have all authorities of a Designated Director as provided for in the Articles of Association. Accordingly, the Board of Directors cannot revoke the designation as Designated Director and any successor of the Designated Director shall be appointed by the General Meeting on the basis of a binding nomination by the holder of the Priority Share.

Alexei Yakovitsky (age 44) is the CEO of VTB Capital, VTB Group's investment banking business. He is also a member of VTB Capital's board of directors. In addition, he is the chairman of the Supervisory Board of VTB Bank (Europe) SE, headquartered in Frankfurt, Germany. Mr Yakovitsky is also a member of the board of directors of VTB Capital Plc, VTB Capital's London subsidiary and a member of the board of directors of Rostelecom. Mr. Yakovitsky started his career in equity research at United Financial Group ("UFG"). He was ranked the #1 telecom analyst for Russia by Institutional Investor in 2004 and was co-head of Russian equity research at UFG and Deutsche Bank (which acquired UFG) in 2005-2008. He then joined VTB Capital in 2008 as co-head of equities and head of research, and became its Moscow CEO in 2009. Mr Yakovitsky has degrees from Moscow Lomonosov State University, Department of History, as well as from the Nelson A. Rockefeller College of Public Affairs and Policy (Albany, US).

Cancellation of Class C Ordinary Shares

5. Cancellation of outstanding Class C Ordinary Shares

The Company has issued Class C Ordinary Shares from time to time solely for technical purposes, to facilitate the conversion of its Class B Ordinary Shares into Class A Ordinary Shares. A total of 610,000 of the Company's Class C Ordinary Shares were held by a Conversion Foundation managed by members of the Board of Directors, have been transferred for no consideration to the Company for the purpose of cancellation, and will be cancelled following the EGM.

Defined terms	Definitions
Annual General Meeting	an annual general meeting of Yandex
Articles of Association	the articles of association of Yandex
Yandex Group	Yandex and the companies it controls
Yandex Russia	Yandex LLC, the wholly-owned, principal operating subsidiary of the Company
Board	the board of directors of the Company
Class A Meeting	the meeting of the holders of the Class A Shares to be held on December 20, 2019 at 10:00 a.m.
Class A Shareholders	the holders of Class A Shares
Class A Shares	the class A ordinary shares in the capital of the Company
Class B Shares	the class B ordinary shares in the capital of the Company
Class C Shares	the class C ordinary shares in the capital of the Company
Company or Yandex	Yandex N.V.
Deed of Amendment	the deed of amendment of the articles of association of the Company to be tabled at the Class A Meeting
Designated Director	means either one of the two directors elected by the shareholders by way of a binding nominations by the Public Interest Foundation to the Board of Yandex
Director	means a member of the Board of Yandex
EGM	the Extraordinary General Meeting of Yandex to be held on December 20, 2019, immediately following the Class A Meeting
EU	the European Union
Foreign Ownership Law	the proposed law restricting foreign ownership of technology companies introduced in the Russian Duma in July 2019
Foundation Board	the board of directors of the Public Interest Foundation
Foundation Charter	the constitutional document of the Public Interest Foundation
Foundation Legislation	the applicable Russian legislation that governs the Public Interest Foundation
General Meeting	a general meeting of Yandex
Nominating Committee	the committee of the Board which will recommend candidates for nomination to the Board
Priority Share	the existing priority share of €1.00 currently held by Sberbank (as amended)

Public Interest Committee	the committee of the Board which will address certain strategic matters affecting the Company and Yandex Russia
Public Interest Foundation or Foundation	the foundation to be composed of 11 directors and to hold certain special voting rights in the Company and Yandex Russia
Restructuring	the process to restructure the corporate governance of the Yandex Group in line with the proposals as described in this document to be voted on at the Shareholder Meetings
Roskomnadzor	the Russian Federal Service for Supervision in the Sphere of Telecom, Information Technologies and Mass Communications
Russia	the Russian Federation
Sberbank	Sberbank of Russia
SEC	the US Securities and Exchange Commission
SIR	strategic information resources
Shareholder Circular	this document
Shareholder Meetings	the Class A Meeting and the EGM
Special Voting Interest	the special voting interest in Yandex Russia to be held by the Public Interest Foundation
U.S. or United States	the United States of America
Volozh Family Trust	the irrevocable, non-discretionary trust to be established to hold Arkady Volozh's Class B Shares

In this translation an attempt has been made to be as literal as possible without jeopardising the overall continuity. Inevitably, differences may occur in translation, and if so, the Dutch text will by law govern

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ARTICLES OF ASSOCIATION

Definitions.

Article 1.

1. In the Articles of Association the following words and expressions shall have the meaning hereby assigned to them:

- a. “**Affiliated Party**” means: with respect to any party, any other natural person or legal entity that (a) directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such party, (b) is acting in concert with such party pursuant to a voting agreement or other formal arrangement with respect to the acquisition, disposition or voting of Shares or (c) is a pledgee of Ordinary Shares held by such party that is entitled to exercise the voting rights pertaining to such Ordinary Shares;

For purposes of this definition:

(i) The term “**control**” shall mean the ownership, directly or indirectly, of voting securities possessing more than fifty percent (50%) of the voting power of a legal entity, or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such legal entity; provided that, for purposes of clause (a) of the first paragraph of this definition, all voting power held by entities under common control (including investment funds under common investment control) shall be aggregated together and attributed to each other such entity under common control for the purpose of determining the voting power percentage of each such entity; and

(ii) The term “**investment control**” as used in the previous paragraph shall mean, with respect to any person, the possession, directly or indirectly (whether through the ownership of voting securities, by contract or otherwise), of the sole and exclusive power to direct or cause the direction of the voting or disposition of all securities held by such person. Two entities shall be considered to be under common investment control if they are subject to investment control by the same party;

- b. “**Articles of Association**” means: the articles of association of the Company in their current form and as amended from time to time;
- c. “**Audit Committee**” shall have the meaning set forth in Article 15;
- d. “**Book 2**” means: Book 2 of the Dutch Civil Code;
- e. “**Board of Directors**” means: the body of individual persons controlling the management of the Company’s business consisting of Executive Directors and Non-Executive Directors as referred to in Article 12;
- f. “**Chairman**” means: the Non-Executive Director serving as chairman of the Board of Directors;
- g. “**Class A Ordinary Shares**” means: class A ordinary shares in the capital of the Company;
- h. “**Class B Ordinary Shares**” means: class B ordinary shares in the capital of the Company;

- i. “**Class C Ordinary Shares**” means: class C ordinary shares in the capital of the Company;
- j. “**Company**” means: the corporate legal entity governed by these Articles of Association;
- k. “**Compensation Committee**” shall have the meaning set forth in Article 15;
- l. “**Corporate Governance Committee**” shall have the meaning set forth in Article 15;
- m. “**Conversion Foundation**” means: Stichting Yandex Conversion, a foundation incorporated under Dutch law with statutory seat in The Hague and its business office at Schiphol Boulevard 165, 1118 BG Schiphol (the Netherlands);
- n. “**Designated Director**” means: a Non-Executive Director appointed pursuant to a binding nomination by the Priority in accordance with Article 12;
- o. “**Director**” means: an Executive Director or Non-Executive Director;
- p. “**Excess Shares**” means: any Class A Ordinary Shares and/or Class B Ordinary Shares held or to be acquired or subscribed for in excess of the applicable Ownership Cap;
- q. “**Executive Director**” means: a member of the Board of Directors being appointed as executive director (*uitvoerend bestuurder*) and as such entrusted with the responsibility for the day-to-day management of the Company;
- r. “**General Meeting**” means: the members constituting the general meeting, and also: meetings of that body of members;
- s. “**Independence Criteria**” means: the criteria set forth in the definition of “independent director” in Rule 5605 of the Nasdaq listing Rules (or any successor thereto); or such other independence criteria as may be applicable under the rules of any stock exchange on which the Company’s equity securities are then publicly traded;
- t. “**Initial Qualified Holder**” means, in relation to any Class B Ordinary Share, the person holding such Class B Ordinary Share pursuant to the conversion into Class B Ordinary Shares of ordinary shares in the capital of the Company on the tenth day of October two thousand eight;
- u. “**Meeting of holders of Class A Ordinary Shares**” means: the meeting of holders of Class A Ordinary Shares;
- v. “**Meeting of holders of Class B Ordinary Shares**” means: the meeting of holders of Class B Ordinary Shares;
- w. “**Meeting of holders of Class C Ordinary Shares**” means: the meeting of holders of Class C Ordinary Shares;

- x. **“Meeting of the holder of the Priority Share”** means: the meeting of the holder of the Priority Share;
- y. **“Nominating Committee”** shall have the meaning set forth in Article 15;
- z. **“Non-Executive Director”** means: a member of the Board of Directors appointed as non-executive director (*niet-uitvoerend bestuurder*) not being entrusted with the responsibility for the day-to-day management of the Company;
- aa. **“Non-Qualified B Holder”** with respect to any Class B Ordinary Share, means: anyone who is not a Qualified B Holder of such Class B Ordinary Share or ceases to be a Qualified B Holder of such Class B Ordinary Share (including, for the avoidance of doubt, a legal holder of a Class B Ordinary Share that has Transferred such Class B Ordinary Share other than to a Permitted Transferee);
- bb. **“Ordinary Shares”** means: Class A Ordinary Shares, Class B Ordinary Shares and Class C Ordinary Shares;
- cc. **“Ownership Cap”** means: the lesser of (a) ten percent (10%) of the voting rights pertaining to the issued Class A Ordinary Shares and Class B Ordinary Shares (taken together) of the Company from time to time or (b) ten percent (10%) of the number of issued Class A Ordinary Shares and Class B Ordinary Shares (taken together) from time to time.

Notwithstanding the foregoing, (x) in the event that both the Board of Directors and the Priority have approved a holding of Excess Shares by a party as a result of a Triggering Event pursuant to the terms of the Articles of Association, the Ownership Cap in respect of such party, together with its Affiliated Parties, shall, following the date of such approval, be increased by the number of Excess Shares so approved; and (y) in the event of an increase in a Shareholder’s proportionate ownership or voting interest occurring solely as a result of changes in the share capital structure of the Company (including, without limitation, share splits, capital reorganisations, share dividends, share repurchases, conversions of Class B Ordinary Shares pursuant to the terms of Article 4B, and similar events or transactions), the Ownership Cap in respect of such Shareholder, together with its Affiliated Parties, shall, following the date of such event, be increased by the number of Excess Shares resulting from such event;

- dd. **“Permitted Transferee”** in relation to any Class B Ordinary Share held by an Initial Qualified Holder means:
 - (i) such Initial Qualified Holder (as transferee of any Class B Ordinary Share retransferred to such Initial Qualified Holder from its Permitted Transferee);
 - (ii) any estate or tax planning vehicle (including a trust, corporation and partnership), the beneficiaries of which include such Initial Qualified Holder and/or members of the immediate family of such Initial Qualified Holder, provided that (i) during such Initial Qualified Holder’s lifetime, such Initial Qualified Holder retains (subject to any community or spousal property laws) sole voting and dispositive power over such Class B Ordinary Share, and (ii) following the date on which such Initial Qualified Holder’s dies, such

vehicle shall continue to be a Permitted Transferee for a period of twenty-four (24) calendar months; and provided further that the Transfer to such estate or tax planning vehicle does not involve payment of any consideration (other than the interest in such trust, corporation, partnership or other estate or tax planning vehicle);

- ee. “**Potential Acquiror**” has the meaning set forth in paragraph 11 of Article 4C;
- ff. “**Priority**” means: the corporate body (*organ*) constituted by the Meeting of the holder of the Priority Share;
- gg. “**Priority Share**” means: the priority share in the capital of the Company with the rights, powers and privileges set forth in these Articles of Association;
- hh. “**Public Interest Committee**” shall have the meaning set forth in Article 15;
- ii. “**Public Interest Foundation**” means: International Foundation “Public Interest Foundation” (Международный фонд «Фонд общественных интересов»), a unitary non-commercial organization without membership to be established by the Company under the laws of the Russian Federation;
- jj. “**Qualified B Holder**” means, in relation to any Class B Ordinary Share: the Company, the Initial Qualified Holder of such Class B Ordinary Share and any Permitted Transferee thereof, in each case provided that such Class B Ordinary Share has not been Transferred (including by way of a transfer of the legal holder thereof), other than to a Permitted Transferee;
- kk. “**Shares**” means: Ordinary Shares and the Priority Share;
- ll. “**Shareholder(s)**” means: any holder(s) of Shares;
- mm. “**Special Majority**” means in respect of a majority required for a resolution by the Board of Directors: (i) the affirmative vote of eight (8) Directors, in case the Board of Directors consist of twelve (12) Directors, (ii) the affirmative vote of seven (7) Directors, in case the Board of Directors consist of ten (10) or eleven (11) Directors and (iii) the affirmative vote of six (6) Directors, in case the Board of Directors consist of nine (9) or less Directors;
- nn. “**Subsidiary(ies)**” means: (a) subsidiary(ies) (*dochtermaatschappij(en)*) as defined in section 24a of Book 2;
- oo. “**Transfer**” when used in relation to an Ordinary Share, means: any direct or indirect sale, assignment, transfer under general or specific title (*algemene of bijzondere titel*), conveyance, grant of any form of security interest (other than as explicitly provided in this definition), or other transfer or disposition of an Ordinary Share or any legal or beneficial interest therein, whether or not for value and whether voluntary or involuntary or by operation of law. A “Transfer” of an Ordinary Share shall also include, without limitation, the transfer of, or entering into a binding agreement with respect to, voting control over an Ordinary Share by proxy or otherwise; provided, however, that the following shall not be considered a “Transfer” of an Ordinary Share: (a) the granting of a power of attorney to persons designated by the Board of Directors of the Company in connection with actions to be taken at a General Meeting of Shareholders; (b) solely with respect to Class B

Ordinary Shares, the entering into or amendment, solely by and among a Qualified B Holder and one or more of its Permitted Transferees, of a binding agreement with respect to voting control over a Class B Ordinary Share; or (c) solely with respect to Class B Ordinary Shares, the pledge of Class B Ordinary Shares by a Qualified B Holder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction so long as the Qualified B Holder continues to exercise voting control over such pledged shares; provided, however, that a foreclosure on such Ordinary Shares or other similar action by the pledgee shall constitute a "Transfer" of an Ordinary Share; and

- pp. "Triggering Event" means: any direct or indirect Transfer of Class A Ordinary Shares and/or Class B Ordinary Shares after the twenty-sixth day of August two thousand and nine (other than to a Permitted Transferee of such Class B Ordinary Shares) or acquisition of such Class A Ordinary Shares and/or Class B Ordinary Shares (including by Transfer or subscription and, for the avoidance of doubt, as a result of a change of control of, or a merger or business combination involving, one or more legal or beneficial owners of such Share). For the avoidance of doubt, the term Triggering Event excludes changes in proportionate ownership or voting interest occurring solely as a result of changes in the share capital structure of the Company (including, without limitation, share splits, capital reorganisations, share dividends, share repurchases, conversions of Class B Ordinary Shares pursuant to the terms of Article 4B, and similar events or transactions);
2. The expressions "written" and "in writing" used in these Articles of Association mean: communications sent by post, telefax, e-mail or by any other means of telecommunication capable of transmitting written text, unless Dutch statutory law prescribes otherwise.

Name and Registered Office.

Article 2.

1. The Company is a limited liability company and its name is: **Yandex N.V.**
2. The Company has its registered office in **Amsterdam** (the Netherlands).

The Company may have branch offices elsewhere, also outside of the Netherlands.

Objects.

Article 3.

1. The objects for which the Company is established are:
 - a. either alone or jointly with others to acquire and dispose of participations or other interests in bodies corporate, companies and enterprises, to collaborate with and to manage such bodies corporate, companies or enterprises;
 - b. to acquire, manage, turn to account, encumber and dispose of any property - including intellectual property rights - and to invest capital;
 - c. to supply or procure the supply of money loans, particularly - but not exclusively - loans to bodies corporate and companies which are Subsidiaries and/or affiliates of the Company or in which the Company holds any interest - all this subject to the provision in paragraph 2 of this Article - , as well as to draw or to procure the drawing of money loans;

- d. to enter into agreements whereby the Company grants security, commits itself as guarantor or severally liable co-debtor, or declares itself jointly or severally liable with or for others, particularly - but not exclusively - to the benefit of bodies corporate and companies as referred to above under c;
 - e. to do all such things as are incidental or conducive to the above objects or any of them.
2. The Company may not grant security, give price guarantees, commit itself in any other way or declare itself jointly or severally liable with or for others with a view to enabling third parties to take or acquire Shares.

Capital.

Article 4.

1. The authorised capital of the Company is twelve million one hundred eleven thousand two hundred forty-six euro and two eurocents (EUR 12,111,246.02), divided into:
 - a. five hundred seventy-four million eight hundred eighty-seven thousand three hundred sixteen (574,887,316) Ordinary Shares of which are;
 - i) five hundred million (500,000,000) Class A Ordinary Shares, each with a par value of one eurocent (EUR 0.01);
 - ii) thirty-seven million one hundred thirty-eight thousand six hundred fifty-eight (37,138,658) Class B Ordinary Shares, each with a par value of ten eurocents (EUR 0.10);
 - iii) thirty-seven million seven hundred forty-eight thousand six hundred fifty-eight (37,748,658) Class C Ordinary Shares, each with a par value of nine eurocents (EUR 0.09); and
 - b. one (1) Priority Share, with a par value of one euro (EUR 1.00).

Transfer and conversion of Class B Ordinary Shares.

Article 4A

1. Class B Ordinary Shares may only be Transferred to (i) Permitted Transferees, (ii) to the Conversion Foundation for the purpose of conversion pursuant to Articles 4A and 4B and (iii) to the Company. Any other purported Transfer of a Class B Ordinary Share shall be null and void.
2. Class B Ordinary Shares can be converted into Class A Ordinary Shares with due observance of this Article. In order to cause the Class B Ordinary Shares to be converted into Class A Ordinary Shares, such Class B Ordinary Shares must be transferred to the Conversion Foundation.
3. Upon execution of the transfer instrument pursuant to which the Class B Ordinary Shares are transferred to the Conversion Foundation, each Class B Ordinary Share is automatically converted into one (1) Class A Ordinary Share and one (1) Class C Ordinary Share. Unless the Company shall be a party to the transfer instrument, the Conversion Foundation shall forthwith notify the Company in writing of the conversion of Class B Ordinary Shares as described in the preceding sentence. The transferor shall receive a Class A Ordinary Share from the Conversion Foundation in exchange for each Class B Ordinary Share transferred to the Conversion Foundation.

4. The Board of Directors shall forthwith register any such conversion of Shares in the register of Shareholders and equally in any applicable company register.
5. The Company shall at all times reserve and keep available out of its authorized but unissued capital, solely for the purpose of effecting the conversion of Class B Ordinary Shares, such number of Class A Ordinary Shares and Class C Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Class B Ordinary Shares into Class A Ordinary Shares and Class C Ordinary Shares.
6. The Company may, from time to time, establish such policies and procedures relating to the conversion of the Class B Ordinary Shares into Class A Ordinary Shares and Class C Ordinary Shares and the general administration of this share capital structure as it may deem necessary or advisable, and may request that holders of Class B Ordinary Shares furnish affidavits or other proof to the Company as it deems necessary to verify the legal and beneficial ownership of Class B Ordinary Shares and the “Qualified B Holder” status of any such holder, and to confirm that Class B Ordinary Shares are not held by a Non-Qualified B Holder.
7. For the avoidance of doubt, in the event that an Initial Qualified Holder Transfers Class B Ordinary Shares to a party that falls within paragraph (ii) of the definition of Permitted Transferee, such party shall remain a Permitted Transferee for a period of twenty-four (24) calendar months following the date on which such Initial Qualified Holder dies. Upon such 24-month anniversary, such party shall automatically cease to be a Qualified B Holder.

Qualified shareholding of Class B Ordinary Shares.

Article 4B.

1. Only a Qualified B Holder may hold Class B Ordinary Shares.
2. If at any time a Class B Ordinary Share is held by a Non-Qualified B Holder, such Non-Qualified B Holder shall, without prejudice to the stipulations of paragraph 4 of this Article, not be entitled to any dividend and/or voting rights attached to the Class B Ordinary Shares held by such Non-Qualified B Holder.
3. If at any time a Class B Ordinary Share is held by a Non-Qualified B Holder, such Non-Qualified B Holder (the “**Transferor**”) shall notify the Company of this fact by written notice (the “**Notice**”) within three (3) days after the occurrence of the event pursuant to which the Transferor is obliged to serve the Notice. At the time of the Notice the relevant Non-Qualified B Holder is obliged to offer his Class B Ordinary Shares to the Conversion Foundation (the “**Offer**”), through which such Class B Ordinary Shares are converted into Class A Ordinary Shares and Class C Ordinary Shares with due observance of Article 4A. The Transferor shall receive an equal number of Class A Ordinary Shares from the Conversion Foundation in exchange for such Class B Ordinary Shares.
4. If the Transferor fails to:
 - a. give the Notice and or make the Offer within the term provided in this Article; or
 - b. transfer the relevant Class B Ordinary Shares to the Conversion Foundation within three (3) days of the Notice,the Company is irrevocably empowered and authorised to offer and transfer the relevant

Class B Ordinary Shares to the Conversion Foundation and to accept the Class A Ordinary Shares in exchange for such Class B Ordinary Shares for delivery to the Transferor.

5. If the Conversion Foundation fails to accept the offered Class B Ordinary Shares from the Transferor within three (3) months after receipt of the Offer, then the Transferor's dividend and voting rights attached to its Class B Ordinary Shares shall revive.
6. Each Class B Ordinary Share held by a natural person that is a Qualified B Holder, or by its Permitted Transferees, shall, following the death of such Qualified B Holder, be deemed to be held by a Non-Qualified B Holder; provided, however, that in the event that an Initial Qualified Holder Transfers Class B Ordinary Shares to a party that falls within paragraph (ii) of the definition of Permitted Transferee, such party shall remain a Permitted Transferee for a period of twenty-four (24) calendar months following the date on which such Initial Qualified Holder dies. Upon such 24-month anniversary, such party shall automatically cease to be a Qualified B Holder.

Qualified shareholding of Class A Ordinary Shares and/or Class B Ordinary Shares.

Article 4C.

1. No Class A Ordinary Share and/or Class B Ordinary Share may be held as a result of a Triggering Event by a Shareholder if, as a result of such Triggering Event (or as a result of any subsequent agreement among two or more holders of Class A Ordinary Shares or other parties to act in concert in respect of Class A Ordinary Shares), such Shareholder or any other party (in each case together with its Affiliated Parties), would hold, legally and/or beneficially, or act in concert in respect of, Excess Shares, unless such holding of Excess Shares is approved by both the Board of Directors and the Priority pursuant to paragraph 10 of this Article 4C. If the Shares (a) are admitted to trading on a regulated market or multilateral trading facility or an exchange system of a non-EU/EEA member state that is comparable to a regulated market or multilateral trading facility (including, for the purposes hereof, The Nasdaq Global Select Market) and (b) are included in a system that facilitates the (trading and) settlement of Shares (including, for the purposes hereof, the system operated by The Depository Trust Company) and/or are held by a nominee for such purposes (including, for the purposes hereof, Cede & Co.) that may qualify as the legal holder of the Shares, the provisions of this Article 4C apply *mutatis mutandis* to the parties holding an interest in the Shares through such system or nominee. The term "Shareholder" shall be construed accordingly for the purposes of this Article 4C.
2. The qualified shareholding restriction set forth in paragraph 1 above shall not apply to:
 - a. any custodian (bank) or nominee acting to facilitate the (trading and) settlement of the Shares listed at a regulated market or multilateral trading facility or an exchange or system of a non-EU/EEA member state that is comparable to a regulated market or multilateral trading facility (including, for purposes hereof, The Nasdaq Global Select Market) and any investment bank or banks acting as underwriter(s) in connection with a public offering of Class A Ordinary Shares, in their capacity as such.
 - b. any Shareholder that acts as a bare nominee holder of Class A Ordinary Shares

on behalf of the beneficial holder(s) thereof; provided that (subject to the final clause of this subparagraph b):

- (i) immediately following receipt of any information by such bare nominee with respect to any potential or effected change in beneficial ownership of any Shares held by it (including a change in the identity of any beneficial holder or a change in the number of shares beneficially held) that has resulted or would result in a beneficial holder on whose behalf such bare nominee holds Shares beneficially owning (together with its Affiliated Parties) Excess Shares, such bare nominee shall notify the Board of Directors of all details actually known to such bare nominee relating to such change;
- (ii) such bare nominee provides to the Board of Directors, within five (5) business days of any request by it from time to time, a written statement disclosing the identity of each beneficial holder of Shares legally held in its name that, together with its Affiliated Parties, holds Excess Shares, and the percentage holding of each such beneficial holder, specifying the rights of such beneficial holder with respect to the voting or disposition of such Shares, in each case to the extent actually known by such bare nominee; and
- (iii) promptly after such bare nominee becomes aware (including following a notification from the Board of Directors to the bare nominee) that a beneficial holder on whose behalf such bare nominee holds Shares beneficially owns (together with its Affiliated Parties) Excess Shares, such bare nominee distributes to such beneficial holder a number of Shares equal to the number of Excess Shares beneficially held by such beneficial holder and its Affiliated Parties;

provided, however, that (x) such bare nominee shall not be required by the provisions of this subparagraph b to disclose any information or take any action that it is not permitted to disclose or take pursuant to applicable law, contract or internal compliance policy; and (y) no notification to the Board of Directors shall be required in respect of information otherwise notifiable to the Board of Directors pursuant to paragraphs (i) and (ii) of this subparagraph b that is timely disclosed to the United States Securities and Exchange Commission on Schedule 13D or Schedule 13G in accordance with the applicable rules of the United States Securities and Exchange Commission;

c. the Conversion Foundation.

- 3. Any Transfer or acquisition of Class B Ordinary Shares in violation of paragraph 1 of this Article is null and void.
- 4. If at any time the legal and/or beneficial holdings of a Shareholder or any other party (in each case together with its Affiliated Parties), exceeds the applicable Ownership Cap as a result of a Triggering Event and such holding of Excess Shares has not been approved by both the Board of Directors and the Priority pursuant to paragraph 10 of this Article (and is not otherwise exempted by paragraph 2 above), the Shareholder of the relevant

Excess Shares is obliged (i) if and to the extent the Excess Shares are Class A Ordinary Shares, to sell the Excess Shares in the public market or otherwise within five (5) business days after a Triggering Event; and (ii) (a) if and to the extent the Excess Shares are Class B Ordinary Shares and the Transfer or acquisition of such Class B Ordinary Shares is held not to be null and void as provided for in paragraph 3, or (b) the Shareholder fails to sell the Excess Shares in accordance with clause (i) of this paragraph 4 within the five (5)-business day period, to offer such Excess Shares to the Board of Directors within ten (10) business days after the Triggering Event.

5. If a Shareholder, within ten (10) business days after a Triggering Event, fails to comply with the obligation of paragraph 4 of this Article to offer the Excess Shares to the Board of Directors, (i) such Shareholder shall be deemed to have offered such Excess Shares to the Board of Directors, and (ii) the Board of Directors will be irrevocably authorised, with the right of substitution, to perform such acts and transactions on behalf of such Shareholder as deemed necessary to comply with the provisions of this Article, including but not limited to the sale and transfer of such Excess Shares in accordance with the terms of this Article 4C.
6. During the period in which a Shareholder has not effectuated the transfer of Excess Shares in accordance with this Article 4C and either the Board of Directors or the Priority have not approved the holding of Excess Shares by the Shareholder thereof pursuant to paragraph 10 of this Article, such Shareholder will not be entitled to any dividend and/or voting rights attached to the Excess Shares.
7. The Board of Directors is authorised to (i) nominate one or more purchasers or substitute purchasers (which, in each case, may include the Company) that are willing to buy the Excess Shares offered in accordance with paragraph 4 or paragraph 5 of this Article, against payment in cash; or (ii) sell the Excess Shares in the public market through a broker or placement agent, hired and instructed by the Board of Directors for this purpose. If (a) the Board of Directors fails to nominate one or more purchasers (or substitute purchasers) in accordance with the terms and conditions of this paragraph within three (3) months from the date of the (deemed) offer hereunder, or (b) the party or parties so nominated by the Board of Directors fail to accept the offer within three (3) months from the date of the (deemed) offer hereunder, or (c) the Board of Directors fails to sell the Excess Shares in the public market within three (3) months from the date of the (deemed) offer hereunder, the requirements of this Article shall not apply to the offering Shareholder until such Shareholder acquires (or is deemed to acquire) one or more (additional) Class A Ordinary Shares and or Class B Ordinary Shares.
8. The purchase price for any Excess Shares offered in accordance with paragraph 4 or paragraph 5 of this Article in the event of the nomination of one or more purchasers pursuant to clause (i) of paragraph 7, shall be the fair market value of such Shares on the date of the (deemed) offer. Such fair market value shall be determined as follows: (i) if the Shares are admitted to trading on a regulated market or multilateral trading facility, as referred to in article 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or an exchange or system of a non-EU/EEA member state that is comparable to a

regulated market or multilateral trading facility (including, for purposes hereof, The Nasdaq Global Select Market), the reported closing sale price on such exchange or system on such date (or the last trading date immediately prior to such date), or (ii) if no Shares of the Company are then admitted to such trading, the fair market value of such Share as conclusively determined by an internationally reputable and independent third party appraiser appointed for this purpose by the Board of Directors. In the event of a public market sale pursuant to clause (ii) of paragraph 7, the purchase price shall be such price or prices obtained in good faith by a placement agent engaged by the Board of Directors or in arm's length brokers transaction(s) in the public market (it being expressly acknowledged that such sales may take place at any time or times during the three (3)-month period described above and that the sale prices of the Excess Shares so sold may vary). The Board of Directors is irrevocably authorised, with the right of substitution, to perform such acts and transactions on behalf of the selling Shareholder as the Board of Directors may deem necessary or convenient to effect the sale and transfer of such Excess Shares in accordance with the terms of this Article 4C.

9. For the purpose of enabling the Board of Directors to adequately perform its duties under this Article, each Shareholder is obliged to inform the Board of Directors within ten (10) days of any Triggering Event that results in such Shareholder (or, to the knowledge of such Shareholder, any beneficial holder(s) on whose behalf such Shareholder is holding Shares), together with its (or such beneficial party's) Affiliated Parties, exceeding a legal and/or beneficial holding threshold of five percent (5%), ten percent (10%), fifteen percent (15%), twenty percent (20%), twenty-five percent (25%) or thirty percent (30%) of either the voting rights attached to the issued Class A Ordinary Shares and Class B Ordinary Shares (taken together) or the number of issued Class A Ordinary Shares and Class B Ordinary Shares (taken together). In the event that a Shareholder (or, to the knowledge of such Shareholder, any beneficial holder(s) on whose behalf such Shareholder is holding Shares), together with its (or such beneficial party's) Affiliated Parties, acquires legal and/or beneficial ownership of Excess Shares, such Shareholder shall, together with the foregoing notification, notify the Board of Directors of the price or prices paid for the purchase of such Excess Shares. Failing compliance with the obligations laid down in this paragraph, such Shareholder will not be entitled to any dividend and/or voting rights attached to any of his Shares or - in case of a bare nominee holder of Shares on behalf of the beneficial holder(s) thereof - to the Shares held on behalf of such beneficial holder(s). Without limiting the foregoing, each Shareholder shall, within five (5) business days of notice from the Board of Directors, (x) identify to the Board of Directors in writing any beneficial holder of Shares registered in the name of such Shareholder in excess of any of the foregoing thresholds, and (y) if so requested, shall furnish affidavits or such other proof to the Board of Directors as the Board of Directors reasonably deems necessary to verify the legal and/or beneficial ownership of such Shares. For purposes of the preceding sentence, "beneficial ownership" may be determined in accordance with Rule 13d-3 under the United States Securities Exchange Act of 1934, as amended. Notwithstanding the provisions of this paragraph 9, no notification to the Board of

Directors shall be required in respect of information otherwise notifiable to the Board of Directors hereunder that is timely disclosed to the United States Securities and Exchange Commission on Schedule 13D or Schedule 13G in accordance with the applicable rules of the United States Securities and Exchange Commission. This paragraph 9 shall not apply to any custodian (bank) or nominee acting to facilitate the (trading and) settlement of the Shares listed at a regulated market or multilateral trading facility or an exchange or system of a non-EU/EEA member state that is comparable to a regulated market or multilateral trading facility (including, for purposes hereof, The Nasdaq Global Select Market).

10. Any person seeking to acquire legal and/or beneficial ownership together with its Affiliated Parties of Excess Shares by acquisition or subscription or as a result of another Triggering Event (a “**Potential Acquiror**”), whether in one or more transactions, may seek prior approval first by the Board of Directors and subsequently (upon approval by the Board of Directors) approval by the Priority of such acquisition, subscription or holding as result of another Triggering Event by submitting a notification in writing to the Board of Directors at the registered office of the Company (with a copy to the Chairman at such address and/or email address as may be identified from time to time for such purpose on the investor relations section of the Company’s website at www.yandex.ru) setting forth (i) the terms and conditions of such proposed acquisition(s), subscription(s) or other Triggering Event(s), including the identity of the transferring party(ies) and the proposed purchase or subscription price, if applicable, (ii) a detailed description of the identity of the Potential Acquiror, including the jurisdiction of incorporation or residence of the Potential Acquiror and the identity and jurisdiction of incorporation or residence of each legal and/or beneficial holder of more than five percent (5%) of the ownership interests in such Potential Acquiror; and (iii) a detailed description of the Potential Acquiror’s intentions with respect to its shareholding in the Company and any further potential acquisitions of Shares. Within twenty (20) business days of its receipt of such notification, the Board of Directors shall (x) decide on its approval or rejection in relation to the proposed acquisition of Excess Shares by the Potential Acquiror and (y) inform the Potential Acquiror of its decision. Subsequently, provided that the Board of Directors has approved the proposed acquisition of Excess Shares by the Potential Acquiror, the Board of Directors shall provide a copy of the information package submitted by the Potential Acquiror to the Board of Directors, together with its approval thereof and its recommendation thereon, to the Priority. The Priority shall then have twenty (20) business days following its receipt of the notification from the Board of Directors to deliver a written notification to the Board of Directors either approving or rejecting the holding of Excess Shares as a result of such acquisition, subscription or other Triggering Event. The Board of Directors shall provide a copy of such notification to the Proposed Acquiror within three (3) business days of its receipt thereof. In the event that either the Board of Directors or the Priority fails to timely deliver a notification setting forth its approval or rejection of the proposed holding of Excess Shares, it shall be deemed to have withheld its approval thereof.

Qualified shareholding of the Class C Ordinary Shares.

Article 4D.

1. The Class C Ordinary Shares may only be held by the Conversion Foundation, the Company or another party that is specifically nominated by the Board of Directors for this purpose, with a Special Majority. Any Transfer of Class C Ordinary Shares is subject to prior written approval of the Board of Directors, with a Special Majority.
2. Any Transfer of the Class C Ordinary Shares in violation of paragraph 1 of this Article is null and void.
3. If and so long as any Class C Ordinary Share is not held by a party that meets the criteria laid down in paragraph 1 of this Article, the voting rights, dividend rights and other rights pertaining to such Class C Ordinary Share (including, without limitation, the approval rights hereunder) may not be exercised.

Qualified shareholding of the Priority Share.

Article 4E.

1. The Priority Share may only be held by the Public Interest Foundation or another party that is specifically nominated by the Board of Directors for this purpose, with a Special Majority, including the affirmative vote of one Designated Director. A transfer of the Priority Share to any other party is subject to prior written approval of the Board of Directors, with a Special Majority, including the affirmative vote of one Designated Director.
2. Any transfer of the Priority Share in violation of paragraph 1 of this Article is null and void.
3. If and so long as the Priority Share is not held by a party that meets the criteria laid down in paragraph 1 of this Article, the voting rights, dividend rights and other rights pertaining to the Priority Share (including, without limitation, the approval rights hereunder) may not be exercised.

Shares. Usufruct and pledge of Shares.

Article 5.

1. All Shares shall be registered Shares. No share certificates shall be issued. The Board of Directors may number the Shares in a manner determined at its sole discretion.
2. Shares may be encumbered with usufruct. At the creation of the right of usufruct in respect of Class A Ordinary Shares it may be provided that the right to vote pertaining to the Class A Ordinary Shares shall vest in the usufructuary. The voting rights pertaining to the Priority Share, the Class B Ordinary Shares and the Class C Ordinary Shares may not be transferred to a usufructuary.
3. Class A Ordinary Shares and/or Class B Ordinary Shares may be pledged as security. At the creation of the pledge in respect of Class A Ordinary Shares it may be provided that the right to vote shall vest in the pledgee. The voting rights pertaining to the Class B Ordinary Shares may not be transferred to a pledgee.
4. The Priority Share and the Class C Ordinary Shares may not be pledged.

Addresses. Notices and announcements. Register of Shareholders.

Article 6.

1. Shareholders, pledgees and usufructuaries of Shares must supply their addresses,

including their e-mail addresses (if any), to the Company in writing.

2. Notices, announcements and generally all communications intended for the persons referred to in paragraph 1 of this Article are to be sent in writing to the addresses they have supplied to the Company.
3. The Board of Directors shall keep a register in which shall be recorded all particulars as prescribed by law or, if applicable, the rules and regulations of the stock exchange at which Shares are listed concerning shareholders, usufructuaries and pledgees. In the register shall also be recorded each and any release from liability granted in respect of monies unpaid and not yet called on Shares.
4. The register of Shareholders shall be updated at regular times.
5. The Board of Directors shall be entitled to keep a part of the register of Shareholders outside the Netherlands if such is required for the compliance with foreign legalization or the rules and regulations of the stock exchange at which the Shares are listed.

Issue of Shares.

Article 7.

1. Upon receipt of a written proposal of the Board of Directors to this effect, the General Meeting has the power to resolve to issue Shares and to determine the price of issue and the other terms of issue, which terms may include payment on Shares in a foreign currency. Upon receipt of a written proposal of the Board of Directors to this effect the General Meeting may transfer its aforesaid power to the Board of Directors for a period not exceeding five years. Such designation shall specify the number of Shares that may be issued and may also include the price (range) at which such Shares may be issued. The designation may be extended, from time to time, for periods not exceeding five years. Unless such designation provides otherwise, it may not be withdrawn.
2. Within eight (8) days following a resolution by the General Meeting to issue Shares or to designate another body of the Company, the Company shall file the full text of such resolution at the office of the Commercial Register with which the Company is registered. Within eight (8) days after each issue of Shares, the Company shall report the same to the office of said Commercial Register.
3. Any resolution by the General Meeting to issue Shares, other than Class C Ordinary Shares, in excess of twenty percent (20%) of the issued share capital of the Company (calculated by nominal value, excluding the Class C Ordinary Shares, on the date of such resolution) or any resolution by the General Meeting to delegate the authority to issue Shares, other than Class C Ordinary Shares, in the excess of twenty percent (20%) of the issued share capital of the Company (calculated by nominal value, excluding the Class C Ordinary Shares, on the date of such resolution), requires prior approval from the Meeting of holders of Class A Shares.
4. The provisions of paragraph 1, 2 and 3 of this Article shall apply mutatis mutandis to the granting of rights to subscribe for Shares, but not to the issue of Shares to a person exercising a previously acquired right to subscribe for Shares.
5. The Company or its Subsidiaries cannot subscribe for Shares.
6. When Ordinary Shares are subscribed for, the amount of their par value must be paid at

the same time and, in addition, if the Ordinary Share is subscribed at a higher amount, the difference between such amounts must be paid.

7. Calls upon the Shareholders in respect of any monies unpaid on their Shares shall be made by the Board of Directors by virtue of a resolution of the General Meeting.
8. The body of the Company which has the power to resolve to issue Shares may resolve that payment on Shares shall be made by some other means than payment in cash or payments in a foreign (non-euro) currency.

Pre-emptive right at issue of Shares.

Article 8.

1. At the issue of any new Class A Ordinary Shares and/or Class B Ordinary Shares, the statutory rights of pre-emption as laid down in Book 2 shall apply. No pre-emption rights shall apply in respect of the issue of the Class C Ordinary Shares or the Priority Share.
2. Upon receipt of a written proposal of the Board of Directors to this effect, the General Meeting may each time in respect of one particular issue of Class A Ordinary Shares and/or Class B Ordinary Shares, resolve to limit or to exclude the pre-emptive right of subscription for the Class A Ordinary Shares and/or Class B Ordinary Shares, provided that such resolution is passed at the same time as the resolution to issue the Class A Ordinary Shares and/or Class B Ordinary Shares.

If at a General Meeting at which a proposal to limit or exclude the pre-emptive right to subscribe for Class A Ordinary Shares and/or Class B Ordinary Shares comes up for discussion and less than one half of the issued capital is represented, a resolution to limit or exclude the pre-emptive right may only be adopted by at least two-thirds (2/3) of the votes cast.

Any proposal to limit or exclude the pre-emptive right must contain a written explanation of the reasons for the proposal and the choice of the proposed price (or price range or formula for the determination of such price, including by reference to the market price of such Class A Ordinary Shares and/or Class B Ordinary Shares as of a future date or dates) of issue.

Upon receipt of a written proposal of the Board of Directors to this effect, the General Meeting can resolve that the pre-emptive right may also be limited or excluded by the Board of Directors, for a period not exceeding five years.

Such designation may be renewed for subsequent periods not exceeding five years each.

Unless the terms of the designation provide otherwise, it cannot be revoked.

Within eight (8) days following a resolution by the General Meeting to limit or exclude the pre-emptive right or to designate the Board of Directors, the Company shall file the full text of such resolution at the office of the Commercial Register.

3. A share issue at which Shareholders may exercise a pre-emptive right and the period during which said right is to be exercised shall be announced by the Company to all Shareholders of the relevant class of Shares either in writing or by a public announcement in a newspaper taking into account the rules and regulations of the stock exchange at which Shares are listed. The pre-emptive right may be exercised during the period to be determined by the body of the Company authorised to issue Shares, that period to be at

least two weeks from the day following the date of despatch of the announcement.

4. The provisions of the preceding paragraphs of this Article shall apply *mutatis mutandis* to the granting of rights to take Shares.

Transfer of Shares. Exercise of Shareholder's rights.

Article 9.

1. If Shares are admitted to trading on a regulated market or multilateral trading facility, as referred to in article 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or a system of a non-EU/EEA member state that is comparable to a regulated market or multilateral trading facility (including, for purposes hereof, The Nasdaq Global Select Market), the Transfer of a registered Ordinary Share or of a limited right (*beperkt recht*) thereto shall require an instrument intended for such purpose and, save when the Company itself is a party to such legal act, the written acknowledgement by the Company of the transfer. The acknowledgement shall be made in the instrument or by a dated statement on the instrument or on a copy or extract thereof mentioning the acknowledgement signed as a true copy thereof by a civil-law notary or the transferor. Service of such instrument of transfer, copy or extract on the Company shall be deemed to constitute such acknowledgement.
2. The transfer of the Priority Share requires a notarial deed executed by and in front of a notary practicing in the Netherlands to which each transferor and each transferee are a party.
3. Following a transfer referred to in paragraph 1 or paragraph 2 of this Article, the rights attached to the Shares concerned may not be exercised until the instrument of transfer has been served upon the Company or until the Company has acknowledged the transaction in writing or has been deemed to have acknowledged such transaction. The provision in the preceding sentence shall not apply if the Company itself has been a party to the transaction.

Acquisition by the Company of its own Shares.

Article 10.

1. Any acquisition by the Company of partly-paid Shares in its own capital shall be null and void.
2. Provided that the General Meeting has given the Board of Directors authorisation for this purpose, the Company may acquire fully paid-up Shares provided that:
 - (a) the Company's equity capital, reduced by the acquisition price, is not less than the sum of the issued and paid-up capital and the reserves to be maintained pursuant to the law or the Articles of Association;
 - (b) following the transaction contemplated, at least one issued share in the capital of the Company remains outstanding and is not held by the Company; and
 - (c) in case the Company is admitted to trading on a regulated market or multilateral trading facility, as referred to in article 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or a system from a non-EU/EEA member state that is comparable to a regulated market or multilateral trading facility (including, for purposes hereof, The Nasdaq Global Select Market), the par value of the Shares

to be acquired, already held by the Company or already held by the Company as pledgee or which are held by Subsidiaries, does not exceed fifty percent (50%) of the issued capital of the Company.

3. The factor deciding whether the acquisition is valid shall be the amount of the equity of the Company as shown in its most recently adopted balance sheet, reduced by the acquisition price of Shares in the capital of the Company and any payments from profit or reserves to others which may have become due by the Company and its Subsidiaries after the balance sheet date.

If more than six months of a financial year have passed without the annual accounts having been adopted, the acquisition of own Shares under paragraph 2 of this Article shall not be permitted until such time as such most recent annual accounts have been so adopted.

4. The authorisation of the General Meeting, referred to in paragraph 2 of this Article, which shall be valid for a maximum of eighteen months (18) only, must specify how many Shares are permitted to be acquired, the manner in which they may be acquired and the permitted upper and lower limits of the price.
5. The preceding paragraphs of this Article shall not apply in respect of (i) Shares which the Company may acquire gratuitously or by universal succession and (ii) Shares that are listed at a stock exchange which are acquired for the purpose of distribution of such Shares to employees of the Company and/or its Subsidiaries pursuant to an employee option plan.
6. Any acquisition of Shares made in breach of the provisions of paragraph 2 of this Article shall be null and void.
7. Shares owned by the Company shall not bear any dividend rights unless rights of usufruct are created in respect of such Shares prior to the acquisition by the Company, in which case the holder of usufruct shall be entitled to any dividends on the underlying Shares. Shares owned by the Company or its Subsidiaries shall not bear any voting rights unless rights of usufruct were created in respect of such Shares prior to the acquisition of such Shares by the Company or its Subsidiaries respectively.

Reduction of capital.

Article 11.

1. Upon receipt of a written proposal of the Board of Directors to this effect, the General Meeting may resolve to reduce the issued capital by a cancellation of Shares or by a reduction of the par value of the Shares by amendment of the Articles of Association. Such resolution to reduce the issued capital of the Company must indicate the Shares to which it relates and provisions for its implementation must be included.
2. A resolution to cancel Shares may only relate to i) Shares held by the Company, or ii) to all the Shares of a particular class, in respect of which the Articles of Association provide that the same may be cancelled against repayment of their par value.
3. As provided in clause (ii) of paragraph 2 of this Article 11, Class C Ordinary Shares may be cancelled against repayment of their par value.
4. If the General Meeting resolves to reduce the par value of the Shares by amendment of

the Articles of Association - regardless whether this is done without redemption or against partial repayment on the Shares or upon release from the obligation to pay up the Shares - such reduction must be made pro rata on all Shares of a particular class.

5. A resolution for reduction of capital shall require a majority of at least two-thirds (2/3) of the votes cast, if less than one half of the issued capital is represented at the relevant meeting of Shareholders.

BOARD OF DIRECTORS.

Composition and Remuneration.

Article 12.

1. The business and affairs of the Company shall be managed by a Board of Directors consisting of twelve (12) members, of whom no more than two (2) shall be Executive Director(s).
2. Only individuals shall be eligible for appointment as Executive Director or Non-Executive Director. No person shall be eligible for appointment or re-appointment as a Non-Executive Director, if:
 - (a) such person is currently, or within two years prior to appointment has been, a political appointee, a member of a governing body of a political party, a government official, a member or employee of any state apparatus, a member of parliament, or a political office-holder, in each case in respect of any country in the world.
 - (b) such person is currently, or within two years prior to appointment has been, an employee of a company that is majority owned or controlled by any government (or any division thereof).
 - (c) such person has any criminal record; is subject to disqualification under the Code of Administrative Offenses of the Russian Federation or to any administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation (or, in each case, the comparable laws of any other jurisdiction).
 - (d) such person is a person with whom the Company or its Board of Directors is prohibited by any applicable national or supra-national law or regulation from having any dealings.
 - (e) such person has, or within two years has had, a personal or qualified conflict of interest with the Company, meaning any commercial relationship with any business (other than in the areas/lines of activities in academic science, education and not-for-profit medicine) that competes with the Company (which, for the avoidance of doubt, shall include any business that competes with any business of the Company that generates more than one percent (1%) of the consolidated revenues of the Company for the six month preceding the Company's last reporting date based on its consolidated financial statement prepared in accordance with US GAAP). For purposes hereof, a "commercial relationship" shall mean, in respect of such person or such person's close relatives (spouse, parents, spouse's parents, children, siblings or any person

sharing the person's household) or entities controlled by such person or such person's close relatives or in which such person or his/her close relatives have a shareholding of more than one percent (1%) in the case of a publicly listed company or three percent (3%) in the case of a private company, any of the following: (i) employment, (ii) membership on the board of directors or equivalent body, (iii) any consulting relationship (whether paid or unpaid), or a shareholding in excess of one percent (1%) in the case of a publicly listed company or three percent (3%) in the case of a private company;

- (f) as a result of the appointment of such person, the Board of Directors would fail to include at least a simple majority of members who satisfy the Independence Criteria.

If a person is not eligible for appointment or re-appointment as a Non-Executive Director for any reason set out in sub (a) up to including (f) of this paragraph, the Board of Directors may decide by absolute majority that such person is still eligible for appointment or re-appointment by waiving such criteria (an "**Eligibility Waiver**").

3. In the event that any duly appointed Director subsequently ceases to satisfy the criteria set forth in paragraph (2) above, as reasonably determined by the Board of Directors acting by simple majority, or the Board of Directors acting by simple majority revokes its Eligibility Waiver in respect of such Director, he or she shall be deemed to have automatically resigned from the Board of Directors, effective thirty (30) days following the date notice of such determination or revocation, as the case may be, has been provided by the Board of Directors to such Director. Notwithstanding the foregoing, if the duly appointed Director ceases to satisfy the criteria set forth in paragraph 2(e) as a result of the Company expanding its business or entering into a new line of business, such Director shall be deemed to continue to satisfy such criteria until the next annual General Meeting (or, if such conflict arises less than six months prior to the next annual General Meeting, until the next succeeding annual General Meeting). For purposes of the preceding sentence, the consolidated revenues threshold set forth in paragraph 2(e) above shall be five percent (5%), rather than one percent (1%).
4. Subject to paragraph 5 of this Article, the Executive Directors and the Non-Executive Directors shall be appointed by the General Meeting for a maximum period of four (4) years, provided however, that, unless such director has resigned at an earlier date, a Director shall cease to hold office on the date of the first General Meeting held in the fourth year following the year in which he was appointed Director. Directors shall be immediately eligible for re-appointment at the General Meeting at which they cease to hold office.
5. Other than in respect of Designated Directors, the Board of Directors shall make a non-binding nomination in respect of any Director to be appointed by the General Meeting. If the person nominated by the Board of Directors is subsequently not appointed by the General Meeting, the Board of Directors will be allowed to make a new non-binding nomination.
6. With the exception of the first two (2) Designated Directors that are designated in

accordance with the last sentence of this paragraph 6, the Priority shall have the right to make binding nominations in respect of two Designated Directors. The General Meeting may deprive the nomination of a candidate for Designated Director of its binding character by means of a resolution adopted by at least two-thirds (2/3) of the votes cast, such two-thirds (2/3) majority representing more than fifty percent (50%) of the issued and outstanding capital of the Company. If the binding nomination is not deprived of its binding character, the person nominated will be deemed appointed. If the nomination is deprived of its binding character, the Priority will be allowed to make a new binding nomination. The first two (2) Designated Directors are designated as "Designated Director" by the Board of Directors from the Non-Executive Directors in office.

7. The Priority shall advise the Board of Directors not later than sixty (60) days in advance of a General Meeting if it wishes to make a binding nomination with full details of the nominee or nominees.
8. The Board of Directors shall have the power to appoint from its Executive Directors a Chief Executive Officer. A resolution of the Board of Directors to appoint or remove a Chief Executive Officer shall require a Special Majority (whereby for this purpose the Special Majority is calculated as if the member of the Board of Directors who is object of appointment or removal as CEO would not be in office).
9. The Board of Directors shall have the power to appoint from its Non-Executive Directors a Chairman.
10. The General Meeting shall adopt general guidelines in respect of the remuneration of the members of the Board of Directors and of the person(s) referred to in paragraph 3 of Article 13 (the "**Remuneration Policy**").
11. With due observation to the Remuneration Policy, the Board of Directors may establish a remuneration for the members of the Board of Directors in respect of the performance of their duties. It being understood that, in accordance with the principle laid down in Article 13 paragraph 5, Executive Directors shall not participate in the decision making process relating to the remuneration of Executive Directors.
12. Directors may be suspended and/or removed from office by the General Meeting at any time, such resolution requiring a majority of at least two-thirds (2/3) of the votes cast in a meeting, such two-thirds (2/3) majority representing at least fifty percent (50%) of the issued and outstanding capital of the Company. Notwithstanding the foregoing, if the Priority approves a resolution by the General Meeting to suspend or remove a Designated Director, such resolution of the General Meeting shall require only an absolute majority of the votes cast on the matter. The Director concerned shall be given the opportunity to account for his conduct at the General Meeting. For that purpose he may have himself assisted by a legal adviser.

Decision-making by the Board of Directors. Directors' ceasing to hold office or being unable to act.

Article 13.

1. If the Board of Directors consists of several members and unless the Articles of Association provide otherwise, resolutions of the Board of Directors taken at a meeting

shall require the affirmative vote of at least seven (7) Directors in case the Board of Directors consists of twelve (12) Directors, six (6) Directors in case the Board of Directors consists of ten (10) or eleven (11) Directors and five (5) Directors in case the Board of Directors consists of nine (9) or less, but no less than five (5) Directors (or if the Board of Directors consists of less Directors, such lesser number as are then in office) present or represented at such meeting. Each Director shall have one vote. If the voting for and against a proposal is equally divided, another vote shall be taken if so demanded by any Director.

2. The Board of Directors shall draw up board rules to deal with matters that concern the Board of Directors internally and the division of duties within the Board of Directors and its committees; the adoption and amendment of such internal rules shall require the unanimous approval of the Board of Directors.

The rules of the Board of Directors may *inter alia* include an allocation of tasks among the members of the Board of Directors and shall contain provisions concerning the matter in which meetings of the Board of Directors are called and held. The rules of the Board of Directors may stipulate that certain resolutions of the Board of Directors may validly be passed by one or more Directors, provided that the relevant resolutions are within the scope of the task(s) allocated to this or these particular Director(s).

3. In the event that one or more Directors has ceased to hold office (*ontstentenis*) or is unable to execute his/her duties and responsibilities (*belet*), the General Meeting can appoint a substitute Director who will be entrusted with the role of the absent or prevented Director during such period of absence until a new Director has been appointed in accordance with Article 12. The appointment of a substitute Director may be made at any time, including at the time of appointment of the original Director. When the appointment of a substitute Director in the context of this paragraph 3 of this Article 13 relates to the appointment of a substitute of a Designated Director, the Priority shall have the right to make a binding nomination for such appointment. The General Meeting may deprive such nomination of its binding character by means of a resolution adopted by at least two-thirds (2/3) of the votes cast, such two-thirds (2/3) majority representing more than fifty percent (50%) of the issued and outstanding capital of the Company. If the binding nomination is not deprived of its binding character, the person nominated will be deemed appointed as substitute for the absent or prevented Designated Director. If the nomination is deprived of its binding character, the Priority will be allowed to make a new binding nomination for appointment of a substitute for the absent or prevented Designated Director.

In the event that all Executive Directors or the sole Executive Director shall have ceased to hold office or be unable to execute their duties and responsibilities and no substitute Directors have been appointed, the Executive Director role in the management of the Company shall be temporarily entrusted to the person designated or to be designated for that purpose by the General Meeting.

The provisions of the Articles of Association concerning the Board of Directors and the Director(s) individually shall apply *mutatis mutandis* to the person referred to in this paragraph. Furthermore, that person shall be required to call a General Meeting as soon

as possible, which General Meeting may decide on the appointment of one or several new Directors.

4. The Board of Directors may pass resolutions in writing, provided that all members of the Board of Directors have been consulted on the proposed resolution(s) and none of the members of the Board of Directors have objected against this form of resolution. A resolution in writing by the Board of Directors requires a simple majority of the members of the Board of Directors.
5. Any Director with a conflict of interest in respect of the Company and/or its business shall refrain from participating in the deliberations and decision making of the Board of Directors in this particular matter. If as a direct result of the foregoing, no resolution can be adopted by the Board of Directors, such resolution will be put before the General Meeting and subsequently the General Meeting can resolve on the matter.

Decision by the Board of Directors subject to approval by the General Meeting

Article 14A.

Without prejudice to any other applicable provisions of these Articles of Association, decisions of the Board of Directors involving a major change in the Company's identity or character are subject to the approval of the General Meeting, including:

- a. the transfer of the enterprise or substantially all of the enterprise of the Company to a third party;
- b. the conclusion or cancellation of any long-lasting cooperation by the Company or a Subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the cancellation thereof is of essential importance to the Company; and
- c. the acquisition or disposal of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets according to the consolidated balance sheet with explanatory notes thereto according to the last adopted annual accounts of the Company, by the Company or a Subsidiary.

Decision by the Board of Directors subject to approval by the Priority

Article 14B.

In addition to any approval required by Articles 14A and 14C, any decision of the Board of Directors to transfer the enterprise or substantially all of the enterprise of the Company to one or more third parties, including the sale of its subsidiary: Yandex LLC, a company organised under the laws of the Russian Federation, is subject to the prior approval of the Priority; provided that no approval shall be required in connection with any corporate reorganisation of the Company's group so long as the business operations of the group continue to be conducted by one or more Russian companies that are, directly or indirectly, wholly owned by the Company.

Decision by the Board of Directors subject to approval by the Meeting of the holders of Class A Ordinary Shares

Article 14C.

In addition to any approval required by Articles 14A and 14B any decisions of the Board of Directors involving the following matters are subject to the approval of the Meeting of holders of Class A Ordinary Shares:

- a. the transfer of the enterprise or substantially all of the enterprise of the Company to a third party;
- b. the conclusion or cancellation of any long-lasting cooperation by the Company or a Subsidiary with any other legal person or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the cancellation thereof is of essential importance to the Company;
- c. the acquisition or disposal of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets according to the consolidated balance sheet with explanatory notes thereto according to the last adopted annual accounts of the Company, by the Company or a Subsidiary;
- d. entering into of any transaction or series of related transactions by the Company or a Subsidiary involving (i) the payment of an amount in excess of one-third of the sum of the assets according to the consolidated balance sheet with explanatory notes thereto according to the last adopted annual accounts of the Company, or (ii) the sale of assets with a value in excess of the amount set forth in in the foregoing subclause (i).

Duties and powers of the Directors.

Article 15.

1. The Board of Directors is in charge of the management of the Company. The duties, powers and authorities of the Board of Directors are divided between the Executive Director(s) and Non-Executive Directors, whereby the Executive Director(s) will be responsible for the management of the day to day affairs of the Company and the Non-Executive Directors will be responsible for the supervision of the execution of the duties and responsibilities of the members of the Board of Directors and of the general course of affairs of the Company and its business. Subject to the division of duties, powers and authorities set out in the previous sentence, the Board of Directors may attribute additional duties, powers and authorities to Non-Executive Directors. Any such attribution of duties, powers and authorities should be set out in the board rules drawn up by the Board of Directors pursuant paragraph 2 of Article 13 of these Articles of Association.
2. The Board of Directors may install committees consisting of members of the Board of Directors, and/or management of the Company and/or its Subsidiaries.
3. The Board of Directors may designate certain tasks and functions to the committees referred to in the previous paragraph of this Article.
4. Without limiting the generality of the foregoing, the Board of Directors shall install:
 - (a) a committee of three (3) Non-Executive Directors (the “**Audit Committee**”), each of whom shall satisfy the Independence Criteria, and none of whom shall be a Designated Director (unless otherwise approved by all other Directors), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board of Directors from time to time, acting by simple majority;
 - (b) a committee of three (3) Non-Executive Directors (the “**Compensation Committee**”), each of whom shall satisfy the Independence Criteria, and none of whom shall be a Designated Director (unless otherwise approved by all other Directors), which shall have the powers and authority set forth in its charter, as the

same may be adopted and approved by the Board of Directors from time to time, acting by simple majority;

- (c) a committee of three (3) Non-Executive Directors (the “**Corporate Governance Committee**”), each of whom shall satisfy the Independence Criteria, and none of whom shall be a Designated Director (unless otherwise approved by all other Directors), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board of Directors from time to time, acting by simple majority;
 - (d) a committee of five (5) Non-Executive Directors, each of whom shall satisfy the Independence Criteria, and one of whom shall be a Designated Director (the “**Nominating Committee**”), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board of Directors from time to time, acting unanimously; provided that no more than one member shall be a Designated Director; and
 - (e) a committee of three (3) Directors, of whom one shall be the Executive Director then serving as Chief Executive Officer, and two of whom shall be Designated Directors (the “**Public Interest Committee**”), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board of Directors from time to time, acting unanimously.
- 5. In no event shall a Designated Director be appointed to any committee of the Board of Directors other than the Nominating Committee and the Public Interest Committee, unless unanimously approved by the Board of Directors.
 - 6. The Board of Directors may appoint a company secretary to assist the Board of Directors. The company secretary will be admitted to meetings of the Board of Directors and the General Meeting.

Representation.

Article 16.

- 1. The Board of Directors shall represent the Company. The power to represent the Company shall also vest in each Executive Director individually.
- 2. If an Executive Director performs any transaction in a private capacity to which transaction the Company also is a party, or if an Executive Director, acting in his private capacity, conducts any legal action against the Company other than as referred to in Section 15 of Book 2, each other Executive Director shall have the power to represent the Company.
- 3. The Board of Directors may grant power of attorney for signature to one or several persons and may alter or revoke such power of attorney.

Indemnity and Insurance.

Article 17.

- 1. To the extent permissible by law, the Company shall indemnify and hold harmless:
 - a. each member of the Board of Directors, both former members and members currently in office;
 - b. each person who is or was serving as an officer of the Company;
 - c. each person who is or was serving as a proxy holder of the Company;

d. each person who is or was a member of the board or supervisory board or officer of other companies or corporations, partnerships, joint ventures, trusts or other enterprises by virtue of their functional responsibilities with the Company and or its Subsidiaries,

(each of them, for the purpose of this Article only, an “indemnified person”), against any and all liabilities, claims, judgments, fines and penalties (“claims”) incurred by the indemnified person as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a “legal action”), brought by any party other than the Company itself or any Subsidiaries, in relation to acts or omissions in or related to his capacity as an indemnified person.

2. Claims will include derivative actions brought on behalf of the Company or any Subsidiaries against the indemnified person and claims by the Company (or any Subsidiaries) itself for reimbursement for claims by third parties on the ground that the indemnified person was jointly liable toward that third party in addition to the Company.
3. The indemnified person will not be indemnified with respect to claims insofar as they relate to the gaining in fact of personal profits, advantages or compensation to which he was not legally entitled, or if the indemnified person shall have been adjudged to be liable for willful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).
4. Any expenses (including reasonable attorneys’ fees and litigation costs) (collectively, “expenses”) incurred by the indemnified person in connection with any legal action shall be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that indemnified person that he shall repay such expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified.
Expenses shall be deemed to include any tax liability which the indemnified person may be subject to as a result of his indemnification.
5. Also in case of a legal action against the indemnified person by the Company itself or any Subsidiary(s), the Company will settle or reimburse to the indemnified person his reasonable attorneys’ fees and litigation costs, but only upon receipt of a written undertaking by that indemnified person that he shall repay such fees and costs if a competent court in an irrevocable judgment has resolved the legal action in favor of the Company or the relevant Subsidiary(s) rather than the indemnified person.
6. Expenses incurred by the indemnified person in connection with any legal action will also be settled or reimbursed by the Company in advance of the final disposition of such action, but only upon receipt of a written undertaking by that indemnified person that he shall repay such expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified.

Such expenses incurred by indemnified persons may be so advanced upon such terms and conditions as the Board of Directors decides.

7. The indemnified person shall not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the Company’s prior written authorization.

The Company and the indemnified person shall use all reasonable endeavors to cooperate

with a view to agreeing on the defense of any claims, but in the event that the Company and the indemnified person would fail to reach such agreement, the indemnified person shall comply with all reasonable directions given by the Company, in order to be entitled to the indemnity contemplated by this Article.

8. The indemnity contemplated by this Article shall not apply to the extent claims and expenses are reimbursed by insurers.
9. The Company will provide for and bear the cost of adequate insurance covering claims against the indemnified person, unless such insurance cannot be obtained at reasonable terms.
10. This Article can be amended without the consent of the indemnified persons as such. However, the indemnity provided herein shall nevertheless continue to apply to claims and/or expenses incurred in relation to the acts or omissions by the indemnified person during the periods in which this clause was in effect.
11. At its discretion, the Board of Directors may have the Company indemnify other members of the management team, not being members of the Board of Directors, or other employees, each in case of the Company or of a Subsidiary, comparable to the indemnification provided herein for the benefit of other indemnified persons.

GENERAL MEETING.

Notice and venue of the General Meeting.

Article 18.

1. Without prejudice to the provisions of Article 24, General Meetings shall be held as frequently as the Board of Directors may wish. The power to call the General Meeting shall vest in the Board of Directors, in each Executive Director individually and/or the Chairman.
2. The Board of Directors may determine a registration date for the purpose of registration of Shareholders who can attend the relevant Meeting and in order to establish the number of votes to be exercised at such General Meeting. In case the Board of Directors resolves to set a registration date for a General Meeting, any Shareholder who wishes to attend such General Meeting must inform the Board of Directors of its intent to attend the General Meeting. At the same time the registration date determines the number of votes that a Shareholder may cast in the General Meeting. The aforesaid registration date is set on the twenty-eighth (28th) day prior to the day of the relevant General Meeting. Should the Board of Directors resolve not to set a registration date, then all parties that can prove to hold Shares on the day of the General Meeting may attend the General Meeting and such Shareholders shall be able exercise votes on the basis of their Shares held on the day of the General Meeting.
3. The Board of Directors must call a General Meeting:
 - (a) if one or several Shareholders jointly representing at least one tenth of the issued capital so request the Board of Directors, that request to specify the subjects to be discussed and voted upon;
 - (b) if the Priority so requests the Board of Directors, solely for purposes of filling a vacancy in respect of one or both of the Designated Director positions by proposing

by binding nomination a candidate or candidates for appointment by the General Meeting as Designated Director(s);

- (c) within three months after the Board of Directors has considered it plausible that the equity capital of the Company has decreased to an amount equal to or less than one-half of the paid and called up part of the capital.

If the General Meeting is not held within six weeks after the request referred to under (a), the applicants themselves may call the General Meeting - with due observance of the applicable provisions of the law and the Articles of Association - provided that the President of the District Court has granted leave to such applicants for the convocation of a General Meeting (other than in the case of a request by the Priority, in which case such leave shall not be required). The provisions of paragraph 2 of this Article shall apply *mutatis mutandis* to the procedure of calling a General Meeting referred to in the preceding sentence.

4. Any Shareholder(s) who hold at least three one-hundredths (3/100) of the issued capital of the Company may propose items for the agenda of the General Meeting. Such item for the agenda should together with an explanation be submitted to the Board of Directors at least sixty (60) days prior to the day of the General Meeting at which it shall be addressed. The Board of Directors will include such items for the agenda in an equal manner as items on the agenda proposed by the Board of Directors.
5. The Priority may propose the following items for the agenda of an annual General Meeting: (A) a proposal that the General Meeting removes a Designated Director from office, and (B) subject to and conditional upon the approval by the General Meeting of such removal, a binding nomination in respect of the appointment by the General Meeting of a replacement Designated Director. Such items for the agenda should together with an explanation be submitted to the Board of Directors at least sixty (60) days prior to the day of the annual General Meeting at which it shall be addressed. The Board of Directors will include such items for the agenda in an equal manner as items on the agenda proposed by the Board of Directors.
6. Without prejudice to paragraph 3 of this Article, once every calendar year the Priority may call a General Meeting for the sole purpose of (A) removal of a Designated Director from office, and (B) subject to the resolution by the General Meeting of such removal, a binding nomination in respect of the appointment by the General Meeting of a replacement Designated Director. For the avoidance of doubt, if the Priority calls a General Meeting in accordance with this paragraph 6, the provisions of this Article 18 in respect of the requirements for the convocation of a General Meeting shall apply accordingly.
7. Notice of the General Meeting must be given to each Shareholder. The term of notice must be at least fifteen (15) clear days before the day on which the meeting is held. Notice shall be given by means of letters, specifying the subjects to be discussed at the meeting. The notice should also contain information on a formal registration date (if applicable) for the registration of Shareholders who can attend the relevant Meeting and in order to establish the number of votes to be exercised at such General Meeting.
8. General Meetings shall be held in The Hague, Amsterdam, Rotterdam, Utrecht or at

Schiphol Airport in the municipality of Haarlemmermeer. Entirely without prejudice to the provisions of paragraph 3 of this Article, any resolution passed at a General Meeting held elsewhere - in or outside the Netherlands - shall be valid only if the requirements of notice set out in paragraph 5 of this Article have been complied with and the entire issued and outstanding share capital is represented.

Admittance to and chairmanship of the General Meeting.

Article 19.

1. The Shareholders are entitled to admittance to the General Meeting. The Directors of the Company also are entitled to admittance, with the exception of any Director who has been suspended, and admittance shall further be granted to any person whom the chairman of the meeting concerned has invited to attend the General Meeting or any part of that meeting.
2. If a Shareholder wishes to attend a General Meeting by proxy, he must issue a written power of attorney for that purpose, which power of attorney must be presented to the chairman of the meeting concerned.
3. The General Meeting shall be presided over by the Chairman. In case the Chairman is not available the Board of Directors shall appoint the chairman of the General Meeting.
4. Unless a notarial record of the business transacted at the meeting is drawn up, or unless the chairman of the General Meeting himself wishes to keep minutes of the meeting, the chairman shall designate a person charged with keeping the minutes.

The minutes shall be adopted by the General Meeting at the same meeting or at a subsequent meeting, in evidence of which the minutes shall be signed by the chairman of the General Meeting and the secretary of the meeting at which the minutes were adopted.

5. The chairman of the General Meeting decides on all issues regarding admittance to the meeting, voting and the order of the meeting.

Voting rights. Decision-making.

Article 20.

1. Each Class A Ordinary Share carries the right to cast one (1) vote.

Each Class B Ordinary Share carries the right to cast ten (10) votes. Each Class C Ordinary Share carries the right to cast nine (9) votes. The Priority Share carries the right to cast one hundred (100) votes.
2. In determining the extent to which the Shareholders cast votes, are present or are represented, or the extent to which the share capital is represented the Shares in respect of which no votes may be cast shall not be taken into account.
3. Unless the Articles of Association stipulate a larger majority, all resolutions of the General Meeting shall be passed by an absolute majority of the votes cast.
4. Blank votes and invalid votes shall not be counted as votes.
5. Votes on business matters - including proposals concerning the suspension, dismissal or removal of persons - shall be taken by voice or acclamation, but votes on the election of persons shall be taken by secret ballot, unless the chairman of the General Meeting decides on a different method of voting and none of the persons present at the meeting

object to such different method of voting.

6. If at the election of persons the voting for and against the proposal is equally divided, another vote shall be taken at the same meeting; if then again the votes are equally divided, then - without prejudice to the provision in the following sentence of this paragraph - such person shall not be elected.

If at an election of persons the vote is taken between more than two candidates and none of the candidates receive the absolute majority of votes, another vote - where necessary after an interim vote - shall be taken between the two candidates who have received the largest number of votes in their favor.

If the voting for and against any other proposal than as first referred to in this paragraph is equally divided, that proposal shall be rejected.

7. The General Meeting may resolve to allow a Shareholder to attend and participate in the General Meeting by electronic means of communication, if and to the extent the identity of the thus attending Shareholder can be verified by the chairman of the General Meeting. Electronic votes submitted to the Board of Directors within twenty-eight (28) days of the General Meeting shall be considered to be issued at the General Meeting, provided the means of communication allows the chairman of the General Meeting to verify the identity of the voting Shareholder.

Shareholders' proxy. Shares belonging to any community of property or joint estate.

Article 21.

1. In respect of any or all of his Shares a Shareholder may give one or several persons written power of attorney to exercise any or all of the rights attached to those Shares. Such power of attorney may not be given in respect of one and the same Share to more than one person simultaneously. The powers referred to in this paragraph may also vest in usufructuaries and pledgees of Class A Ordinary Shares. The Board of Directors may invoke certain rules on the registration of proxies as referred to in this paragraph.
2. Joint owners of any community of property or joint estate comprising Shares or a limited right to Shares may only exercise their rights by giving one or several persons written power of attorney to exercise said rights. If power of attorney is given to several persons, such power of attorney must specify in respect of which number of Shares each proxy is authorised to exercise the rights attached thereto.

Decision-making outside a meeting.

Article 22.

Unless statutory provisions provide otherwise, any resolution which Shareholders entitled to vote can pass at a General Meeting may also be passed by them outside a meeting, provided that they all express themselves in writing in favor of the proposal concerned. The persons who have passed a resolution outside a meeting shall immediately inform the Board of Directors of that resolution.

**Meetings of holders of Class A Ordinary Shares,
meetings of holders of Class B Ordinary Shares,
meetings of holders of Class C Ordinary Shares, and
meetings of the holder of the Priority Share.**

Article 23.

1. Meetings of holders of a particular class of Ordinary Shares shall be convened by the Board of Directors. Meetings of the holder of the Priority Share may be convened by the holder of the Priority Share.
2. The convocation shall take place not later than on the fifth (5th) day prior to the day on which the meeting shall take place.
3. A meeting of any class of Shares shall be held in the Netherlands at the place notified in convocation; provided, however, that if all of the holders of such class of Shares so agree, (i) a meeting of such class may instead be convened elsewhere, or (ii) such holders may pass resolutions in writing in accordance with Article 22
4. For the avoidance of doubt, the Priority may approve or decline to approve any Transfer, subscription or holding of Excess Shares hereunder in writing and without a meeting.
5. Other than as varied by paragraphs 2 and 3 above, Articles 18 through 22 shall apply, *mutatis mutandis*, to any meeting referred to in this Article.

Financial Year. Annual accounts.

Article 24.

1. The financial year of the Company shall be equal to the calendar year.
2. Each year within five months after the end of the Company's financial year, save where this term is extended by a maximum of five (5) months by the General Meeting on account of special circumstances, the Board of Directors shall draw up annual accounts and an annual report on that financial year. To these documents shall be added the particulars referred to in Section 392, sub-section 1, of Book 2. However, if the provisions of Section 403 of Book 2 have been applied to the Company and if and to the extent that the General Meeting does not decide otherwise:
 - a. the obligation to draw up the annual report; and
 - b. the obligation to add to the annual accounts the particulars referred to in Section 392 of Book 2 shall not apply.

If the Company qualifies as a legal entity in the terms of Section 396 sub-section 1 or Section 397 sub-section 1 of Book 2 the Company shall not be required to make an annual report unless by law the Company must establish a works council or unless no later than six months from the start of the financial year concerned the General Meeting has resolved otherwise.

3. The annual accounts shall be signed by all Directors. If the signatures of one or more of the Directors are missing, this and the reason for such absence shall be stated.
4. The Board of Directors shall ensure that the annual accounts and, if required, the annual report and the particulars added by virtue of Section 392 of Book 2 shall be available at the office of the Company as soon as possible but not later than as from the date of notice calling the General Meeting intended for the discussion and approval thereof. Said documents shall be open to the inspection of the Shareholders at the office of the Company and copies thereof may be obtained by them free of charge.

Annual General Meeting. Adoption of annual accounts.

Article 25.

1. Each year at least one General Meeting shall be held, that meeting to be held within six (6) months after the end of the Company's last expired financial year.
2. The annual accounts shall be adopted by the General Meeting.

Profits and losses.

Article 26.

1. The distributable profit of the Company shall be at the disposal of the Board of Directors. The Board of Directors determines the amount of the profit of the Company that shall be allocated to the profit reserves and the amount of profit available for distribution.
2. The Company may distribute profit only if and to the extent that its equity exceeds the sum of the paid and called-up part of the issued capital and the reserves which must be maintained by virtue of the law.
3. If and when the Board of Directors proposes to allocate or distribute a profit, the holders of Ordinary Shares and the Priority Share shall be entitled *pari passu* to the profits of the Company, *pro rata* to the total number of Class A Ordinary Shares, Class B Ordinary Shares and Class C Ordinary Shares and/or the Priority Share held, provided that out of the profit of any financial year, the holders of Class C Ordinary Shares and the Priority Share shall be entitled to a maximum amount equal to one percent (1%) of the nominal value of such Shares.
4. Dividends may be paid only after approval and adoption of the annual accounts which show that they are justified.
5. For the purposes of determining the allocation of profits, any Shares held by the Company (except as otherwise provided in paragraph 7 of Article 10), and any Shares of which the Company has a usufruct, shall not be taken into account.
6. The Board of Directors may resolve to declare interim dividends out of the profits realised in the current financial year. Dividend payments as referred to in this paragraph may be made only if the provision in paragraph 2 of this Article has been met as evidenced by an interim statement of assets and liabilities as referred to in Section 105 subsection 4 of Book 2.
7. Any distributions made from the Company reserves shall be made only at the proposal of the Board of the Directors and with due observance of the provisions of paragraph 3 of this Article.
8. Unless the General Meeting sets a different term for that purpose, dividends shall be made payable within thirty (30) days after they are declared.
9. The Board of Directors may resolve that dividends are satisfied in whole or in part by the distribution of assets or the issue of Shares.
10. Any deficit may be set off against the statutory reserves only if and to the extent permitted by law.

Amendment of Articles of Association. Merger. Demerger. Division.

Article 27.

1. Upon receipt of a written proposal of the Board of Directors to this effect, the General Meeting may resolve to amend the Articles of Association, to conclude a legal merger or demerger or to dissolve the Company in the terms of Part 7 of Book 2.

2. The adoption of a resolution to amend the Articles of Association, to conclude a legal merger or demerger, in the terms of Part 7 of Book 2, or to dissolve the Company requires (i) a two-thirds (2/3) majority of the votes cast in the General Meeting, and (ii) the prior approval of such resolution by a simple majority of the votes cast at a Meeting of holders of Class A Ordinary Shares.
3. For the adoption of a resolution to amend the Articles of Association in which (a) the rights, including but not limited to the calculation of entitlement to any profits, of holders of Class A Ordinary Shares are taken away/affected, including but not limited to any change in the dividend or liquidation entitlement of the holders of Class B Ordinary Shares or Class C Ordinary Shares; (b) the definitions of “Initial Qualified Holder”, “Non-Qualified B Holder”, “Permitted Transferee”, “Qualified B Holder” or “Transfer” are changed; (c) any amendment is made to Article 4A, Article 4B or this Article 27; or (d) the number of authorized Class B Ordinary Shares is to be increased; the prior approval of the Meeting of holders of Class A Ordinary Shares is required, which resolution requires a majority of at least three-fourth (3/4) of the votes cast at such meeting.
4. For the adoption of a resolution to amend the Articles of Association in which the rights of the Priority are affected (including, but not limited to, the number of Priority Shares included in the authorized capital of the Company or any amendment to Article 12 paragraph (1) (regarding the size of the Board of Directors), Articles 12 paragraph (2) (regarding Director criteria); Article 15 paragraph 4(d) (regarding the Nominating Committee) or Article 15 paragraph 4(e) (regarding the Public Interest Committee)), the prior approval of the Priority is required.

Winding up and liquidation.

Article 28.

1. The General Meeting shall have the power to resolve to wind up the Company, provided with due observance of the requirement laid down in Article 27.
2. Unless otherwise resolved by the General Meeting or unless otherwise provided by law, the Directors of the Company shall be the liquidators of the Company.
3. The surplus assets remaining after (i) all the Company’s liabilities have been satisfied, (ii) all profit reserves and other dividend entitlements have been distributed, shall be divided among the holders of the Ordinary Shares and the Priority Share *pro rata* to the total number of Shares held, albeit that (i) the holders of Class C Ordinary Shares shall be entitled to a maximum amount of one eurocent (EUR 0.01) per Class C Ordinary Share and (ii) the holder of the Priority Share shall be entitled to a maximum amount of one euro (EUR 1).
4. After completion of the liquidation the books, records and other data-carriers of the dissolved Company shall for a period of seven years remain in the custody of the person whom the liquidators have appointed for that purpose in writing.

YANDEX N.V.

Nominating Committee Charter

(as adopted as of [-] 2019)

A. Purpose

The purpose of the Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Yandex N.V. (the “Company”) is to select and recommend for nomination by the Board persons for election as executive or non-executive directors of the Company (each a “Director”) at any General Meeting (as such term is defined in the Company’s articles of association). The Board shall not make any nomination of a person for election as a Director unless such person has been recommended pursuant to the provisions of this Charter.

This Charter should be applied in a manner consistent with all applicable laws, applicable governance codes and stock market rules and the Company’s articles of association, each as amended and in effect from time to time.

B. Structure and Membership

1. **Number and Composition.** The Committee shall consist of five (5) members, each of whom shall be Non-Executive Director, as follows:
 - One (1) Committee member shall be a Designated Director (as such term is defined in the Company’s articles of association) (the “DD Member”).
 - At least one additional Committee member shall be a citizen and resident of the Russian Federation (the “Resident Member”).
 - At least three (3) Committee members shall be Class II Directors (as defined in paragraph C.4 below) (the “Class II Members”).
2. **Subcommittees.** The Committee shall be comprised of the following two subcommittees:
 - Subcommittee I, which shall consist of three (3) members, as follows: the DD Member, the Resident Member, and one (1) of the Class II Members; and
 - Subcommittee II, which shall consist of three (3) Class II Members.
3. **Independence.** Except as otherwise permitted by the applicable rules of the Nasdaq Stock Exchange (or any other stock exchange on which the Company’s ordinary shares may be listed) and the Dutch Corporate Governance Code, each member of the Committee shall be an “independent director” as defined by such rules (the “Independence Criteria”).

4. Chair. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by unanimous vote. Unless the Committee determines otherwise by unanimous vote, each of Subcommittee I and Subcommittee II shall elect a Subcommittee Chair by unanimous vote.
5. Compensation. The compensation of Committee members shall be as determined by the Board.
6. Selection and Removal. Members of the Committee shall be appointed by a Board decision taken with a simple majority, upon the recommendation of the full Committee, subject to the requirements set forth in paragraph B.1 above. The Board shall determine which Committee members shall be members of Subcommittee I and which Committee members shall be members of Subcommittee II, subject to the requirements set forth in paragraph B.2 above. The Board may decide to remove members of the Committee, other than the DD Member, from such Committee with or without cause, by a Board decision taken with a simple majority.

C. Authority and Responsibilities

1. Discharge of responsibilities. The Committee shall discharge its responsibilities in a diligent manner and in accordance with its business judgment.
2. Selection of Director Nominees. Except where the Company is legally required by contract, its articles of association or otherwise to provide third parties with the right to nominate Directors, including, for the avoidance of doubt, in respect of the Designated Directors, the Committee shall be responsible for selecting and recommending persons for nomination by the Board for appointment as Directors by the General Meeting, as set forth below.

Subcommittee I shall be responsible for selecting and recommending persons for nomination by the Board for appointment by the General Meeting as Class I Directors (as defined below). Any such recommendation shall require the affirmative vote of a simple majority of the members of Subcommittee I. The DD Member may veto any proposal for recommendation made by Subcommittee I by casting an affirmative vote against such proposal. Any use of the veto right of the DD Member as set out in the previous sentence shall require the prior approval of the holder of the Priority Share (as such term is defined in the Company's articles of association). For the avoidance of doubt, the DD Member shall have no right of veto over any nominations for Class II Directors (as defined below).

Subcommittee II shall be responsible for selecting and recommending persons for nomination by the Board for appointment by the General Meeting as Class II Directors. Any such recommendation shall require the affirmative vote of a simple majority of the members of Subcommittee II.

3. Criteria for Selecting Directors. Each candidate for nomination to serve as a Director must meet the selection criteria set forth in Part A of Schedule 1 (Criteria

for Directors). The Board may waive such selection criteria by a Board decision taken with a simple majority. In selecting and recommending persons for nomination, the Committee shall consider the general criteria set forth in Part B of Schedule 1 (*Criteria for Directors*).

The Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and criteria for new Directors as well as the composition of the Board as a whole. The Committee may adopt, and periodically review and revise as it deems appropriate, procedures regarding Director candidates proposed by shareholders.

4. Classes of Directors. Pursuant to the articles of association of the Company, the Board shall consist of twelve (12) members, of whom two (2) shall be Designated Directors. The remaining Directors shall, for purposes of this Charter, be divided into two classes, Class I Directors and Class II Directors.

The “Class I Directors” shall be the following current members of the Board, and each successor to each such current director (and each further successor thereto): Charlie Ryan, Herman Gref, Ilya Strebulaev and Mikhail Parakhin.

The remaining Directors, and each successor director to each such remaining director (and each further successor thereto), shall be “Class II Directors.”

In the event that any person becomes a Director other than upon a recommendation by the Committee pursuant to the procedures set forth in this Charter, such Director shall be a “Class II Director”.

5. Search Firms. The Committee shall have the authority to retain and terminate any search firm to be used to identify potential nominees for selection and recommendation for nomination to the Board. In this regard, the Committee has the authority to approve the search firm’s fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of any search firm engaged by the Committee.
6. Succession of Directors. The Committee shall oversee an annual review by the Board on succession planning, which shall include transitional leadership in the event of an unplanned vacancy.

D. Procedures and Administration

1. Meetings. Each of the Committee, Subcommittee I and Subcommittee II shall meet as often as it deems necessary in order to perform its responsibilities. Subcommittee I and Subcommittee II shall promptly report to the Committee and to the Board on any decision taken in Subcommittee I and Subcommittee II, respectively. In any event, the Committee and each Subcommittee shall meet at least six (6) months prior to the anticipated date of the annual General Meeting, and as promptly as possible after the occurrence of any vacancy on the Board, to identify and consider potential nominees for selection and recommendation for

nomination by the Board, and shall propose potential candidate(s) for nomination to the Board at least three (3) months prior to the anticipated date of any such General Meeting. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.

2. Convocation. Committee or Subcommittee meetings shall be held at such time and place as the Committee Chair or the respective Subcommittee Chair, as the case may be, may from time to time determine. Committee meetings shall be convened by means of a written notice by the Chair or the respective committee Chair, as the case may be. All notices shall be given by e-mail and shall be deemed adequately delivered when the notice is transmitted.
3. Notice Period. All Committee or Subcommittee members, as the case may be, shall be given at least ten (10) business days (in Moscow) prior notice of each Committee or Subcommittee meeting, as the case may be. The foregoing notice period may be waived unanimously by all members of the Committee or the respective Subcommittee, as the case may be.
4. Reports to the Board. The Committee shall report regularly to the Board and upon request of the Board.
5. Charter. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. Any amendments to this charter shall require the unanimous approval of the Board.
6. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors as established by the Committee.

SCHEDULE 1

Criteria for Directors

Part A: Mandatory Criteria

No person shall be eligible for appointment or re-appointment as a Non-Executive Director if:

- a. Such person is currently, or within two years prior to appointment has been, a political appointee, a member of a governing body of a political party, a government official, a member or employee of any state apparatus, a member of parliament, or a political office-holder, in each case in respect of any country in the world.
- b. Such person is currently, or within two years prior to appointment has been, an employee of a company that is majority owned or controlled by any government (or any division thereof).
- c. Such person has any criminal record; is subject to disqualification under the Code of Administrative Offenses of the Russian Federation or to any administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation (or, in each case, the comparable laws of any other jurisdiction).
- d. Such person is a person with whom the Company or its Board is prohibited by any applicable national or supra-national law or regulation from having any dealings.
- e. Such person has or within the two years prior to appointment has had a conflict of interest with the Company, meaning any commercial relationship with any business (other than in the areas/lines of activities in academic science, education and not-for-profit medicine) that competes with the Company (which, for the avoidance of doubt, shall include any business that competes with any business of the Company that generates more than one percent (1%) of the consolidated revenues of the Company for the six month preceding the Company's last reporting date based on its consolidated financial statement prepared in accordance with US GAAP). For purposes hereof, a "commercial relationship" shall mean, in respect of such person or such person's close relatives (spouse, parents, spouse's parents, children, siblings or any relative sharing the person's household) or entities controlled by such person or such person's close relatives or in which such person or his/her close relatives have a shareholding of more than 1% in the case of a publicly listed company or 3% in the case of a private company, any of the following:
 - a. an employment relationship;
 - b. membership on the board of directors or equivalent body;
 - c. any consulting relationship (whether paid or unpaid); or
 - d. a shareholding in excess of 1% in the case of a publicly listed company or 3% in the case of a private company.
- f. As a result of the appointment of such person, the Board would fail to include at least a

simple majority of members who satisfy the Independence Criteria.

Part B:

General Criteria

1. Nominees should have a reputation for integrity, honesty and adherence to high ethical standards.
2. Nominees should have demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Group, including, in particular, appropriate experience and expertise in the global technology field, and should be willing and able to contribute positively to the decision-making process of the Company.
3. Nominees should have a commitment to understand the Group and its industry and to regularly attend and participate in meetings of the Board and its committees.
4. Nominees should have the interest and ability to understand the sometimes conflicting interests of the various constituencies of the Group, which include shareholders, employees, users, advertisers, governmental agencies, creditors and the general public, and to act in the interests of all stakeholders.
5. Nominees should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of the Company and the interests of its stakeholders and to fulfill the responsibilities of a director.
6. Nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law. The value of diversity on the Board should be considered.

Application of Criteria to Existing Directors

7. The renomination of existing Directors should not be viewed as automatic, but should be based on continuing qualification under the criteria set forth above. In addition, the Committee shall consider the existing Directors' performance on the Board and any committee.

Criteria for Composition of the Board

8. The backgrounds and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities that shall assist the Board in fulfilling its responsibilities.
9. The Committee shall consider the appropriate mix and balance of nationalities represented on the Board, in light of the geographic footprint of the Group's operations from time to time.

YANDEX N.V.

Public Interest Committee Charter

(adopted as of [-] 2019)

A. Purpose

The purpose of the Public Interest Committee (the “Committee”) of the Board of Directors (the “Board”) of Yandex N.V. (the “Company” and, together with its direct and indirect subsidiaries, the “Group”) is to consider and recommend to the Board proposed decisions on the matters specifically set forth below in connection with the sensitive operations of the Group in the Russian Federation.

This Charter should be applied in a manner consistent with all applicable laws and stock market rules and the Company’s articles of association, each as amended and in effect from time to time.

B. Structure and Membership

1. **Number and Composition.** The Committee shall consist of three (3) members. One member shall be the Executive Director serving as Chief Executive Officer of the Company from time to time. Two members shall be Designated Directors (as such term is defined in the Company’s articles of association).
2. **Chair.** The Chief Executive Officer shall serve as Chair of the Committee.
3. **Compensation.** The compensation of Committee members shall be as determined by the Board.

C. Authority and Responsibilities

1. **Authority.** To the Committee shall be delegated by the Board all power and board authority to the extent this relates to the consideration and preparation of any proposed decision on the matters set forth in Schedule 1 (Reserved Matters) (the “Reserved Matters”), including the making of recommendations to the Board in respect of such proposed decisions. Subject to paragraph C.4, the Board will not act in respect of any of the Reserved Matters prior to having received a recommendation on any such matter from the Committee.
2. **Action by Consensus.** The Committee shall act only by the unanimous consent of its members; provided, however, that (i) if only one Designated Director is then a member of the Committee and able to act, the Committee may act with the consent of such Designated Director and the CEO, and (ii) if no Designated Directors are then members of the Committee and able to act, the Committee shall not have authority to act.

3. Board Action. The Board shall follow the recommendations of the Committee in respect of any proposed Board decision, unless the Board rejects such recommendation by (a) a Special Majority (as such term is defined in the Company's articles of association) of votes, which shall include the affirmative votes of the two Designated Directors, or (b) a Special Majority of votes (not including the affirmative votes of the two Designated Directors) provided that the holder of the Priority Share (as such term is defined in the Company's articles of association) has given its approval to such Board decision.
4. Failure to Act. In the event that the Committee has not taken any action on any specific Reserved Matter in accordance with paragraph C.1 above within ten (10) business days following any request thereto from the Board (including because it is unable to act in accordance with the voting requirements of paragraph C.2 above or because the Committee is not then constituted), the Board may take any action on any such specific Reserved Matter (including the taking of Board decisions) and proceed to implementation of any such Reserved Matter (including the entering into any transactions), subject to the prior approval of the holder of the Priority Share.
5. Discharge of Responsibilities. The Committee shall discharge its responsibilities, and shall assess the information provided by the management of the Group, in a diligent manner and in accordance with its business judgment.

D. Procedures and Administration

1. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. If the Chief Executive Officer proposes any matter for the consideration of the Committee, the Committee shall convene within five (5) business days (or such longer period as may be specified by the Chief Executive Officer) to consider and decide upon such matter. The Committee may also act as specified in paragraph C.2 by written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.
2. Reports to the Board. The Committee shall report to the Board at each meeting thereof and more frequently upon request of the Board, and shall report to the Board on any action taken by the Committee within two (2) business days thereof.
3. Charter. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes, including any changes to the Reserved Matters, to the Board for approval. Any amendments to this Charter shall require the unanimous approval of the Board.
4. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Group. The Committee is empowered, without further

action by the Board, to cause a member of the Group to pay the compensation of such advisors as established by the Committee.

5. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Group to meet with the Committee or any advisors engaged by the Committee.

SCHEDULE 1

Reserved Matters

For the purposes of this Schedule 1:

Control means with respect to any entity: (a) the existence of direct or indirect powers to determine or ensure the determination of management decisions of such entity (based on ownership of securities or partner rights, or other property rights, on the basis of an agreement or on any other basis); (b) the ability to directly or indirectly control more than fifty percent (50%) of the votes at any general meetings (or equivalent bodies) of such entity; or (c) the ability to appoint more than fifty percent (50%) of the members of the board of directors (or the closest equivalent to such a governing body) of such entity. The words “Controlling”, “Controlled” and “under Control” shall be construed in accordance with this definition;

Foreign Parties shall mean (i) any legal entities organized under laws of jurisdictions other than the Russian Federation and (ii) Russian legal entities, in each case that are not under Control of any individual holding Russian citizenship or any Russian legal entities (if such legal entity has no beneficial owner); and

Yandex LLC means Limited Liability Company “Yandex”, organized under the laws of the Russian Federation with registration number 1027700229193.

The Reserved Matters are:

- a. Direct or indirect (including by transfer of Control over the companies holding relevant assets) transfer or encumbrance of: material IP, including, for these purposes, IP assets referred to in paragraphs (1) (works of science, literature, and art) which are literary works; (2) (computer software programs); (3) (data bases); (8) (utility models); (9) (industrial designs); and (12) (know-how) of Article 1225 of the Russian Civil Code (or similar IP, if regulated by any law other than Russian law), including licensing of such IP, if such transfer would limit the ability of the entities Controlled by the Company to use the same within the Russian Federation, in favor of: (a) Foreign Parties not Controlled by the Company; or (b) only in relation to any IP owned by Yandex LLC, other legal entities not under Control of Yandex LLC; in each case save for direct or indirect (including by transfer of Control over the companies holding relevant assets) transfer or encumbrance carried out in the ordinary course of business.
- b. Transactions and other actions (including any transfer of Control over the entities holding any such data) resulting in providing direct access to personal data and non-depersonalized big data of Russian users to Foreign Parties not Controlled by the Company, other than in accordance with the Data Policies (as defined below).
- c. Adoption, modification, amendment, and cancellation of the Company’s and its Controlled entities’ internal policies on protection of personal data and non-depersonalized big data of Russian users (including storage procedures, and sale/ granting direct access to such information to Foreign Parties not Controlled by the Company) (the “Data Policies”).

- d. Any agreement by the Company or any of its Controlled entities with a foreign state or international intergovernmental organization (and their bodies or agencies) if such agreement concerns the territory of the Russian Federation.

YANDEX N.V.

Corporate Governance Committee Charter

(as adopted as of [-] 2019)

A. Purpose

The purpose of the Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Yandex N.V. (the “Company”) and, together with its direct and indirect subsidiaries, the “Group”) is to:

- develop and recommend to the Board a set of corporate governance guidelines applicable to the Company;
- make recommendations to the Board regarding the composition of certain committees of the Board; and
- oversee the evaluation of the Board.

This Charter should be applied in a manner consistent with all applicable laws, applicable governance codes and stock market rules and the Company’s articles of association, each as amended and in effect from time to time.

B. Structure and Membership

1. **Number**. The Committee shall consist of three (3) non-executive directors, none of whom shall be a Designated Director (as such term is defined in the Company’s articles of association).
2. **Independence**. Except as otherwise permitted by the applicable rules of the Nasdaq Stock Exchange (or any other stock exchange on which the Company’s ordinary shares may be listed) and the Dutch Corporate Governance Code, each member of the Committee shall be an “independent director” as defined by such rules.
3. **Chair**. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
4. **Compensation**. The compensation of Committee members shall be as determined by the Board.
5. **Selection and Removal**. Members of the Committee shall be appointed by a Board decision taken with an absolute majority, upon the recommendation of the Committee. The Board may decide to remove members of the Committee from such Committee, with or without cause, by a board decision taken with an absolute majority.

C. Authority and Responsibilities

General

The Committee shall discharge its responsibilities, and shall assess the information provided by the management of the Group, in a diligent manner and in accordance with its business judgment.

Corporate Governance

1. Corporate Governance Guidelines. The Committee is responsible for developing and recommending to the Board a set of Corporate Governance Guidelines applicable to the Company. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of such Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.
2. Recommendation of Committee Memberships. The Committee is responsible for recommending to the Board persons to be appointed to each committee of the Board, other than the Nominating Committee and the Strategic Committee.

Evaluation of the Board; Succession Planning

3. Evaluation of the Board. The Committee shall be responsible for overseeing an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, including the performance of individual Board members, to be discussed with the Board.
4. Senior Management. The Committee shall oversee the policies of the Board in relation to the selection criteria and the nomination procedures that apply to senior management.
5. Additional Powers. The Committee shall have such other duties as may be delegated from time to time by the Board.

D. Procedures and Administration

1. Meetings. The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. The Committee shall keep such records of its meetings as it shall deem appropriate.
2. Subcommittees. The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member) as it deems appropriate from time to time under the circumstances.

3. Reports to the Board. The Committee shall report regularly to the Board and upon request of the Board.
4. Charter. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Group. The Committee is empowered, without further action by the Board, to cause a member of the Group to pay the compensation of such advisors as established by the Committee.
6. Investigations. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Group to meet with the Committee or any advisors engaged by the Committee.

YANDEX N.V.

Corporate Governance Guidelines

(as amended as of [-], 2019)

The Board of Directors (the “Board”) of Yandex N.V. together with its subsidiaries (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its shareholders and other stakeholders. The Guidelines should be applied in a manner consistent with all applicable laws and stock market rules and the Company’s articles of association, each as amended and in effect from time to time. The Guidelines are intended to serve as a flexible framework for the conduct of the Board’s business and not as a set of legally binding obligations. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its shareholders.

A. Director Responsibilities

1. Oversee Management of the Company. The Board is in charge of the management of the Company. The duties, powers and authorities of the Board are divided between the executive Board member(s) and the non-executive Board members. The executive Board member(s) will be responsible for the management of the day to day affairs of the Company and the non-executive Board members will be responsible for the supervision of the execution of the duties and responsibilities of the members of the Board and of the general course of affairs of the Company and its business. Subject to the division of duties, powers and authorities set out in the previous sentence, the Board may attribute additional duties, powers and authorities to non-executive Board members. The responsibilities of the Board member(s) include:
 - Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
 - Evaluating the performance of the Company and its senior management and taking appropriate action.
 - Subject to the remuneration policy adopted by the meeting of shareholders, evaluating the Company’s compensation programs on a regular basis and determining the compensation of its senior management.
 - Reviewing and approving senior executive succession plans.
 - Evaluating whether corporate resources are used only for appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.

- Reviewing the Company's policies and practices with respect to risk assessment and risk management.
 - Reviewing and approving material transactions and commitments not entered into in the ordinary course of business.
 - Developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
 - Providing advice and assistance to the Company's senior management.
 - Evaluating the overall effectiveness of the Board and its committees.
2. Exercise Business Judgment. In discharging their fiduciary duties of care, loyalty and candor, directors are expected to exercise their business judgment to act in the best interests of the Company and its shareholders and other stakeholders by promoting the lasting success of the Company and its business.
3. Understand the Company and its Business. Directors have an obligation to become and remain informed about the Company and its business, including the following:
- The principal operational and financial objectives, strategies and plans of the Company.
 - The results of operations and financial condition of the Company and of significant subsidiaries and business segments.
 - The relative standing of the business segments within the Company and vis-à-vis competitors.
 - The factors that determine the Company's success.
 - The risks and problems that affect the Company's business and prospects.
4. Establish Effective Systems. Executive board members are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company, and non-executive Board members are responsible for supervising such systems, including the following:
- Current business and financial performance, the degree of achievement of approved objectives and the need to address forward-planning issues.
 - Future business prospects and forecasts, including actions, facilities, personnel and financial resources required to achieve forecasted results.
 - Financial statements, with appropriate segment or divisional breakdowns.

- Compliance programs to assure the Company's compliance with law and corporate policies.
- Material litigation and governmental and regulatory matters.
- Monitoring and, where appropriate, responding to communications from shareholders.

Directors should also periodically review the integrity of the Company's internal control and management information systems.

5. Board, Shareholder and Committee Meetings. Directors are responsible for attending Board meetings, meetings of committees on which they serve and the annual meeting of shareholders, and devoting the time needed, and meeting as frequently as necessary, to discharge their responsibilities properly.
6. Reliance on Management and Advisors; Indemnification. The directors are entitled to rely on the Company's senior management and its outside advisors, auditors and legal counsel, except to the extent that any such person's integrity, honesty or competence is in doubt. The directors are also entitled to Company-provided indemnification, statutory exculpation and directors' and officers' liability insurance.

B. Director Qualification Standards

1. Independence. Except as may otherwise be permitted by NASDAQ rules or the Dutch Corporate Governance Code, a majority of the members of the Board shall be independent directors. To be considered independent: (1) a director must be independent as determined under Rule 5605(a)(2) of the rules of the NASDAQ Stock Market and (2) in the Board's judgment, the director must not have a relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
2. Size of the Board. The number of directors shall be determined by the Board, in accordance with the provisions of the articles of association of the Company, as amended and in effect from time to time.
3. Other Directorships. The Board does not believe that its members should be prohibited from serving on boards of other organizations, and the Board has not adopted any guidelines limiting such activities. However, the Nominating Committee shall take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to the Board. Service on boards and/or committees of other organizations shall comply with the Company's conflict of interest policies.
4. Tenure. The Board notes that strict observance of term limits could result in the loss of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and an institutional memory that benefit the entire membership of the Board as well as management. Accordingly, the

Nominating Committee shall review each director's continuation on the Board at least once every four years. This will allow the Company to proceed to any renomination and reappointment as may be appropriate, while taking into account the personal considerations of a member of the Board to continue office.

5. Selection of New Director Candidates. The Nominating Committee shall be responsible for selecting the persons to be nominated for election as directors at any meeting of shareholders, in accordance with the terms of its charter.
6. Extending the Invitation to a New Director Candidate to Join the Board. The invitation to join the Board should be extended by the Chairman of the Board, on behalf of the Board, and the Chairman of the Nominating Committee, on behalf of such Committee. Unauthorized approaches to prospective directors can be premature, embarrassing and harmful.

C. Board Meetings

1. Selection of Agenda Items. Each Board member is free to suggest the inclusion of agenda items and is free to raise at any Board meeting subjects that are not on the agenda for that meeting.
2. Frequency and Length of Meetings. The Chairman of the Board, in consultation with the members of the Board, shall determine the frequency and length of the Board meetings. Special meetings may be called from time to time as determined by the needs of the business.
3. Advance Distribution of Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. The Board acknowledges that certain items to be discussed at a Board or committee meeting may be of an extremely confidential or time-sensitive nature and that the distribution of materials on these matters prior to meetings may not be appropriate or practicable. Presentations made at Board meetings should do more than summarize previously distributed Board meeting materials.
4. Executive Sessions. The independent directors as per clause B.1 shall meet in executive session at least twice a year to discuss, among other matters, the performance of the Chief Executive Officer. The independent directors will meet in executive session at other times at the request of any independent director. Absent unusual circumstances, these sessions shall be held in conjunction with regular Board meetings. The Chairman shall preside at these meetings.
5. Attendance of Non-Directors at Board Meetings. The Board encourages the senior management of the Company to, from time to time, bring Company personnel into Board meetings who (i) can provide additional insight into the items being discussed because of personal involvement in these areas or (ii) appear to be persons with future potential who should be given exposure to the Board.

D. Board Committees

1. Key Committees. The Board shall have at all times an Audit Committee, a Compensation Committee, a Corporate Governance Committee, a Nominating Committee and a Public Interest Committee. Each such committee shall have a charter that has been approved by the Board. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.
2. Assignment and Rotation of Committee Members. The Nominating Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board, subject to the requirements set out in the charter of each such committee, if any. Except as otherwise permitted by the applicable SEC and NASDAQ rules and the Dutch Corporate Governance Code, each member of the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Nominating Committee shall be an “independent director” as defined by such rules.
3. Committee Charters. In accordance with the NASDAQ rules, as applicable, the charters of the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Nominating Committee and the Public Interest Committee shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The Board shall, from time to time as it deems appropriate, review and reassess the adequacy of each charter and make appropriate changes, in accordance with the provisions of each such charter.
4. Selection of Agenda Items. The chairman of each committee, in consultation with the committee members, shall develop the committee’s agenda. At the beginning of the year each committee shall establish a schedule of subjects to be discussed during the year (to the extent practicable). The schedule for each committee meeting shall be furnished to all directors.
5. Frequency and Length of Committee Meetings. The chairman of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee’s charter. Special meetings may be called from time to time by the chairman of such committee, as determined by the needs of the business and the responsibilities of the committees.

E. Director Access to Management and Independent Advisors

1. Access to Officers and Employees. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Chief Financial Officer or directly by the director. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent appropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

2. Access to Independent Advisors. The Board and each committee have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. Such independent advisors may be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay the compensation of such advisors as established by the Board or any such committee.

F. Director Compensation

1. Role of Board and Compensation Committee. The form and amount of director compensation shall be determined by the Board in accordance with the policies and principles set forth below and the remuneration policy adopted by the meeting of shareholders. The Compensation Committee shall conduct an annual review of the compensation of the Company's directors. The Compensation Committee shall consider that questions as to directors' independence may be raised if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts or business arrangements with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.
2. Form of Compensation. The Board believes that directors should be incentivized to focus on long term shareholder value.
3. Amount of Compensation. The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors at least competitively relative to comparable companies. The Company may, from time to time, commission the preparation of a comparison report to the Board, comparing the Company's director compensation with that of comparable companies.

G. Management Evaluation and Succession

1. Selection of Chief Executive Officer. The Board selects and appoints from its executive members the Company's Chief Executive Officer.
2. Evaluation of Senior Management. The Compensation Committee shall be responsible for overseeing the evaluation of the Company's senior management. In conjunction with the Audit Committee, in the case of the evaluation of the senior financial executives, the Compensation Committee shall determine the nature and frequency of the evaluation and the persons subject to the evaluation, supervise the conduct of the evaluation and prepare assessments of the performance of the Company's senior management, to be discussed with the Board periodically. The Board shall review the assessments to ensure that the senior management are providing the best leadership for the Company over both the long- and short-term.

3. Succession of Senior Management. The Nominating Committee shall be responsible for overseeing an annual evaluation of succession planning.

H. Annual Performance Evaluation of the Board

The Corporate Governance Committee shall oversee an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Corporate Governance Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, to be discussed with the Board. The purpose of this process is to improve the effectiveness of the Board and its committees and not to target individual Board members.

I. Board Interaction with Shareholders, Institutional Investors, the Press, Advertisers, Etc.

The Board believes that the Chief Executive Officer and his or her designees speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is, however, expected that Board members would do so with the knowledge of and, absent unusual circumstances or as contemplated by the committee charters, only at the request of the Board.

The Board will give appropriate attention to written communications that are submitted by shareholders and other interested parties, and will respond if and as appropriate at the sole discretion of the Board. Absent unusual circumstances or as contemplated by the committee charters, the Chairman of the Board or the Chairman of the Corporate Governance Committee shall, subject to advice and assistance from the Company's in-house counsel and/or outside legal advisors, (1) be primarily responsible for monitoring communications from shareholders and other interested parties, and (2) provide copies or summaries of such communications to the other directors as he or she considers appropriate.

J. Company Secretary

The Board will be supported by a company secretary who will appointed and dismissed by the Board (the "Company Secretary"). The responsibilities of the Company Secretary include:

- To help to ensure that proper procedures are followed and that the statutory obligations and obligations under the Company's articles of association are complied with by the Company.
- To facilitate the provision of information by and to the Board and by and to the Board Committees.
- To support the Chairman of the Board and the Chairmen of the Board Committees in the organization of the affairs of the Board and the Board Committees, including the provision of information, meeting agendas, evaluations and training programmes.

K. Periodic Review of the Corporate Governance Guidelines

The Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

YANDEX N.V.

Board Rules

(as adopted as of [·] 2019)

Article 13.2 of the articles of association (the “Articles of Association”) of Yandex N.V. (the “Company”) requires that the board of directors of the Company (the “Board”) draws up board rules (the “Board Rules”) to deal with matters that concern the Board and its committees. Therefore, the Board has adopted these Board Rules on [·] 2019. The Board Rules are supplementary to the Articles of Association, the Corporate Governance Guidelines of the Company and any applicable laws and regulations.

Capitalized terms used but not defined in these Board Rules shall have the meaning set forth in the Articles of Association.

A. Board Meetings

- 1 **Convocation.** Board meetings may be held at such time and place as the Board, the Chairman or the Chief Executive Officer may from time to time determine. Board meetings shall be convened by means of a written notice by the Board, the Chairman or the Chief Executive Officer. All notices shall be given by e-mail and shall be deemed adequately delivered when the notice is transmitted.
- 2 **Notice Period.** All Directors shall be given reasonable notice of regular Board meetings at least 72 hours prior to the date of the meeting. Notice of special Board meetings shall be given at least 24 hours prior to such meeting. Any such notice period may be shortened at the discretion of the Chairman or the Chief Executive Officer for good cause, and the taking of any such action by such individual shall be conclusive evidence that it was taken for good cause.
- 3 **Details of Board Meetings.** Notice of a Board meeting shall include the date, time, place and agenda for that Board meeting and shall be sent to the Directors in writing. Directors may participate in a meeting of the Board by means of telephone or video conference or similar communications equipment, provided that all persons participating in the meeting can hear, and be heard by, one another, and participation in a meeting in such a manner shall constitute presence in person at such Board meeting.
- 4 **Formalities.** If a Board meeting has not been convened in accordance with paragraphs A.1, A.2 or A.3, resolutions may nevertheless be passed at such Board meeting if all Directors are present or if those not present waive such convocation formalities before or after the meeting.

- 5 Board action without meeting. Resolutions may be adopted by the Board without convening a meeting if all Directors shall have expressed their opinions in writing, unless one or more Directors shall object in writing against a resolution being adopted in this way prior to the adoption of the resolution. A resolution shall in this case be adopted if the majority of all Directors then in office shall have executed a written consent in favor of the adoption of the resolution concerned. The secretary, or, in his or her absence, any assistant secretary shall file any such resolution with the minutes of the proceedings of the Board.
- 6 Chairman; Secretary. All Board meetings shall be chaired by the Chairman or in his absence another Director designated by the Directors present at the Board meeting. The chairman of the Board meeting shall appoint a secretary to prepare the minutes of the Board meeting. The secretary does not necessarily need to be a Director.
- 7 Minutes. Minutes of Board meetings shall be confirmed and signed by the Chairman, certified by a Director and filed with the minutes of the proceedings of the Board.
- 8 Proxy. A Director may in respect of a specific Board meeting be represented only by another Director duly authorized in writing, and such authorization shall constitute presence by proxy at such meeting. A Director may not act as proxy for more than one other Director.

B. Decision Making

- 1 General Decision Making. The Board shall resolve on all matters in the manner provided for in the Articles of Association, except as provided below in this section B.
- 2 Unanimous Decision Making. The following matters are specific matters on which the Board shall resolve unanimously (including at least one (1) Designated Director):
- Any amendment to these Board Rules
 - Any amendment to the Nominating Committee Charter of the Company
 - Any amendment to the Public Interest Committee Charter of the Company
- 3 Supermajority Decision Making.
- The Board shall resolve on the appointment of the General Director of Yandex LLC (the “LLC General Director”) in the ordinary course of business with a Special Majority (as this term is defined in the Articles of Association), including at least one Designated Director; provided, however, that if one or more proposed candidates for the position of LLC General Director is rejected

on five times solely because neither Designated Director has voted in favor of such candidates, the appointment of a candidate shall then require only a Special Majority increased with one affirmative vote.

Notwithstanding the foregoing, the previously serving LLC General Director shall automatically be reappointed as LLC General Director at the end of the service of an Interim General Director (as such term is defined in the charter of Yandex LLC) pursuant to the procedure prescribed in the charter of Yandex LLC, unless otherwise resolved by a Special Majority increased with one affirmative vote.

- The Board shall resolve on the provision of consent to any amendment to the charter of the International Foundation “Public Interest Foundation” (Международный фонд «Фонд общественных интересов»), by a Special Majority, including at least one Designated Director.
- The Board shall resolve from time to time on a list of acceptable candidates to serve as temporary General Director of Yandex LLC in the circumstances set forth in the charter of Yandex LLC by a Special Majority, including both Designated Directors (or, if only one Designated Director is then in office, including such Designated Director); provided, however, that if no Designated Directors are then in office, such list of acceptable candidates shall be approved by the holder of the Priority Share pursuant to a written notice from such holder to the Board.

4 Other Decision Making. Without limiting the generality of paragraph 1 above, the following matters are specific matters on which the Board shall resolve by a Special Majority:

- The grant of any consent under, or release of any party (in whole or in part) from its obligations under, any agreement pursuant to which such party has undertaken to the Company not to sell, transfer or otherwise dispose of any Shares in the Company.
- The proposal of any resolutions (or recommendations in respect of shareholder proposals), other than any nominations of candidates for Director recommended by the Nominating Committee (which is governed by paragraph 7 below), to the General Meeting of Shareholders.

5 Satisfaction of Eligibility Criteria. The Board shall, by absolute majority, determine whether any candidate for election as a Non-Executive Director satisfies the eligibility criteria set forth in Article 12(2) of the Articles of Association, or to waive any such criteria in respect of a specific candidate. In the event that the Board determines that any proposed candidate for nomination as a Designated Director may not satisfy any of such criteria, the Board may obtain an opinion of a reputable legal counsel in the Netherlands (which shall be a firm included in Band 1 or Band

2 of the Chambers and Partners ranking on “Corporate & M&A: Netherlands”, or in Tier 1 or Tier 2 of Legal500 ranking on “Commercial, Corporate and M&A: Netherlands”) as to whether, based on the facts available, such candidate satisfies such criteria; such opinion shall be determinative as to the matters addressed therein and the Board may adopt a decision in accordance therewith.

6 Authority of Designated Director(s). Each Designated Director shall by way of delegation by the Board be duly authorized to vote on behalf of the Company on any resolution of the meeting of participants of Yandex LLC, to the extent any such resolution concerns a matter (i) within the scope of the Public Interest Committee, and (ii) that has been approved in accordance with the charter of the Public Interest Committee.

7 Adoption of Recommendations of Nominating Committee. The Board shall adopt the recommendations of Subcommittee II of the Nominating Committee in respect of any nominations of candidates for election as Class II Directors (as defined in the charter of the Nominating Committee), unless the Board resolves otherwise by a supermajority of at least ten (10) Directors.

8 Authority of Executive Directors.

- Either Executive Director shall have the authority to exercise the rights of the Company in respect of any waiver or the revocation of any waiver of any eligibility criteria set forth in the charter of International Foundation “Public Interest Foundation” (Международный фонд «Фонд общественных интересов») (the “Foundation”) in respect of “Directors C” (as defined therein).
- Any restriction of the inherent authority of an Executive Director shall require a resolution by a Special Majority increased with one affirmative vote.

9 Absence of Designated Directors. In the event that no Designated Director is then in office, the provisions in respect of Designated Directors set forth in this Section B (other than B.2 and B6) shall not apply.

C. Conflict of Interest

1 Conflict of Interest. A Director shall not participate in discussions and decision making with respect to a matter in relation to which he or she has a direct or indirect personal interest which is in conflict with the interests of the Company and the business associated with the Company (“Conflict of Interest”), which shall be determined outside the presence of the Director concerned. All transactions, where there is a Conflict of Interest, must be concluded on terms that are customary in the branch concerned and approved in the Board. In addition, the Board as a whole may determine that there is such a strong appearance of a Conflict of Interest of a Director in relation to a specific matter, that it would be inappropriate for such Director to participate in discussions and the decision making process with respect to such matter.

- 2 A Director shall promptly report any Conflict of Interest to the Chairman and shall provide all relevant information concerning such Conflict of Interest.

D. Duties and powers - allocation of tasks - Board committees

- 1 The Board is in charge of the management of the Company. The duties, powers and authorities of the Board are divided between the Executive Director(s) and Non-Executive Directors, whereby the Executive Director(s) will be responsible for the management of the day to day affairs of the Company and the Non-Executive Directors will be responsible for the supervision of the execution of the duties and responsibilities of the members of the Board and of the general course of affairs of the Company and its business.
- 2 The Board may determine, in accordance with Article 13.2 of the Articles of Association that one or more Directors can lawfully adopt resolutions (*rechtsgeldig besluiten*) concerning matters belonging to his or their duties within the meaning of Section 2:129a paragraph 3 of the Dutch Civil Code, such duties to be determined by a resolution of the Board, provided that any Directors that adopt any resolutions within the meaning of Section 2:129a paragraph 3 of the Dutch Civil Code will have to inform the other Directors thereof within a reasonable time.
- 3 The Board installs hereby the following committees consisting of members of the Board:
- a. an audit committee (the “Audit Committee”) consisting of three Non-Executive Directors, each of whom shall satisfy the Independence Criteria, and none of whom shall be a Designated Director (unless otherwise approved by all other Directors), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board from time to time, acting by simple majority;
 - b. a compensation committee (the “Compensation Committee”) consisting of three Class II Directors (as defined in the Nominating Committee Charter), each of whom shall satisfy the Independence Criteria, which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board from time to time, acting by simple majority;
 - c. a corporate governance committee (the “Corporate Governance Committee”) consisting of three Class II Directors, each of whom shall satisfy the Independence Criteria, which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board from time to time, acting by simple majority;
 - d. an investment committee (the “Investment Committee”) consisting of three Class II Directors, which shall have the powers and authority set forth in its

charter, as the same may be adopted and approved by the Board from time to time, acting by simple majority;

- e. a nominating committee (the “Nominating Committee”) consisting of five Non-Executive Directors, each of whom shall satisfy the Independence Criteria, and one of whom shall be a Designated Director (provided that at least one Designated Director is then in office), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board, acting unanimously; provided that no more than one member shall be a Designated Director; and
- f. a public interest committee (the “Public Interest Committee”) consisting of three Directors, of whom one shall be the Executive Director then serving as Chief Executive Officer, and two of whom shall be Designated Directors (provided that both Designated Directors are then in office), which shall have the powers and authority set forth in its charter, as the same may be adopted and approved by the Board, acting unanimously;

4 The Board may resolve to establish any other standing or ad hoc committees as it may deem appropriate from time to time.

E. Meetings of committees of the Board

- 1 Time and place of Board committee meetings. Unless otherwise provided by the charter of the respective Board committee, each Board committee shall meet as often as it deems necessary in order to perform its responsibilities. Committee meetings shall be held at such time and place as the chairperson of each Board committee or a majority of the members of each Board committee may from time to time determine.
- 2 Notice of Board committee meetings. Unless otherwise provided by the charter of the respective Board committee, notice of each meeting of a Board committee shall be given by the chairperson of the committee to each committee member. The notice of the meeting shall state the time and place of the meeting and the matters to be considered at the meeting.

Unless otherwise provided by the charter of the respective Board committee: Notice of meetings of Board committees shall be given at least three days before the date of the meeting. Notice of special meetings shall be given at least 24 hours prior to such meeting. Such notice period may be shortened at the discretion of the chairperson of the committee for good cause and the taking of any such action shall be conclusive evidence that it was for good cause.

A meeting of a Board committee may be held at any time without notice if all committee members are present or if those not present waive notice either before or after the meeting.

Notice of each meeting of a Board committee shall be given by e-mail and shall be deemed adequately delivered when the notice is transmitted.

- 3 Organization. The chairperson of a Board committee, or in his or her absence, a committee member chosen by the majority of the committee members present at a meeting shall preside at, and act as chairperson of, any meeting of such committee.

The minutes of Board committee meetings shall be confirmed by the chairperson and the secretary of the meeting (if any), signed by them and filed with the minutes of the proceedings of the committee.

- 4 Participation in Board committee meetings. Members of a Board committee may participate in a meeting of such committee by means of telephone or video conference or similar communications equipment by means of which all persons participating in the meeting can hear, and be heard by, one another, and participation in such a manner in a meeting shall constitute presence in person at such meeting.

- 5 Quorum. Except as otherwise required by applicable law, the Articles of Association, the committee charter or the resolution of the Board designating the committee, the presence in person of a majority of the total number of members of a Board committee (and if the Board committee consists of an even number of members, at least one-half) shall be required and constitute a quorum for the transaction of business, including the adoption of resolutions. If any meeting of a Board committee a quorum is not present, the Board committee members present or the chairperson may adjourn the meeting, without notice other than adjournment at the meeting, until a quorum shall be present.

- 6 Committee Action at Meeting. Resolutions shall be recorded in the minutes of a meeting pursuant to the last paragraph of E.3 above.

- 7 Committee Action Without Meeting. Resolutions may be adopted by a Board committee without convening a meeting if all committee members shall have expressed their opinions in writing, unless one or more committee members shall object against a resolution being adopted in this way prior to the adoption of the resolution. A resolution shall in this case be adopted, subject to specific provisions set forth in the respective Board committee charter, if the majority of all committee members shall have executed a written consent in favor of the adoption of the resolution concerned. The secretary or, in his or her absence, any assistant secretary shall file any such resolution with the minutes of the proceedings of the committee.

- 8 Agenda for Meetings. The chairperson of a Board committee, in consultation with other committee members and appropriate members of management, will establish the agenda for each meeting of the committee.

- 9 Materials Distributed in Advance. Information material to the understanding of the items of business to be considered at a meeting of a Board committee shall generally be distributed to committee members in advance of the meeting to allow reasonable

time for review prior to the meeting. The committee members acknowledge, however, that from time to time the distribution of such materials prior to a meeting may not be practicable or advisable.

F. Amendment Board Rules

- 1 The amendment of these Board Rules requires the unanimous approval of the Board.

APPROVED BY

Minutes No. [·]
of Extraordinary General Meeting of Participants
[·], 2019

**CHARTER
of YANDEX
Limited Liability Company
(new edition No. 12)**

Moscow
[·]

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1. General Provisions

- 1.1 All capitalized terms that are used in this Charter are defined in Article 23 of the Charter.
- 1.2 This edition No. 12 of the Charter of YANDEX Limited Liability Company (the “**Company**”), was approved by the decision of the extraordinary General Meeting (Minutes No. [·] of [·], 2019).
- 1.3 The Company is a commercial corporate organization created and existing in the form of a limited liability company.
- The Company carries out its activities on the basis of the Charter and Applicable Law, and is also guided in its activities by decisions of the management bodies of the Company adopted in accordance with their competence in the prescribed manner.
- 1.4 Company name:
- 1.4.1 Full Company name in Russian: **Общество с ограниченной ответственностью “ЯНДЕКС”**;
- 1.4.2 The abbreviated Company name in Russian: **ООО “ЯНДЕКС”**;
- 1.4.3 Full Company name in English: **YANDEX Limited Liability Company**;
- 1.4.4 The abbreviated Company name in English: **YANDEX LLC**.
- 1.5 The Company’s registered address is at 16 ul. Lva Tolstogo, Moscow, 119021, Russia. The Company’s Executive is located at the address.
- 1.6 The Company has a Branch in the City of St. Petersburg, Russia, with registered address at: 2 Piskaryovsky prospekt, building 2, letter Shch, St. Petersburg, 195027, Russia.
- The Branch operates based on the “Regulations on the Branch of Yandex LLC in St. Petersburg”.
- 1.7 The term of the Company’s existence is not limited.
- 1.8 The Company consists of Participant 1 and Participant 2. If the composition of the Participants changes, the Participants must adopt a new version of the Charter.

2. Purpose and scope of activity

- 2.1 The Company is established for the purpose of deriving profits from its activities not contradicting Applicable Law.
- 2.2 The Company has the right to pursue any types of activities not prohibited by Applicable Law or the Charter.
- 2.3 The scope of the Company’s activities includes, without limitation, the following main activities:
- 2.3.1 research and development and innovative efforts, including scientific research and

- development in the field of technical, natural and social sciences, and humanities; technical testing, research, and certification;
- 2.3.2 provision of services for online search, indexing, systematization and processing of information, hosting, sending/receipt of electronic messages (e-mail), and other Internet services, including with the use of the Company's information resources on the Internet;
- 2.3.3 data processing, creation and use of databases and information resources;
- 2.3.4 publication of third-party commercial information in the Company's information resources on the Internet;
- 2.3.5 advertising, including production and distribution of advertising products and running advertising campaigns;
- 2.3.6 software development, distribution, sale, and consulting in this field;
- 2.3.7 consulting on computer hardware, as well as other operations related to the use of computer technology and information resources;
- 2.3.8 operations in the field of telecommunications;
- 2.3.9 market and statistical research for its own use and for third parties, market and opinion surveys;
- 2.3.10 marketing, consulting, and information activities, including marketing services, independent advice, attestations, and examinations; consulting on a wide range of technical, marketing, financial, legal, business, and management matters; provision of information services to partners and clients;
- 2.3.11 preparation and publication of reference, scientific, training, and other materials;
- 2.3.12 development of modern technical facilities, software, and professional staff;
- 2.3.13 various intermediary operations;
- 2.3.14 products' and goods' warehousing and storage arrangements;
- 2.3.15 research and development, design and experimental, and innovative works and surveys for the improvement of products, goods, and services;
- 2.3.16 organization of leisure time for the public, including business, educational, and sports tourism, package travel services, including organization and operation of catering facilities;
- 2.3.17 production, duplication, distribution, and sale of high-quality cinema, video, audio, and photo products;
- 2.3.18 conducting/organization of entertainment events, amusements, exhibitions, selling exhibitions, auctions, trade fairs, competitions, workshops, conferences, seminars, festivals, and performances;

- 2.3.19 foreign trade operations in accordance with the Applicable Laws;
 - 2.3.20 investment of own or borrowed funds in joint projects with foreign legal entities and individuals, joint investments in the Russian Federation and abroad;
 - 2.3.21 other operations consistent with the Applicable Laws.
- 2.4 The right of the Company to pursue activities for which it is necessary to obtain a special permit (license), to become a member of a self-regulatory organization or to obtain a certificate from a self-regulatory organization confirming that the Company is allowed to perform certain types of work, arises from the moment of receipt of such permission (license) or on the date specified in it or from the moment the Company becomes a member of a self-regulatory organization or from the moment a self-regulatory organization issues a certificate confirming that the Company is allowed to fulfill certain types of work and terminates upon the termination of permission (license), membership in a self-regulatory organization or certificate issued by a self-regulatory organization allowing the Company to fulfil certain types of work.

3. Legal status of the Company

- 3.1 The Company's legal capacity commences upon recording of information on its establishment in the USRLE and ceases upon recording of information on its termination in the USRLE.
- 3.2 The Company has its separate balance sheet and owns separate assets reflected in its separate balance sheet. The Company's liability for its obligations is limited to the value of such assets. The Company may, while acting in its own name, acquire and exercise property and personal non-property rights, incur liabilities, act as plaintiff and defendant in court.
- 3.3 The Company has a round seal containing its full company name in Russian and the name in English. The Company has stamps and letterheads bearing its name and/or trademark, its own logo and other means of visual identification.
- 3.4 The Company has the right, in accordance with the procedure established by Applicable Law, to open bank accounts in the Russian Federation and abroad.
- 3.5 The Company's liability for its obligations is limited to the value of all its assets. The Company is not liable for the obligations of Participants. Participants are not liable for the obligations of the Company and bear the risk of losses that may be incurred in the course of the Company's activities to the extent of the value of the Shares owned by them. Participants which have not fully paid for their Shares are jointly and severally liable for the obligations of the Company to the extent of the value of the unpaid portion of their Shares.
- 3.6 If the Company becomes insolvent (bankrupt) through the fault of its Participants or through the fault of other persons who have the right to issue binding instructions to the Company or who are otherwise capable of directing its actions, such Participants or such other persons may be held vicariously liable for the Company's obligations in case the value of the Company's assets does not suffice to cover the debt.
- 3.7 The Russian Federation, the constituent entities of the Russian Federation and municipal entities shall not be liable for the obligations of the Company, nor shall the Company be liable for the obligations of the Russian Federation, the constituent entities of the Russian Federation and municipal entities.

- 3.8 The Company may voluntarily unite with other persons into unions, associations and other alliances that are non-commercial organizations, on conditions that are not inconsistent with Applicable Law.
- 3.9 The Company may pursue joint activities with other legal entities without establishing a separate legal entity for this purpose by combining its assets with those of the other legal entities for the purpose of achieving common economic and other goals.
- 3.10 The Company has the right to establish branches and representative offices, as well as to have subsidiaries, on the territory of the Russian Federation and abroad.
- 3.11 The establishment of branches and subsidiaries, as well as representative offices, on the territory of the Russian Federation, is subject to Applicable Law, and outside the territory of the Russian Federation, it is subject to the laws of the foreign state where such branches, subsidiaries or representative offices are established, unless otherwise provided by the international treaties signed by the Russian Federation.
- 3.12 Information on the branches and representative offices of the Company shall be recorded in the USRLE in accordance with Applicable Law.
- 3.13 Branches and representative offices operate on the basis of regulations approved by the Company. Branches and representative offices receive their assets from the Company. The heads of branches and representative offices are appointed by the Company and act on the basis of a power of attorney issued by the Company. Branches and representative offices carry out their activities in the interests and on behalf of the Company. The Company is responsible for the activities of its branches and representative offices.
- 3.14 The work shall be performed and the services provided at prices, rates, and on the terms and conditions set by the Company at its own discretion.
- 3.15 The Company's activities shall not be limited to those set forth in the Charter.
- 3.16 The Company is responsible for the safety of documents (managerial, financial, business, personnel, etc.); ensures the transfer of documents of scientific and historical significance to the state archival institutions for storage in accordance with Applicable Law; keeps and uses its personnel documents in accordance with the established procedure.

4. Charter Capital

- 4.1 The Charter Capital is 16,605,000 (Sixteen Million Six Hundred and Five Thousand) Russian rubles and is composed of the nominal values of the Shares. At the time of approval of the Charter, one hundred per cent. (100%) of the Charter Capital was paid in cash.
- 4.2 Each Participant has the number of votes proportional to its Share, unless otherwise provided by Applicable Law or the Charter.
- 4.3 The relations of the Participants with the Company and among themselves, as well as other issues arising from the Participant's right to a Share are regulated by Applicable Law and the Charter.
- 4.4 The Charter Capital may be increased only after all Shares have been paid up in full.

- 4.5 The Charter Capital may be increased at the expense of the Company's assets and (or) through additional contributions from the Participants.
- 4.6 It is prohibited to increase the Charter Capital through contributions to the Company from third parties.
- 4.7 In case the Charter Capital is increased through additional contributions, such contributions may be made in cash or with other property, including securities, other things and property rights that can have a monetary value ("**Non-Monetary Contributions**"). Monetary value of Non-Monetary Contributions shall be approved by unanimous decision of the General Meeting and may not exceed the monetary value of Non-Monetary Contributions as determined by an independent appraiser.
- 4.8 The Company has the right, and in cases provided for by Applicable Law, is obliged to reduce its Charter Capital. The Charter Capital may be reduced through reduction of the nominal value of the Shares of all Participants and (or) through cancellation of the Shares owned by the Company. The Company may not reduce its Charter Capital if, as a result of the reduction, it would fall below ten thousand (10,000) Russian rubles.

5. Rights and obligations of the Participants

5.1 A Participant is obliged:

- 5.1.1 to pay up the Share in the manner, in the amount and within the time stipulated by Applicable Law;
- 5.1.2 not to disclose confidential information about the activities of the Company;
- 5.1.3 to inform the Company in a timely manner about changes of its name, registered address and about the Shares held by it. If a Participant fails to provide such information, the Company shall not be liable for any losses resulting therefrom;
- 5.1.4 to fulfill the additional obligations imposed on all Participants by a unanimous decision of the General Meeting;
- 5.1.5 to fulfill other additional obligations assigned to the particular Participant pursuant to a decision of the General Meeting adopted by a majority of at least two-thirds of the total number of votes, provided that the Participant to whom such duties were assigned voted for that decision or provided its consent in writing;
- 5.1.6 to perform other duties provided for by the Law on LLCs.

5.2 A Participant has the right:

- 5.2.1 to participate in the management of the affairs of the Company, including such participation through attendance of General Meetings either in person or through a representative;
- 5.2.2 to challenge in court a decision made by the General Meeting in violation of Applicable Law and the Charter, provided the Participant did not attend the General Meeting or voted thereat against the decision in question;

- 5.2.3 to be provided with information on the Company's activities and to review the Company's accounting and other documents in the manner prescribed by the Charter;
 - 5.2.4 to participate in the distribution of the Company's profits;
 - 5.2.5 to elect and be elected to the management and supervisory bodies of the Company;
 - 5.2.6 to review Minutes of the General Meeting and make extracts from them;
 - 5.2.7 to receive, in the event of the Company's liquidation, a part of the assets remaining after settlement of creditors' claim, or monetary value of such part of the assets;
 - 5.2.8 to appeal against decisions of the Company's management bodies that entail civil law consequences in the cases and in the manner provided for by Applicable Law;
 - 5.2.9 to make proposals on including issues on the agenda of the General Meeting in accordance with Applicable Law and the provisions of the Charter;
 - 5.2.10 to exercise other rights vested in Participants by the Law on LLCs.
- 5.3 Additional obligations may be cancelled by unanimous decision of all Participants made at the General Meeting.
- 5.4 Additional rights may be granted to one or more Participants by unanimous decision of the General Meeting adopted by all Participants.
- 5.5 Termination or limitation of additional rights granted to all Participants is made by unanimous decision of the General Meeting adopted by all Participants.
- 5.6 Termination or limitation of additional rights granted to a particular Participant is made by decision of the General Meeting adopted by a majority of at least two-thirds of the total number of votes of the Participants, provided that the Participant which enjoyed such additional rights voted in favor of such a decision or gave its written consent.
- 5.7 A Participant which has been granted additional rights may waive such additional rights by written notice to the Company. Upon receipt by the Company of the said notice, the Participant's additional rights will terminate.
- 5.8 The Participants have the right to enter into a participants' agreement under which they undertake to exercise their rights in a certain way and (or) refrain from exercising such rights, including voting in a certain way at the General Meeting, agreeing with the other Participant how it will vote, selling its Share or a part thereof at a price determined in accordance that agreement and (or) upon occurrence of certain events, or refraining from selling its Share or a part thereof until occurrence of certain events, or coordinating other actions related to the management of the Company or its establishment, activities, re-organization or liquidation. Such agreement shall be executed in writing in the form of one document signed by the parties.

6. Transfer of a Share or part of a Share from a Participant to the other Participant and to third parties

- 6.1 A Participant has the right to transfer its Share or part of its Share to another Participant.

- 6.2 Selling or otherwise disposing of a Share or part of a Share to third parties is prohibited.
- 6.3 Transfer of Shares to the legal successors of a Participant which is a legal entity is prohibited.
- 6.4 Transfer of a Share in the event of the liquidation of one of the Participants to its founders (participants) which have property rights to its property or contractual rights in relation to that Participant is allowed only with the consent of the remaining Participant.
- 6.5 If a Share or part of a Share is sold from a public auction, the rights and obligations of the Participant in connection with such Share or part of the Share shall pass to the acquirer only with the consent of the remaining Participant.
- 6.6 If the consent of the remaining Participant to the transfer of the Share or part of the Share is required in accordance with the Charter and is not obtained, the Company shall be obliged, at the request of the Participant (the acquirer), to purchase such Share or part of the Share in accordance with the Law on LLCs and pay to the Participant the actual value of its Share or part of its Share or to provide it with non-monetary assets of the same value within six (6) months from the day on which the relevant obligation to do so arose.
- 6.7 Except as otherwise provided by Applicable Law, a Share or a part of a Share shall be deemed transferred to its acquirer from the moment the information on the transfer is recorded in the USRLE.

7. Pledge

- 7.1 A Participant has the right to pledge its Share or a part thereof to another Participant.
- 7.2 Subject to the consent of the General Meeting, a Participant has the right to pledge its Share or a part thereof to a third party. A decision to grant the consent to pledging a Share or a part thereof is made by a majority vote of all Participants. The vote of the Participant who intends to pledge its Share or a part thereof is not taken into account when determining the voting result.
- 7.3 An agreement on the pledge of the Share or a part thereof must be notarized.

8. Withdrawal of a Participant from the Company

Withdrawal of a Participant from the Company by selling its Share to the Company is not allowed.

9. Expulsion of a Participant from the Company

- 9.1 A Participant whose Share in the aggregate is not less than ten per cent. (10%) of the Charter Capital is entitled to demand in court the expulsion of the other Participant from the Company, in case any actions of the other Participant or its failure to act have caused material damage to the Company or otherwise substantially hinder its activities and the achievement of the goals for which the Company was established, including any gross breach by the other Participant of its obligations provided for by Applicable Law or the Charter.
- 9.2 The Share of the expelled Participant shall pass to the Company.
- 9.3 The Company is obliged to pay the expelled Participant the actual value of its Share, which is determined according to the financial statements of the Company for the last complete reporting period preceding the entry into force of the court decision on expulsion of the Participant or,

subject to the consent of the expelled Participant, to provide him with non-monetary assets of the same value.

10. Contributions to the assets of the Company

- 10.1 Participants shall be obliged, on the basis of decisions of the General Meeting, to make contributions to the Company's assets.
- 10.2 The decision of the General Meeting on making contributions to the Company's assets shall be made by a majority of at least two-thirds of the total number of the Participants' votes.
- 10.3 The amounts of contributions made by the Participants to Company's assets shall not be proportionate to the Participants' Shares, namely: Participant 1 shall make a 100% contribution to the assets of the Company; Participant 2 shall be exempted from making a contribution to the assets of the Company, unless otherwise determined by a decision of the General Meeting, adopted in accordance with section 10.4 of the Charter.
- 10.4 By a decision of the General Meeting adopted unanimously the obligation to make contributions in proportion to their Shares may be imposed on both Participants.
- 10.5 Contributions to the assets of the Company shall be made in cash, unless otherwise provided by the decision of the General Meeting.
- 10.6 Contributions to the Company's assets shall not alter the size or the nominal value of the Shares.

11. Register of Participants

- 11.1 The Company shall keep a register of Participants (the "**Register of Participants**") recording therein information on each Participant, the size of its Share and payment for it, and information on the size of the shares in the Charter Capital owned by the Company, the dates on which such Shares passed to or were acquired by the Company.
- 11.2 The Company is obliged to ensure that the Register of Participants is maintained and kept in accordance with the requirements of Applicable Law.
- 11.3 The duty of keeping and maintaining the Register of Participants in accordance with the requirements of Applicable Law rests with the Corporate Secretary.

If the Company does not have a position of Corporate Secretary, the Executive shall act as the Corporate Secretary.
- 11.4 The Corporate Secretary shall ensure that the information about the Participants and about the Shares or parts of the Shares owned by them, about the Shares or parts of the Shares owned by the Company, corresponds to the information recorded in the USRLE and to the notarized transactions for the transfer of shares in the Charter Capital of the Company of which the Company became aware.
- 11.5 In the event of disputes regarding inconsistency of the information contained in the Register of Participants with the information recorded in the USRLE, the right to a Share or part of a Share shall be determined based on the information recorded in the USRLE.

12. General Meeting

- 12.1 The General Meeting is the supreme governing body of the Company. The General Meeting may be ordinary or extraordinary.
- 12.2 The competence of the General Meeting includes:
- 12.2.1 defining the main areas of the Company's activities and making a decision on participation in associations and other unions of commercial entities;
 - 12.2.2 approving the Charter or amendments thereto or approving a new version of the Charter, making a decision that the Company will continue to operate on the basis of the model charter, or that the Company will not continue to operate on the basis of the model charter, changing the amount of the Charter Capital of the Company, changing the name of the Company or its registered address;
 - 12.2.3 approval of annual reports, annual balance sheets;
 - 12.2.4 making a decision on the distribution of the Company's net profit among the Participants;
 - 12.2.5 approval (adoption) of documents regulating the internal activities of the Company (internal documents of the Company);
 - 12.2.6 making a decision on the offering by the Company of bonds and other securities;
 - 12.2.7 assignment of an audit, approval of the auditor and determination of the amount of payment for its services;
 - 12.2.8 making a decision on reorganization or liquidation of the Company;
 - 12.2.9 appointment of the liquidation commission and approval of liquidation balance sheets;
 - 12.2.10 establishment of branches and representative offices of the Company;
 - 12.2.11 approval of the monetary value of Non-Monetary Contributions to the Charter Capital made by the Participants;
 - 12.2.12 approval of contributions by the Participants to the assets of the Company and approval of the conditions for making such contributions;
 - 12.2.13 making decisions on granting consent to major transactions (in accordance with Article 46 of the Law on LLCs) on the acquisition, disposal or possible direct or indirect alienation by the Company of its assets the price or book value of which is or exceeds twenty-five per cent. (25%) of the total book value of the Company's assets according to the financial statements of the Company for the last reporting period;
 - 12.2.14 making a decision on the distribution of the share in the Charter Capital owned by the Company;
 - 12.2.15 making a decision on payment to creditors of the actual value of the Share or part of the Share of the Participant which assets are being foreclosed;
 - 12.2.16 election of the General Director and early termination of the authority of the General

- Director (other than early termination in accordance with section 12.2.17 below);
- 12.2.17 termination of the authority of the General Director due to Additional Grounds;
 - 12.2.18 approval of the form of the Contract, approval of compensation to be paid to the General Director and other terms of employment of the General Director;
 - 12.2.19 making a decision on the transfer of authority of the General Director to a business entity or to an individual entrepreneur (manager), approval of the manager and the terms of the contract with him;
 - 12.2.20 approval of the List of Candidates and amendment thereof in accordance with section 15.1 of the Charter;
 - 12.2.21 amendment to the List of Candidates in accordance with section 15.7 of the Charter;
 - 12.2.22 amendment to the List of Candidates in accordance with section 16.5.2 of the Charter
 - 12.2.23 amendment to the List of Candidates in accordance with section 16.5.3 of the Charter;
 - 12.2.24 election of Interim General Director;
 - 12.2.25 early termination of the authority of the Interim General Director elected in the event of a Special Situation and election of the General Director;
 - 12.2.26 termination of the authority of the Interim General Director and election of the General Director in the event when a Special Corporate Situation shall be deemed eliminated as set out in Appendix 5;
 - 12.2.27 termination of the authority of the Interim General Director and election of the Interim General Director in the events, set forth in section 16.5.1 and 16.5.2 of the Charter;
 - 12.2.28 termination of the authority of the Interim General Director and election of the Interim General Director in the events, set forth in section 16.5.3 of the Charter;
 - 12.2.29 approval of the form and terms and conditions of the Contract with Interim General Director and making amendments thereto;
 - 12.2.30 approval of transactions made by the Interim General Director within in accordance with section 18.4 of the Charter;
 - 12.2.31 making decisions on direct or indirect (including by transfer of Control over the companies holding relevant assets) transfer or encumbrance of material IP, including, for these purposes, the results of intellectual activity referred to in paragraphs (1) (Works of science, literature, and art) which are literary works; (2) (Computer software programs); (3) (Data bases); (8) (Utility models); (9) (Industrial designs); and (12) (Know-how) of Article 1225 of the Civil Code (or similar IP, if regulated by any law other than Applicable Law), including licensing such IP, if such transfer would limit the Controlled Persons' ability to use the same within the Russian Federation, in favour of: (a) Foreign Parties; or (b) any other legal entities not under Control of the Company, in each case save for direct or indirect (including by transfer of Control over the companies holding relevant assets) transfer or encumbrance carried out in the ordinary

course of business;

- 12.2.32 making decisions on transactions and other actions (including any transfer of Control over the companies holding any such data) resulting in granting direct access to personal data and non-depersonalized big data of Russian users, to Foreign Parties, which are not Controlled Persons, except in accordance with the policies, indicated in section 12.2.33 of the Charter below;
- 12.2.33 adopting, modification, amendment, and cancellation of the Company and the Controlled Persons' internal policies on protection of personal data and non-depersonalized big data of Russian users (including storage procedures, and sale of / granting direct access to such information to Foreign Parties which are not Controlled Persons);
- 12.2.34 making a decision regarding the Company's entry into any agreements with foreign states or international intergovernmental organizations (and their bodies or agencies) which concern the territory of the Russian Federation;
- 12.2.35 making decisions on other matters which are within the competence of the General Meeting in accordance with Applicable Law and the Charter.

12.3 The provisions of Article 45 of the Law on LLCs do not apply to the Company.

12.4 The procedure for decision-making by Participants is established by Applicable Law and the Charter (Appendix 1).

12.5 On behalf of Participant 1, the rights of Participant 1 at General Meetings are exercised by the CEO or another person acting on the basis of a power of attorney issued by Participant 1, unless otherwise specified by the Charter.

12.6 Resolution of issues referred by the Law on LLCs to the exclusive competence of the General Meeting cannot be delegated to the Executive.

13. The procedure for convening and holding the General Meeting

13.1 All Participants have the right to attend the General Meeting, take part in the discussion of agenda items and vote on resolutions put to vote in accordance with the voting procedure provided for by the Charter.

13.2 Participants are entitled to participate in the General Meeting either in person or through their representatives.

13.3 At the General Meeting, each Participant shall have the number of votes proportional to his Share, except as otherwise provided by Applicable Law and this Charter.

13.4 A regular General Meeting shall be held at least once a year and shall be convened by the Executive and held no earlier than two (2) months and no later than four (4) months after the end of each Financial Year. Such General Meeting approves the annual results of the Company and makes decisions on other matters stipulated by Applicable Law and this Charter.

13.5 An extraordinary General Meeting is convened by the Executive on his/her own initiative or at

the request of the Company's auditor and (or) Participant 1, unless otherwise established by the Charter.

- 13.6 In the event that the agenda of the General Meeting includes questions concerning the termination of authority of the General Director due to Additional Grounds and election or early termination of authority of the Interim General Director, such General Meeting may be convened at the request of any of the Participants. Such request shall be accompanied by the information on the Candidate, which is proposed by the Participant for election as the Interim General Director, a draft of the respective decision of the General Meeting and also documents specified in section 13.16 of the Charter.
- 13.7 The Executive shall, within five (5) days from the date of receipt of the request to hold the General Meeting, consider such request and make a decision to hold a General Meeting or to refuse to hold it. If during this period of time, a decision to hold a General Meeting is not made or a decision is made to refuse to hold it, the General Meeting may be convened by the persons who request its holding.
- 13.8 If a decision is made to hold a General Meeting, such General Meeting must be held within the terms established by the Charter but no later than forty-five (45) days from the date of receipt by the Company of the request for its holding.
- 13.9 A notification of the convocation and holding of a General Meeting (a "**Notification**") shall be sent by the Executive or other persons, as provided for in sections 13.5 and 13.6 of the Charter, to each Participant by a courier or by an international express delivery service (such as UPS, DHL, FedEx or similar) at the addresses indicated in the Register of Participants, and by e-mail at the email addresses indicated in the Register of Participants.
- 13.10 Except for the case of sending Notification of a General Meeting, the agenda of which includes questions concerning the termination of authority of the General Director due to Additional Grounds and election of the Interim General Director or termination of his/her authority, the Notification, which was duly addressed, shall be deemed to have been received:
- 13.10.1 if personally delivered, at the time of delivery as specified by the acceptance stamp by a representative of the receiving Participant;
 - 13.10.2 if sent by pre-paid urgent delivery by an international express delivery service (such as UPS, DHL, FedEx or similar), in three (3) business days after the date of posting to the relevant address;
 - 13.10.3 in case of receipt of a delivery report of a courier or a report of an international express delivery service (UPS, DHL, FedEx or similar) on the recipient's refusal to accept the message.
- 13.11 Notification of a General Meeting, the agenda of which includes questions concerning the termination of authority of the General Director due to Additional Grounds and election of the Interim General Director or termination of his/her authority, shall be deemed to have been received on the day of dispatch when sent by e-mail.
- 13.12 If the agenda of the General Meeting includes issues required to be decided by a majority vote of the total votes of the Participants, such General Meeting should be held within ten (10) days from the date of receipt of the request for its holding by the Company.

The Executive or other persons referred to in section 13.5 of the Charter shall send Notification to each Participant no later than three (3) days before the date of such General Meeting in accordance with section 13.9 of the Charter.

- 13.13 If the agenda of the General Meeting includes issues required to be decided by a unanimous vote of all Participants, such General Meeting should be held within fifteen (15) days from the date of receipt of the request for its holding by the Company.

The Executive or other persons referred to in sections 13.5 and 13.6 of the Charter shall send Notification to each Participant no later than seven (7) days before the date of such General Meeting in accordance with section 13.9 of the Charter.

- 13.14 If the agenda of the General Meeting includes questions concerning the termination of authority of the General Director due to Additional Grounds and election of the Interim General Director or termination of his/her authority, termination of authority of the Interim General Director in the manner set forth in sections 16.5.1, 16.5.2 or 16.5.3, and also amendments to the List of Candidates in the manner set forth in sections 15.7, 16.5.2 or 16.5.3 such General Meeting should be held within seven (7) days from the date of receipt of the request for its holding by the Company.

The Executive or other persons referred to in section 13.6 of the Charter shall send Notification to each Participant no later than twenty-four (24) hours before the date of such General Meeting in accordance with section 13.9 of the Charter.

- 13.15 Information and materials are attached to the Notification of the General Meeting, they shall include without limitation draft decisions to be submitted to the Participants in the preparation of the General Meeting in accordance with Applicable Law.

- 13.16 The following shall be additionally attached to the Notification of the General Meeting, the agenda of which includes issues concerning the termination of the authority of the General Director due to Additional Grounds and election of the Interim General Director when such meeting is convened by Participant 2:

13.16.1 a notarized copy of the decision of Participant 2 on determining how to vote the Share of Participant 2 on the question on appointing Interim General Director in connection with a Special Corporate Situation or a Special Situation (as the case may be), containing the first, the last names and patronymic of the Candidate; and

13.16.2 The Candidate's Consent and Questionnaire confirming that the Candidate meets the Requirements for Candidates as of the date of convocation of the General Meeting for making a decision to terminate the authority of the General Director due to Additional Grounds and to elect the Interim General Director.

- 13.17 The following shall be additionally attached to the Notification of the General Meeting, the agenda of which includes issues specified in sections 12.2.31 - 12.2.34 of the Charter:

13.17.1 a notarized copy of the decision of Participant 1, adopted in accordance with the constituent documents of Participant 1 on issues specified in sections 12.2.31 - 12.2.34 of the Charter.

- 13.18 Each Participant shall have the right to propose to include additional issues to the agenda of the General Meeting no later than 2 (two) days before the corresponding General Meeting. Such

additional issues shall be included in the agenda of the General Meeting, unless they are not reserved for the General Meeting or are inconsistent with the requirements of Applicable Law.

- 13.19 If any new issues are added to the initial agenda of the General Meeting at the proposal of one of the Participants, the person convening the General Meeting shall notify the other Participant of the changes made to the agenda no later than one (1) day prior to the General Meeting by e-mail using the e-mail address specified in the Register of Participants.
- 13.20 A General Meeting shall be deemed quorate if (i) it is attended by the Participants holding a majority of the total number of votes of the Participants, or (ii) if a special quorum is stipulated in accordance with the Applicable Law or the Charter, if attended by the Participants, whose votes comprise such special quorum.
- 13.21 A General Meeting shall be deemed quorate to make decisions on issues requiring a unanimous vote if it is attended by all the Participants who in aggregate hold a hundred per cent (100%) of the Shares.
- 13.22 In the absence of a quorum upon expiration of one hour from the time scheduled for the beginning of the General Meeting, the person who convened the General Meeting shall adjourn it to a date no later than five (5) days from the date on which the initial General Meeting was scheduled, with the same time of beginning of the General Meeting, the same agenda or the same quorum requirements.
- 13.23 Should the established procedure and deadlines for convening a General Meeting held in a form of joint attendance of the Participants be violated, such General Meeting shall be deemed quorate if attended by all Participants.
- 13.24 The General Meeting is opened by the Executive. The General Meeting convened at the request of an auditor or a Participant is opened by an auditor or one of the Participants at whose request this General Meeting was convened.
- 13.25 The person who opens the General Meeting shall conduct the election of the chairperson of the General Meeting from among the Participants (the “**Chairperson of the Meeting**”). When voting on the election of the Chairperson of the Meeting, each Participant has the number of votes proportional to its Share. A decision on this issue is made by majority of the total number of votes of the Participants. The Corporate Secretary shall act as the Secretary of the General Meeting (the “**Secretary of the Meeting**”). If the Company does not have a position of Corporate Secretary, the Executive shall act as the Secretary of the Meeting.
- 13.26 The decision of the General Meeting made in violation of the requirements of Applicable Law or the Charter and violating the rights and legitimate interests of a Participant, may be invalidated by the court at the request of the Participant who did not participate in the vote or voted against the decision in question. The decision of the meeting may be challenged in court within six (6) months from the day when the Participant whose rights were violated by the decision learned or should have learned about it, but no later than two (2) years from the day when the information on the decision made became available to the Participants.
- 13.27 If the General Meeting is held in the form of the joint attendance of the Participants, the decisions made by the General Meeting and the list of Participants present thereat shall be confirmed by the Minutes of the General Meeting signed by the Chairperson of the Meeting and the Secretary of the Meeting. In this case, no notarization of the decisions made by the General Meeting and the information on the Participants who participated in the voting on those

decisions will be needed, except as otherwise required by Applicable Law.

- 13.28 The decision of the General Meeting may be made without holding an actual meeting (i.e. without the joint attendance of the Participants for discussion of agenda items and decision-making on the issues put to a vote) by absentee voting (by poll). Such voting may be carried out by exchange of documents by post, telegraph, teletype, telephone, electronic or other communication means which make it possible to authenticate and record the messages sent and received.
- 13.29 The Executive organizes the preparation of the Minutes of the General Meeting held in the form of the joint attendance of the Participants.
- 13.30 In the event that a decision of the General Meeting is made by absentee voting (by poll), the Executive shall arrange for the preparation of the Minutes of the General Meeting recording the decisions made by the General Meeting. Documents containing decisions of the General Meeting received by the Company in the manner prescribed by section 13.28 of the Charter must be attached to such Minutes of the General Meeting.
- 13.31 The decision of the General Meeting approving the annual reports and annual balance sheets cannot be made by absentee voting (by poll).
- 13.32 The General Meeting may make decisions only on the agenda items communicated to the Participants, unless all the Participants participate in this General Meeting.

14. Executive

- 14.1 The Executive shall manage the Company.
- 14.2 The Executive may be represented by the General Director or only in cases set forth by the Charter by the Interim General Director.
- 14.3 Individuals nominated for the position of the Executive must meet the Requirements for Candidates.
- 14.4 The Requirements for Candidates shall not apply to the person holding the position of the General Director as at the date of approval of this version of the Charter, or in case of any re-election of the person holding the position of the General Director at the time of election of the Interim General Director, due to termination of the powers and authority of which the General Director is elected.

15. List of Candidates for the position of the Interim General Director

- 15.1 Simultaneously with the approval of this version of the Charter, the General Meeting shall approve at least three (3) Candidates for the position of the Interim General Director by approving the List of Candidates. Such decision as well as any further decision on the amendment of the List of Candidates in connection with inclusion of any new Candidates therein shall be made by a majority vote of all Participants, other than approval of Candidates for the position of the Interim General Director in accordance with section 15.7 below.
- 15.2 Also, simultaneously with the approval of this version of the Charter, the General Meeting shall approve the form and conditions of the contract with the Interim General Director (the “**Contract with the Interim General Director**”). Such decision is made by the Participants

unanimously. The form and terms and conditions of the Contract with the Interim General Director may be amended by unanimous decision of the Participants.

15.3 Each Participant is entitled to nominate persons for inclusion into the List of Candidates and request calling a General Meeting to approve amendments to the List of Candidates. Any persons so nominated must meet the Requirements for Candidates. The Participant's request to call a General Meeting on the approval of amendments to the List of Candidates must be accompanied by Consents and Questionnaires signed by each person nominated to be approved as the Candidate, and also by a notarized copy of the corporate decision of a respective Participant on the nomination of a person to the List of Candidates.

15.4 A Candidate who does not fully meet the Requirements for Candidates may be included in the List of Candidates by a decision of the General Meeting upon consent of Participant 1. Such consent is considered to be granted if Participant 1 has voted in favor of such matter at the General Meeting or has provided a written consent.

However, Participant 1 may at any time demand the exclusion of the Candidate that does not meet the Requirements for Candidates from the List of Candidates in the manner set out in section 15.6.2 of the Charter, notwithstanding any earlier consent to inclusion of such Candidate in the List of Candidates.

15.5 Candidates for the position of the Interim General Director may be included in the List of Candidates an unlimited number of times.

15.6 A Candidate shall be excluded from the List of Candidates as follows:

15.6.1 if such Candidate withdraws the Consent or notifies the Company that he/she no longer satisfies the Requirements for Candidates, such Candidate shall be excluded from the List of Candidates on the date when the Company is notified of the Consent withdrawal or of the failure to satisfy the Requirements for Candidates; or

15.6.2 if such Candidate ceases to meet the Requirements for Candidates, but does not notify the Company thereof, Participant 1 is entitled to exclude such Candidate from the List of Candidates by written demand to the Company to this effect, provided that Participant 1 has notified Participant 2 of the intention to exercise such right ("**Expulsion Notice**") not later than twenty (20) calendar days prior to such written demand to the Company. The relevant Candidate shall be considered to have been excluded from the List of Candidates upon receipt by the Company of the written demand from Participant 1 to that effect.

15.7 Participant 2 shall have the right to convene a General Meeting for the purpose of amending the List of Candidates and propose a candidate for inclusion into the List of Candidates, if:

15.7.1 (i) exercise by Participant 1 of its right to exclude a Candidate from the List of Candidates in accordance with section 15.6.2 leads to the absence of any Candidates in the List of Candidates; and (ii) within fifteen (15) calendar days from the Expulsion Notice, at least one (1) Candidate is not included in the List of Candidates in accordance with the procedure set forth by section 15.1 of the Charter; or

15.7.2 the List of Candidates does not contain any Candidate included therein in accordance with the procedure set out in section 15.1 of the Charter during more than fifteen (15) calendar days due to circumstances not related to execution by Participant 1 of its right to exclude a Candidate from the List of Candidates in accordance with section 15.6.2 of

the Charter.

- 15.8 To make a decision on amending the List of Candidates in accordance with section 15.7 of the Charter, a General Meeting is deemed quorate, if it is attended by Participant 2, and Participant 2 has one hundred per cent (100%) of the votes. Votes of Participant 1 shall not be taken into account when voting on this question.

16. Procedure for the Election of the Executive

- 16.1 Procedures for the election of the General Director and for termination of the authority of the General Director:

- 16.1.1 The General Director is elected for indefinite term. The General Meeting may terminate the authority of the General Director at any time.
- 16.1.2 A decision on the election of the General Director and a decision on terminating the authority of the General Director due to grounds not being the Additional Grounds, shall be made by a majority of the total number of the Participants' votes.
- 16.1.3 Along with the decision on election of the General Director, the General Meeting shall approve the Contract, including the amount of the salary and other remuneration payable to the General Director. Such decision is made by a majority of the total number of the Participants' votes.
- 16.1.4 The Contract is signed on behalf of the Company by the person who chaired the General Meeting at which the General Director was elected or the terms of the Contract were approved, or by a person authorized to do so by the decision of the General Meeting.

- 16.2 Procedure for terminating the authority of the General Director due to Additional Grounds:

- 16.2.1 Additional Grounds for terminating the authority of the General Director and for deciding to elect the Interim General Director shall be occurrence of Special Corporate Situation or occurrence of Special Situation.
- 16.2.2 Solely after the occurrence of a Special Corporate Situation (as this moment is determined in Part 1 of Appendix 5 to the Charter) or of a Special Situation (as this moment is determined in Part 2 of Appendix 5 to the Charter) each Participant may convene the General Meeting for the purpose of making a decision on terminating of the authority of the General Director elected pursuant to section 16.1.2 of the Charter. For the avoidance of doubt, a Participant cannot convene the General Meeting for the purpose of making a decision on terminating of the authority of the General Director elected pursuant to section 16.1.2 of the Charter due to Additional Grounds prior to the moment when each of the conditions for occurrence of a Special Corporate Situation or a Special Situation as described in Parts 1 and 2 of Appendix 5 to the Charter accordingly, have been met.
- 16.2.3 Along with the resolution terminating the authority of the General Director due to Additional Grounds, the General Meeting shall resolve to elect an Interim General Director. Such General Meeting shall be convened in the manner described in sections 13.14 and 13.16 of the Charter.

- 16.2.4 In order to make a resolution terminating the authority of the General Director due to Additional Grounds and to make a resolution electing the Interim General Director due to occurrence of Special Corporate Situation or due to occurrence of Special Situation, the General Meeting shall be deemed quorate if attended by Participant 2.
- 16.2.5 Participant 2 has 100% of the votes required to make a resolution terminating the authority of the General Director due to Additional Grounds and to make a resolution electing the Interim General Director due to occurrence of Special Corporate Situation or due to occurrence of Special Situation. Votes of Participant 1 shall not be taken into account when voting on these questions.
- 16.3 Procedure for election of the Interim General Director due to the occurrence of a Special Corporate Situation and terminating his/her authority:
- 16.3.1 Should a Special Corporate Situation occurs, the Interim General Director shall be elected from the List of Candidates for a term until the General Meeting makes a decision on terminating of the authority of the Interim General Director. The General Meeting may terminate the authority of the Interim General Director at any time. The Contract with the Interim General Director shall be executed in the form approved in accordance with sections 12.2.29 and 15.2 of the Charter. The Contract with the Interim General Director shall be signed on behalf of the Company by the person who chaired the General Meeting at which the Interim General Director was elected, or by another person authorized by a resolution of the General Meeting.
- 16.3.2 Any Participant shall have the right to convene a General Meeting for the purpose of termination of the authority of the Interim General Director elected due to the occurrence of a Special Corporate Situation. Such General Meeting shall be convened in the manner described in sections 13.14 and 13.16 of the Charter.
- 16.3.3 Along with the termination of the authority of the Interim General Director elected due to the occurrence of a Special Corporate Situation, the General Meeting shall resolve to elect a General Director. Such resolution shall be made by a majority of the total number of the Participants' votes.
- 16.4 Procedure for election of the Interim General Director due to occurrence of a Special Situation and termination of his/her authority:
- 16.4.1 Should a Special Situation occurs, the Interim General Director shall be elected from the List of Candidates for a period of fifteen (15) calendar days. The Contract with the Interim General Director shall be executed in the form approved in accordance with section 15.2 of the Charter. The Contract with the Interim General Director shall be signed on behalf of the Company by the person who chaired the General Meeting at which the Interim General Director was elected, or by another person authorized by a resolution of the General Meeting.
- 16.4.2 Any Participant shall have the right to convene a General Meeting for the purpose of early termination of the authority of the Interim General Director, elected due to the occurrence of a Special Situation. Such General Meeting shall be convened in the manner described in sections 13.14 and 13.15 of the Charter.
- 16.4.3 Any Participant shall have the right to convene a General Meeting for the purpose of electing the General Director due to the expiry of the term of authority of the Interim

General Director, elected due to the occurrence of a Special Situation. Such General Meeting shall be convened in the manner described in sections 13.14 and 13.15 of the Charter.

16.4.4 Along with termination of the authority of the Interim General Director elected due to the occurrence of a Special Situation, the General Meeting shall resolve to elect a General Director. Such resolution shall be made by a majority of the total number of the Participants' votes.

16.5 Procedure for termination of the Interim General Director in connection to the revocation of the Consent or his/her non-compliance with the Requirements for Candidates and election of another Candidate to the position of the Interim General Director:

16.5.1 If at any moment the person appointed as the Interim General Director revokes the Consent or becomes non-compliant with the Requirements for Candidates and as of the moment of such revocation or non-compliance, there are other Candidates in the List of Candidates other than such Interim General Director, Participant 1 is entitled to convene an extraordinary General Meeting for early termination of the authority of the Interim General Director and election of a new Candidate from the List of Candidates to the position of the Interim General Director.

16.5.2 If at any moment the person appointed as the Interim General Director revokes the Consent or becomes non-compliant with the Requirements for Candidates and as of the moment of such revocation or non-compliance, there are no other Candidates in the List of Candidates other than such Interim General Director, Participant 1 is entitled to send to Participant 2 a notification on non-compliance of the Interim General Director with the Requirements for Candidates or absence of the Consent ("**Incompliance Notice**"), and within fifteen (15) calendar days convene an extraordinary General Meeting on issues of: (i) amendment of the List of Candidates and inclusion to the List of Candidates of a new person, compliant with the Requirements for Candidates, (ii) termination of authority of the Interim General Director; and (iii) election of a new Candidate, proposed by Participant 1 to the position of the Interim General Director.

16.5.3 If upon expiry of fifteen (15) calendar days from the Incompliance Notice at least one (1) Candidate is not included in the List of Candidates, Participant 2 is entitled to convene an extraordinary General Meeting on the issues of: (i) amendment of the List of Candidates and inclusion to the List of Candidates of a new person, compliant with the Requirements for Candidates, (ii) termination of authority of the Interim General Director; and (iii) election of a new person, proposed by Participant 2 to the position of the Interim General Director.

16.5.4 To make a decision on the issues set forth in section 16.5.3 of the Charter, a General Meeting is deemed quorate, if it is attended by Participant 2, and Participant 2 has one hundred per cent (100%) of the votes. Votes of Participant 1 shall not be taken into account when voting on this question.

16.5.5 At that for the avoidance of doubt, the authorities of the Interim General Director are terminated, and such Interim General Director is excluded from the List of Candidates on the date of adoption of the decision by the General Meeting, convened in accordance with the procedure set forth in sections 16.5.1, 16.5.2 or 16.5.3. Such extraordinary General Meetings shall be convened in the manner described in sections 13.14 and 13.16.

16.5.6 Notarized copy of the corporate decision of a respective Participant on the nomination of a person to the List of Candidates and election of a new Candidate to the position of the Interim General Director shall be additionally attached to the Notification of the General Meeting, the agenda of which includes issues concerning the termination of authority of the Interim General Director in the manner set forth in sections 16.5.1, 16.5.2 or 16.5.3, and also amendments to the List of Candidates in the manner set forth in sections 16.5.2 or 16.5.3

16.6 In a situation where termination of the authority of the Interim General Director and election of a new Candidate to the position of the Interim General Director in the manner described in section 16.5 above, occurred within the term of authority of the Interim General Director, appointed in accordance with the occurrence of a Special Situation, such election of a new Candidate to the position of the Interim General Director does not suspend the duration of the authority of the initially elected Interim General Director and could not serve grounds for extension of such term.

17. Authority of the General Director

17.1 The General Director shall comply in his/her activities with the requirements of Applicable Law and shall be guided by the Charter and decisions of the General Meeting, and also by the provisions of the Contract.

17.2 The General Director shall act in the best interests of the Company in good faith and reasonably.

17.3 The General Director is responsible for the management of the day-to-day activities of the Company and makes decisions on all issues that are not referred by this Charter and Applicable Law to the exclusive competence of the General Meeting.

17.4 The General Director:

17.4.1 acts without a power of attorney on behalf of the Company, inter alia, represents its interests and makes transactions subject to prior approval thereof by the General Meeting as provided for by the Charter;

17.4.2 prepares materials, projects and proposals on issues submitted for resolution to the General Meeting;

17.4.3 submits the annual report and balance sheet of the Company to the General Meeting for approval;

17.4.4 ensures the implementation of decisions of the General Meeting;

17.4.5 performs the operational management of the Company;

17.4.6 has the right to sign financial documents;

17.4.7 determines duties and obligations of the employees of the Company and the employees of the Company's branches and representative offices, rewards employees and imposes disciplinary sanctions, issues orders and instructions including but not limited to orders on employment and appointment, transfer and dismissal with respect to the Company's employees and the employees of the Company's branches and representative offices and subsidiaries of the Company, and adopts decisions on all other matters related to the

management of the employees of the Company and the Company's branches and representative offices;

- 17.4.8 approves the rules, procedures and other internal documents of the Company, with the exception of documents the approval of which is referred by this Charter to the exclusive competence of the General Meeting;
- 17.4.9 determines the organizational structure of the Company;
- 17.4.10 manages the property of the Company within the limits established by the General Meeting, this Charter and Applicable Law;
- 17.4.11 opens and closes the Company's bank accounts;
- 17.4.12 arranges the accounting and reporting activities of the Company;
- 17.4.13 submits the annual report and balance sheet of the Company to the General Meeting for approval;
- 17.4.14 issues orders and gives instructions binding on all employees of the Company.

17.5 The General Director shall have the following authority only subject to prior approval (consent) of the General Meeting by a majority of the total number of the Participants' votes, unless otherwise is decided by the General Meeting:

- 17.5.1 enters into any agreements or any other transactions of the Company with governmental authorities or with any entity wholly or partially owned or Controlled by the state;
- 17.5.2 enters into the following transactions of the Company;
 - 1) single transactions or several Related Transactions for the amount exceeding three million (3,000,000) rubles; or
 - 2) single transactions, if in aggregate their amount exceeds thirty million (30,000,000) rubles during one (1) calendar month;
- 17.5.3 enters into transactions, related to the provision by the Company of any loans, save for provision by the Company of any loans to its subsidiaries and Controlled Persons, if the aggregate value of such transactions with each subsidiary or Controlled Person does not exceed three million (3,000,000) rubles during one (1) calendar month;
- 17.5.4 enters into any transactions related to any borrowings by the Company;
- 17.5.5 enters into any transactions related to provision of any guarantees or indemnities or the provision of any security by the Company;
- 17.5.6 approves the staff schedule of the Company;
- 17.5.7 enters into or amends or terminates any agreements with a Related Party, regardless of whether or not such agreement with the Related Party is considered to be an interested party transaction in accordance with Article 45 of the Law on LLCs.

18. Authority of the Interim General Director

- 18.1 In his/her activities, the Interim General Director is obliged to comply with the requirements of Applicable Law, be guided by the provisions of the Charter, decisions of the General Meeting, and with the terms of the Contract with the Interim General Director.
- 18.2 The Interim General Director shall act in the best interests of the Company in good faith and reasonably.
- 18.3 The Interim General Director:
- 18.3.1 acts without a power of attorney on behalf of the Company, inter alia, represents its interests and makes transactions subject to prior approval thereof by the General Meeting as provided for by the Charter;
 - 18.3.2 prepares materials, projects and proposals on issues submitted for resolution to the General Meeting;
 - 18.3.3 submits the annual report and balance sheet of the Company to the General Meeting for approval;
 - 18.3.4 ensures the implementation of decisions of the General Meeting.
 - 18.3.5 issues and revokes powers of attorney for court representation on behalf of the Company to legal counsel ranked at the relevant date of the power of attorney issuance in Band 1 or Band 2 of Chambers and Partners Global ranking on “Dispute Resolution: Russia”, or in Tier 1 or Tier 2 of Legal500 Russia ranking on “Dispute Resolution: Litigation”;
 - 18.3.6 enters into legal services (legal aid) agreements with legal counsel described in section 18.3.5 above, for the amount not exceeding ten million (10,000,000) rubles or equivalent in other currency;
 - 18.3.7 imposes penalties on the employees of the Company, adopts decisions on the temporary suspension of the employees of the Company within the meaning of Article 76 of the Labor Code and on all other matters related to the employee management of the employees of the Company and the Company’s branches and representative offices.
- 18.4 The Interim General Director shall have the following authority only subject to prior approval (consent) of the General Meeting by a majority of the total number of the Participants’ votes:
- 18.4.1 determines duties and obligations of the employees of the Company and Company’s branches and representative offices, issues orders and instructions including but not limited to orders on employment and appointment with respect to the Company’s employees and the employees of the Company’s branches and representative offices and subsidiaries of the Company
 - 18.4.2 issues and revokes powers of attorney granting the right to represent the Company, including powers of attorney providing for the power of substitution other than any powers of attorney mentioned in section 18.3.5 of the Charter;
 - 18.4.3 enters into any agreements or any other transactions of the Company with governmental

authorities or with any entity wholly or partially owned or Controlled by the state;

18.4.4 without prejudice to provisions of section 18.3.6 of the Charter above, enters into the following transactions of the Company;

1) single transactions or several Related Transactions for the amount exceeding three million (3,000,000) rubles; or

2) single transactions, if in aggregate their amount exceeds thirty million (30,000,000) rubles during one (1) calendar month;

18.4.5 enters into transactions, related to the provision by the Company of any loans, save for provision by the Company of any loans to its subsidiaries and Controlled Persons, if the aggregate value of such transactions with each subsidiary and Controlled Person does not exceed three million (3,000,000) rubles during one (1) calendar month;

18.4.6 enters into any transactions related to any borrowings by the Company;

18.4.7 enters into any transactions related to provision of any guarantees or indemnities or the provision of any security by the Company;

18.4.8 enters into or amends or terminates any agreements with a Related Party, regardless of whether or not such agreement with the Related Party is considered to be an interested party transaction in accordance with Article 45 of the Law on LLCs;

18.4.9 approves staff schedule of the Company and Company's branches and representative offices, adopts decisions on dismissal of the employees of the Company and the Company's branches and representative offices, subsidiaries of the Company;

18.4.10 represents the Company as a participant (shareholder) in the subsidiaries of the Company on the matters falling within the competence of the general meeting/sole participant (shareholder) of such subsidiaries;

18.4.11 opens and closes the Company's bank accounts;

18.4.12 disposes the funds on the Company's bank accounts having the right of joint signature on all payment documents always together with the Financial Director.

18.5 All documents to be signed by the Interim General Director in order to exercise the authority specified in subsections 18.4.3 — 18.4.8 of section 18.4 of the Charter, must also be co-signed by the Financial Director.

19. Accounting for financial and economic activities

19.1 In order to verify and confirm the correctness of annual reports and balance sheets, the Company may engage, pursuant to the decision of the General Meeting, a professional auditor (audit firm) not connected via property interests with the Company, with the Executive, with the persons included on the List of Candidates, or with the Participants.

19.2 An audit may also be carried out at the request of any Participant. In the case of such an audit, payment for the services of the external auditor is made by the Participant who requested the audit.

- 19.3 The engagement of an external auditor to verify and confirm the correctness of the annual reports and balance sheets of the Company is mandatory in cases provided for by Applicable Law.
- 19.4 The external auditor checks the annual reports and balance sheets of the Company before their submission to the General Meeting for approval. The General Meeting does not have the right to approve annual reports and balance sheets of the Company if the same were not approved by the external auditor in cases provided for by Applicable Law.

20. The procedure for storage of documents and provision of documents for review to Participants and other persons

- 20.1 The Company is obliged to keep the following documents:
- 20.1.1 The Charter and any amendments made to the Charter and registered in accordance with the established procedure;
 - 20.1.2 the minutes of the meeting of the founders of the Company, containing a decision to establish the Company as well as other decisions related to the establishment of the Company;
 - 20.1.3 a document confirming the state registration of the Company;
 - 20.1.4 documents confirming the Company's rights to property reflected on its balance sheet;
 - 20.1.5 internal documents of the Company;
 - 20.1.6 List of Candidates;
 - 20.1.7 regulations on branches and representative offices of the Company;
 - 20.1.8 documents related to the issue of debentures and other securities of the Company;
 - 20.1.9 Minutes of the General Meetings;
 - 20.1.10 reports of the external auditor, the state and municipal financial control bodies;
 - 20.1.11 other documents provided for by Applicable Law, internal documents of the Company, decisions of the Company.
 - 20.1.12 The Company shall keep the documents listed in section 20.1 at its registered address.
- 20.2 At the request of a Participant, an auditor or any other person concerned, the Company is obliged to provide them, within ten (10) business days with the opportunity to review the Charter, including the amendments made thereto. The Company is obliged at the request of the Participant to provide him with a copy of the current Charter. The fee charged by the Company for providing copies may not exceed the cost of their production.

21. Distribution of Profit

- 21.1 The decision on the distribution of profits is made by the General Meeting.

- 21.2 The Company has the right to make a decision to distribute its net profit among the Participants on a quarterly, semi-annual or annual basis.
- 21.3 Upon a unanimous decision of the General Meeting, net profit earmarked for distribution among the Participants may be distributed disproportionately to the sizes of their Shares.
- 21.4 The Company is not authorized to make a decision on the distribution of profits to the Participants and to pay any distribution declared in circumstances specified under Applicable Law.

22. Liquidation and reorganization

- 22.1 The Company may be voluntarily reorganized in the manner stipulated by Applicable Law.
- 22.2 The reorganization of the Company is carried out in the manner determined by Applicable Law.
- 22.3 The Company may be liquidated voluntarily by decision of the General Meeting adopted unanimously by all Participants, or by decision of the court on the grounds provided for by Applicable Law.
- 22.4 The liquidation of the Company entails the termination of its activities without transfer of its rights and obligations by way of succession to other persons. The liquidation of the Company is carried out in the manner prescribed by Applicable Law, taking into account the provisions of the Charter.
- 22.5 When reorganizing or terminating the activities of the Company, all documents (managerial, financial, economic, personnel, etc.) are transferred in accordance with the established rules to the successor company.
- 22.6 The liquidation of the Company shall be deemed completed, and the Company shall cease to exist upon recording the information on its liquidation in the USRLE.
- 22.7 The Charter is set forth in the English and Russian languages, with both versions intended to be identical in meaning and of equal legal force; in the event of discrepancy the Russian text shall prevail.

23. Definitions

- 23.1 **Questionnaire** means Candidate's questionnaire confirming that the Candidate meets the Requirements for Candidates in a form set forth in Appendix 4 to the Charter.
- 23.2 **Related Transactions** means a series of transactions, having one business goal when being entered into and meeting, among other, such criteria as: (i) including the common business purpose of the sold (provided for temporary possession or use) property; (ii) consolidation of all of the sold (provided for temporary possession or use) property under the transaction by one person; and (iii) short time period between entering into several transactions.
- 23.3 **Interim General Director** means the executive body of the Company, elected in accordance with the procedure, set forth in sections 16.3 and 16.4 of the Charter.
- 23.4 **General Director** means the executive body of the Company, elected in accordance with the procedure, set forth in section 16.1 of the Charter, including a

commercial legal entity or and individual entrepreneur (manager), to whom authorities of the Executive are transferred.

- 23.5 **Civil Code** means the Civil Code of the Russian Federation.
- 23.6 **Applicable Law** means the Civil Code, the Law on LLCs and all other applicable laws, decrees, rulings, ordinances, decisions, prescriptions, orders, regulations, rules and directives of the Russian Federation.
- 23.7 **Contract** means the employment contract with the General Director.
- 23.8 **Contract with the Interim General Director** has the meaning specified in section 15.2 of the Charter.
- 23.9 **Share** means the Participant's share in the Charter Capital.
- 23.10 **Additional Grounds** means additional grounds for terminating authority of the General Director specified in section 16.2.1 and listed in Appendix 5 of the Charter.
- 23.11 **USRLE** means the Unified State Register of Legal Entities.
- 23.12 **Law on LLCs** means the Federal Law No. 14-FZ "On Limited Liability Companies" dated February 8, 1998, as subsequently amended.
- 23.13 **Foreign Parties** means any legal entities, created in accordance with the legislation of foreign states and (or) any Russian legal entities, in each case not Controlled by natural persons with Russian citizenship, or a Russian legal entity (if such Russian legal entity does not have any beneficial owner).
- 23.14 **Executive** shall mean the sole executive body of the Company.
- 23.15 **Candidate** means a person included into the List of Candidates.
- 23.16 **Financial Director** means the Company's employee holding the position of the financial director of the Company under the staffing schedule.
- 23.17 **Public Policy Committee** means the Public Policy Committee under the Board of Directors of the Participant 1 made up in accordance with the constituent and internal documents of Participant 1.
- 23.18 **Nominating Committee** shall mean Nominating Committee under the Board of Directors of Participant 1 board made up in accordance with the constituent and internal documents of Participant 1.
- 23.19 **Controlled Persons** shall mean any entities Controlled by Participant 1.
- 23.20 **Control** means with respect to any entity: (a) the existence of direct or indirect powers to determine or ensure the determination of management decisions of such entity (based on ownership of securities or partner rights, or other property rights, on the basis of an agreement or on any other basis); (b) the ability to directly or indirectly control more than fifty per cent. (50%) of the votes at any general meetings (or equivalent bodies) of such entity; or (c) the ability to appoint more than fifty per cent. (50%) of the members of the board of directors (or

the closest equivalent to such a governing body) of such entity; and the words “**Controlling**”, “**Controlled**” and “**under Control**” shall be construed in accordance with this definition.

- 23.21 **Corporate agreement** means a corporate agreement entered into by Participant 1 and Participant on [·] 20 .
- 23.22 **Corporate Secretary** means the Company’s employee to be appointed by the Executive.
- 23.23 **Non-Monetary Contributions** has the meaning specified in section 4.7 of the Charter.
- 23.24 **Company** has the meaning specified in section 1.2 of the Charter.
- 23.25 **General Meeting** means a general meeting of the Participants.
- 23.26 **Binding Nomination** shall mean a nomination by Participant 2 of a candidate to serve as Designated Director on the Board of Directors of Participant 1 made in accordance with the organizational documents of Participant 1.
- 23.27 **Special Corporate Situation** means any of the exhaustive list of situations listed in Part 1 of Appendix 5 to the Charter.
- 23.28 **Special Situation** means a situation specified in Part 2 of Appendix 5 to the Charter.
- 23.29 **Chairperson of the Meeting** has the meaning specified in section 13.25 of the Charter.
- 23.30 **Minutes of the General Meetings** mean the minutes of a General Meeting held in the form of the joint physical presence and minutes containing the resolutions of a General Meeting made by absentee voting (by poll).
- 23.31 **Related Party** means the General Director, the Interim General Director, his spouse, parents, spouse’s parents, children, half- and full brothers and sisters, adoptive parents and adopted children, any other relatives on any side, persons residing at his/her home and (or) persons Controlled by him/her.
- 23.32 **Secretary of the Meeting** has meaning specified in section 13.25 of the Charter.
- 23.33 **CEO** means the Chief Executive Officer of the Participant 1 in the meaning of the constituent documents of the Participant 1.
- 23.34 **Board of Directors of Participant 1** means board of directors of Participant 1 acting on the basis of constituent and internal documents of Participant 1.
- 23.35 **Consent** means consent of the Candidate to hold the position of the Interim General Director if elected, in a form set forth in Appendix 3 to the Charter.
- 23.36 **Designated Director** shall mean a member of the Board of Directors of Participant 1 defined as Designated Director in the organizational documents of Participant 1.
- 23.37 **List of Candidates** means a list of individuals who are Candidates for the position of the Interim General Director and included in such list.
- 23.38 **Register of Participants** has the meaning specified in section 11.1 of the Charter.

- 23.39 **Requirements for Candidates** means the list of relevant requirements to the Candidate that are set forth in Appendix 2 to the Charter.
- 23.40 **Labor Code** means Labor Code of the Russian Federation.
- 23.41 **Notification** has the meaning specified in section 13.9 of the Charter.
- 23.42 **Expulsion Notice** has the meaning specified in section 15.6.2 of the Charter.
- 23.43 **Charter** means this Charter.
- 23.44 **Charter Capital** means the charter capital of the Company.
- 23.45 **Participant** means any person holding a Share in the Charter Capital.
- 23.46 **Participant 1** means Yandex N.V. holding 99,999% (ninety nine and 999/1000 per cent) Share with a nominal value of 16,604,833.95 (sixteen million six hundred and four thousand eight hundred thirty-three and 95/100) Rubles in the Charter Capital.
- 23.47 **Participant 2** means International Foundation Public Interest Foundation, registration No. [·], holding 0,001% (1/1000 per cent) Share with a nominal value of 166.05 (one hundred sixty six and 5/100) Rubles in the Charter Capital.
- 23.48 **Financial Year** means a calendar year from January 1 to December 31 inclusive.

Appendix 1
Procedures to Adopt Resolutions at General Meeting

Decisions of the General Meeting shall be adopted by a simple majority vote, except as otherwise required by Applicable Law or the Charter. Below are the voting thresholds applicable to decisions of the General Meeting.

<u>Charter Section</u>	<u>Matter</u>
A. Decisions requiring unanimity:	
4.7 12.2.11	Approval of the monetary value of Non-Monetary Contributions to the Charter Capital made by the Participants
5.1.4	Imposition of additional obligations on all Participants
5.3	Termination of additional obligations
5.4	Granting additional rights to a Participant (Participants)
5.5	Termination or limitation of additional rights granted to all Participants
10.4	Decision to oblige the Participants to make contributions to the Company's assets other than in accordance with the procedures sets forth in Section 10.3 of the Charter
12.2.2	Approving the Charter or amendments thereto or approving a new version of the Charter, making a decision that the Company will continue to operate on the basis of the model charter, or that the Company will not continue to operate on the basis of the model charter, changing the amount of the Charter Capital of the Company, changing the name of the Company or its registered address
12.2.8	Decision on reorganization or liquidation of the Company
12.2.14	Decision on allocation of the share in the Charter Capital owned by the Company
12.2.15	Decision on payment to creditors of the actual value of the Share or any part of the Share of a Participant whose assets are being foreclosed
12.2.25	Early termination of the authority of the Interim General Director, other than in case set out in section 12.2.26 of the Charter
12.2.29 15.2	Approval of the form and terms and conditions of the Contract with Interim General Director and making amendments thereto
21.3	Decision on distribution of profit among the Participants disproportionately to the sizes of their Shares

B. Decisions to be adopted by at least two-thirds of the total number of the Participants' votes

5.1.5	Assignment of additional obligations to particular Participant
5.6	Termination or limitation of additional rights granted to a particular Participant
10.2	Decision on making contributions to the Company's assets
12.2.10	Establishment of branches and representative offices of the Company

C. Decisions to be adopted by a majority of the total number of the Participants' votes

12.2.1	Defining the main areas of the Company's activities and making decisions on participation in associations and other unions of commercial entities
12.2.3	Approval of the annual reports, annual balance sheets
12.2.4	Decision on distribution of the Company's net profits among the Participants
12.2.5	Approval (adoption) of documents regulating the internal activities of the Company (internal documents of the Company);
12.2.6	Decision on the offering by the Company of bonds and other securities
12.2.7	Assignment of an audit, approval of the auditor and determination of the amount of payment for its services
12.2.9	Appointment of the liquidation commission and approval of liquidation balance sheets;
12.2.13	Decisions on granting consent to major transactions (in accordance with Article 46 of the Law on LLCs) on the acquisition, disposal or possible direct or indirect alienation by the Company of its assets the price or book value of which is or exceeds twenty-five per cent. (25%) of the total book value of the Company's assets according to the financial statements of the Company for the last reporting period
12.2.16	Election of the General Director and early termination of the authority of the General Director (other than termination in accordance with section 12.2.17)
12.2.18	Approval of the form of the Contract, approval of compensation to be paid to the General Director and other terms of employment of the General Director
12.2.20 15.1	Approval of the List of Candidates and amendment thereof in accordance with section 15.1 of the Charter
12.2.22	Amendment to the List of Candidates in accordance with section 16.5.2 of the Charter

Charter Section	Matter
12.2.26	Termination of the authority of the Interim General Director and election of the General Director in case when a Special Corporate Situation is deemed eliminated
12.2.27 16.5.1 16.5.2	Termination of the authority of the Interim General Director in the events, set forth in section 16.5.1 and 16.5.2 of the Charter
12.2.30	Approval of transactions made by the Interim General Director in accordance with section 18.4 of the Charter
12.2.31	Decisions on direct or indirect (including by transfer of Control over the companies holding relevant assets) transfer or encumbrance of material IP, including, for these purposes, the results of intellectual activity referred to in paragraphs (1) (Works of science, literature, and art), which are literary works; (2) (Computer software programs); (3) (Data bases); (8) (Utility models); (9) (Industrial designs); and (12) (Know-how) of Article 1225 of the Civil Code (or similar IP, if regulated by any law other than Applicable Law), including licensing such IP, if such transfer would limit the Controlled Persons' ability to use the same within the Russian Federation, in favour of: (a) Foreign Parties; or (b) any other legal entities not under Control of the Company, in each case save for direct or indirect (including by transfer of Control over the companies holding relevant assets) transfer or encumbrance carried out in the ordinary course of business
12.2.32	Decisions on transactions and other actions (including any transfer of Control over the companies holding any such data) resulting in granting direct access to personal data and non-depersonalized big data of Russian users, to Foreign Parties which are not Controlled Persons, except in accordance with the policies, indicated in section 12.2.33
12.2.33	Adopting, modification, amendment, and cancellation of the Company and the Controlled Persons' internal policies on protection of personal data and non-depersonalized big data of Russian users (including storage procedures, and sale of / granting direct access to such information to Foreign Parties which are not Controlled Persons)
12.2.34	Decision regarding the Company's entry into any agreements with foreign states or international intergovernmental organizations (and their bodies or agencies) which concern the territory of the Russian Federation
13.25	Election of the Chairperson of the Meeting
<i>D. Decision to be adopted by votes of Participant 2</i>	
12.2.17	Termination of the authority of the General Director due to Additional Grounds
12.2.24	Election of Interim General Director
15.7	Amendment of the List of Candidates in the events, set forth in section 15.7 of the

12.2.21	Charter
12.2.23 16.5.3	Amendment of the List of Candidates in the events, set forth in section 16.5.3 of the Charter
12.2.28	Termination of the authority of the Interim General Director and election of the Interim General Director in the events, set forth in section 16.5.3 of the Charter

Appendix 2
Requirements for Candidates

1. Not an employee of a state corporation or a company controlled by the state.
2. Not currently and within the preceding two (2) full calendar years a political appointee or member of governing bodies of a political party, a government official or a member or employee of any state apparatus, a member of parliament, or a political office-holder
3. No criminal record.
4. Not subject to disqualification under the Code of Administrative Offenses of the Russian Federation; not subject to any administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation.
5. Not a person with whom the Company is restricted from having dealings by virtue of laws applicable to the Company and persons who directly or indirectly own 50% or more Share.
6. No commercial conflict of interest with the Company within the preceding two (2) full calendar years, whereas:
 - (a) Commercial conflict of interest of a person is defined as any commercial relationship between any Competing Business with the Company and:
 - (i) such person:
 - (ii) his/her close relatives (including his/her spouse, parents, spouse's parents, children, siblings) or any person sharing the person's household;
 - (iii) legal entities that are, directly or indirectly, Controlled Persons of such persons or his/her close relatives;
 - (iv) entities in which the candidate or his/her close relatives have a shareholding of more than one per cent. (1%) of a listed company or three per cent. (3%) of a non-public company.
 - (b) Commercial relations include the following direct or indirect relationships with a Competing Business:
 - (i) employment, including in the past;
 - (ii) directorship, including in the past;
 - (iii) consultancy arrangement;
 - (iv) shareholding (more than one per cent. (1%) of a listed company or three per cent. (3%) of a non-public company).

(c) Competing Business is a business that operates in any area/line of activity (save for areas / lines of academic science, education and not-for-profit medicine), which represents above one per cent. (1%) of the gross revenue of the Yandex Group based on the consolidated financial statements prepared under generally accepted accounting principles in the US (*US GAAP*) for the six-month period ending on the last balance sheet date, as determined in accordance with US GAAP.

7. Have at least 5 (five) years of experience in a managing position.

Appendix 3

Consent to hold the position of the Interim General Director if elected

To: Yandex Limited Liability Company (the “**Company**”)

1. I, [·], hereby consent to hold the position of the Interim General Director of the Company if elected.
2. This Consent is issued for an indefinite period and I may withdraw it by notifying the Company at the following email address: _____ .

_____ [·] / [·]
Date : _____

Appendix 4
Questionnaire

I, [-], hereby certify that, as of the date of this Questionnaire and, where specifically indicated below, within such respective term prior to the date of this Certification, I comply fully with the following criteria (together the “**Requirements for Candidates**”) and in particular, that I:

1. am not currently an employee of a state corporation or companies controlled by the state;
2. am not currently and within the preceding two (2) full calendar years have not been a political appointee or member of governing bodies of a political party, a government official or a member or employee of any state apparatus, a member of parliament, or a political office-holder;
3. have no criminal record;
4. am not subject to disqualification under the Code of Administrative Offenses of the Russian Federation; am not subject to any administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation;
5. after making reasonable inquiries on the below matters, I confirm that I am not a person with whom the Company is restricted from having dealings by virtue of laws applicable to the Company and persons who directly or indirectly own fifty per cent. (50%) or more in the Company’s charter capital;
6. after making reasonable inquiries on the below matters, I confirm that I do not have currently and have not had within the preceding two (2) full calendar years any commercial conflict of interest, whereas:
 - 6.1. commercial conflict of interest is defined as any commercial relationship between any business that operates in any area/line of activity (save for areas / lines of academic science, education and not-for-profit medicine), which represents above one per cent. (1%) of the gross revenue of the Yandex Group based on the consolidated financial statements prepared under generally accepted accounting principles in the US (*US GAAP*) for the six-month period ending on the last balance sheet date, as determined in accordance with US GAAP, and:
 - (i) myself;
 - (ii) my close relatives (including my spouse, parents, spouse’s parents, children, siblings) or any persons sharing my household;
 - (iii) by companies directly or indirectly controlled by me or my close relatives;
 - (iv) entities in which I or my close relatives have a shareholding of more than one per cent. (1%) of a listed company or three per cent. (3%) of a non-public company; and
 - 6.2. Commercial relationships include the following direct or indirect relationships with a Competing Business:
 - (v) employment, including in the past;

- (vi) directorship, including in the past;
- (vii) consultancy arrangement;
- (viii) shareholding (one per cent. (1%) of a listed company or three per cent. (3%) of a non-public company); and

7. I have at least 5 (five) years of experience in a managing position.

I certify that the foregoing statements made by me are true. The copies of the documents confirming the above statements are attached. I agree that I shall be liable if any of the above statements are untrue.

Appendix 5
Additional Grounds for Terminating Authority of the General Director

No.	Description
Part 1. Special Corporate Situation	
1.	(a) Trigger for the Special Corporate Situation: the Public Policy Committee is not formed; and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions have been met:
	(i) on a regular meeting of the Board of Directors of Participant 1, but in any event not later than four (4) months after the trigger for the Special Corporate Situation referred to in section 1(a) has occurred, the Board of Directors of Participant 1 has failed to adopt a decision to form the Public Policy Committee;
	(ii) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 1 (a) and specified the trigger for the Special Corporate Situation (provided that the Public Policy Committee still has not been formed as of the date of such notification); and
	(iii) the Board of Directors of Participant 1 has failed to adopt a decision to form the Public Policy Committee at the next regular meeting of the Board of Directors of Participant 1, which is held after the receipt by Participant 1 of the notification referred to in section 1(b)(ii) above from Participant 2, but in any event not later than four (4) months after the receipt by Participant 1 of the notification referred to in section 1(b) (ii) above from Participant 2; and
	(iv) Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure set forth by the charter of Participant 2, and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.
	(c) A Special Corporate Situation with the trigger in this section 1 shall be deemed eliminated on the date, when (i) the Board of Directors of Participant 1 adopted a decision to form the Public Policy Committee; or (ii) Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.
2.	(a) Trigger for the Special Corporate Situation: the Board of Directors of Participant 1 has made a decision to dismiss the Public Policy Committee; and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions have been met:
	(i) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 2(a) and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification the Public Policy Committee still has not been formed yet); and
	(ii) the decision to form the Public Policy Committee is not made at next ordinary meeting of the Board of Directors of Participant 1, which is held after the receipt by Participant 1 of the notification referred to in section 2(b)(i) above from

No.	Description
	Participant 2, but in any event not later than four (4) months after the receipt by Participant 1 of the notification from Participant 2, described in section 2(b)(i) above; and
(iii)	Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure, set forth by the charter of Participant 2 and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.
(c)	A Special Corporate Situation with the trigger in this section 2 shall be deemed eliminated on the date, when: (i) the Board of Directors of Participant 1 has adopted a decision to form the Public Policy Committee; or (ii) Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.
3.	(a) Trigger for the Special Corporate Situation: the Board of Directors of Participant 1 has failed to adopt a decision to include any one Designated Director in the Nominating Committee; and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions have been met:
	(i) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 3(a) and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification no Designated Director has been appointed to the Nominating Committee); and
	(ii) the decision to appoint a Designated Director in the Nominating Committee has not been adopted at the next ordinary meeting of the Board of Directors of Participant 1, which is held after the receipt by Participant 1 of the notification referred to in section 3(b)(i) above from Participant 2, but in any event not later than four (4) months after the receipt by the Participant 1 of the notification described in section 3(b)(i) above; and
	(iii) Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure, set forth by the charter of Participant 2 and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.
(c)	A Special Corporate Situation with the trigger in this section 3 shall be deemed eliminated, on the date, when: (i) the Board of Directors of Participant 1 has adopted a decision to include a Designated Director in the Nominating Committee; or (ii) Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.
4.	(a) Trigger for the Special Corporate Situation: the general shareholders meeting of Participant 1 has rejected the Binding Nomination of Participant 2 with respect to any of the Designated Directors; and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions have been met:
	(i) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 4(a) and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification the general shareholders meeting of Participant 1 has not approved the Binding Nomination of the Participant 2 with respect to any of the Designated Directors);

No.	Description
	and
	(ii) Participant 2 has adopted a decision in accordance with its charter to make a Binding Nomination of a candidate to the position of a Designated Director and has notified Participant 1 thereof in accordance with the procedure set forth by the constituent and internal documents of Participant 1; and
	(iii) the Binding Nomination of Participant 2 with respect to Designated Director described in section 4(b)(ii) has not been approved by the general shareholders meeting of Participant 1 within sixty (60) days of the receipt by Participant 1 of the notification of Participant 2 referred to in section 4(b)(i); and
	(iv) Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure, set forth by the charter of Participant 2 and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.
	(c) A Special Corporate Situation with the trigger in this section 4 shall be deemed eliminated, on the date, when (i) the Binding Nomination of the Participant 2 with respect to the candidate to the position of Designated Director, has been approved by the general shareholders meeting of Participant 1; or (ii) Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.
5.	(a) Trigger for the Special Corporate Situation: the general shareholders meeting of Participant 1 has taken a decision to terminate the authorities of any of the Designated Directors (other than in case when such decision is made upon Participant 2's consent); and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions have been met:
	(i) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 5(a) and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification the general shareholders meeting of Participant 1 has not approved the Binding Nomination with respect to a respective Designated Director); and
	(ii) Participant 2 has adopted a decision in accordance with its charter to make a Binding Nomination in respect of a candidate to the position of the Designated Director and has notified Participant 1 thereof in accordance with the procedure set forth by the constituent and internal documents of Participant 1; and
	(iii) the Binding Nomination of the Participant 2 in respect of the candidate to the position of the Designated Director, described in section 5(b)(ii) by Participant 2 has not been approved by the general shareholders meeting of Participant 1 within sixty (60) days of the receipt by Participant 1 of the notification referred to in section 5 (b) (ii) above; and
	(iv) Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure, set forth by the charter of Participant 2 and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.
	(c) A Special Corporate Situation with the trigger in this section 5 shall be deemed eliminated, on the date, when: (i) the Binding Nomination of the Participant 2 with respect to the candidate to the position of the Designated Director has been approved by the general

No.	Description
	shareholders meeting of Participant 1; or (ii) Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.
6.	(a) Trigger for the Special Corporate Situation: The general shareholders meeting of Participant 1 has taken a decision on appointment of a candidate who is not compliant with the recommendation of the Nominating Committee (the “ Noncompliant Candidate ”) to the position of a Class I director (as defined in the internal documents of Participant 1) (for the avoidance of doubt, a situation where such position of a Class I director remains vacant after holding of the general shareholders meeting described above); and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions are met:
	(i) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 6(a), not later than ninety (90) days prior to the date of the regular (annual) general shareholders meeting of Participant 1 and specified the trigger for the Special Corporate Situation; and
	(ii) the next regular general shareholders meeting of Participant 1 after receipt of the notification of Participant 2, referred to in section 6 (b)(i), has not taken a decision:
	· on appointment of a candidate, who is compliant with the recommendation of the Nominating Committee (the “ Compliant Candidate ”) to the position of a Class II director; or
	· on termination of appointment of the Noncompliant Candidate as a Class I director as a and as a result the position of the Class I director remained vacant or a Compliant Candidate was appointed to the position held by a Noncompliant Candidate; and
	(iii) Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure, set forth by the charter of Participant 2 and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.
	For the purposes of sections 6(b)(ii), the next regular general shareholders meeting of Participant 1 after the receipt by the Participant 1 of the notification of the Participant 2 described in section 6(b)(i) above is:
	· to the extent the regular general shareholders meeting of Participant 1 falls to any date upon expiry of the ninety (90) days following the receipt by Participant 1 of the notification from Participant 2 described in section 6(b)(i) above — the earliest annual shareholders meeting of Participant 1; and
	· to the extent the regular general shareholders meeting of Participant 1 falls to any date within the ninety (90) days’ period following the receipt by Participant 1 of the notification of the Participant 2 described in section 6(b)(ii) above, - the annual general shareholders meeting taking place in the following calendar year.
	(c) A Special Corporate Situation with the trigger in this section 6 shall be deemed eliminated on the date, when:
	(i) the general shareholders meeting of Participant 1 has taken a decision:
	· on appointment of a Compliant Candidate to the position of a Class II

No.	Description
	director; or
	· on termination of appointment of the Noncompliant Candidate as a Class I director as a and as a result the position of the Class I director remained vacant or a Compliant Candidate was appointed to the position held by a Noncompliant Candidate; or
	(ii) Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.
7.	(a) Trigger for Special Corporate Situation: the Company acts without the consent of a General Meeting on the issues set forth in sections 12.2.31- 12.2.34 of the Charter, or Participant 1 votes on those issues not in accordance with the earlier adopted decision of the Public Policy Committee or in the absence of a decision of the Public Policy Committee to approve the relevant action (transaction) by the Company; and
	(b) Special Corporate Situation is deemed to have occurred if all of the below conditions have been met:
	(i) Participant 2 has notified the Company and Participant 1 of the trigger for the Special Corporate Situation referred to in section 7(a) and specified the circumstances that resulted in the failure to comply with the restrictions imposed by sections 12.2.31- 12.2.34 of the Charter and the actions that need to be taken to eliminate the trigger for the Special Corporate Situation, which must be either of the following actions:
	(x) obtaining a decision of the Public Policy Committee on approval of such action (transaction) in accordance with the constituent and internal documents of Participant 1, or
	(y) with respect to restrictions imposed by sections 12.2.31, 12.2.32 and 12.2.34 of the Charter:
	· cancellation by the Company of the action (transaction); or
	· challenging by the Company of the relevant action (transaction) and filing a claim to a competent court (arbitration tribunal) to invalidate the transaction or to apply the consequences of invalidity, provided such claim has been accepted by a competent court (arbitration tribunal); or
	(z) with respect to restrictions imposed by section 12.2.33 of the Charter: approval (reinstatement) of the relevant internal policy of the Company or its Controlled persons as in effect before its amendment , if such amendment served as a trigger for the Special Corporate Situation;
	(provided that as of the date of such notification none of the relevant actions specified the above have been made); and
	(ii) within sixty (60) days from receipt by Participant 1 and the Company of the notification referred to in section 7(b) (i) above from Participant 2, none of the relevant actions specified in item 7(b)(i) above has been made; and
	(iii) Participant 2 has taken a decision on the occurrence of a Special Corporate Situation in accordance with the procedure, set forth by the charter of Participant 2 and has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2.

No.	Description
(c)	A Special Corporate Situation with the trigger in this section 7 shall be deemed eliminated:
(i)	on the date, when the relevant action necessary for elimination of the Special Corporate Situation has been made as specified in item 7(b)(i) above, or
(ii)	if the Interim General Director, acting within its authority, has failed to make actions necessary to eliminate the Special Corporate Situation in accordance with items 7(b)(i)(x)-7(b)(i)(z) during sixty (60) calendar days from the appointment of such Interim General Director — on the date of the expiry of such 60-day term; or
(iii)	on the date when Participant 1 and Participant 2 agreed that this Special Corporate Situation is eliminated.

Part 2. Special Situation

8. Special Situation is deemed to have occurred if all of the below conditions have been met:
- (a) Participant 2 has adopted a decision on the occurrence of the Special Situation in accordance with constituent documents of Participant 2, and has specified in such decision which violation resulted in the occurrence of the Special Situation and a time period for such Special Situation to be rectified, which in no case may be less than seven (7) calendar days; and
 - (b) A Special Situation relates to matters of the national security of the Russian Federation; and
 - (c) Participant 2 has notified Participant 1 and the Company thereof, provided such notice is accompanied by a notarized copy of such decision of Participant 2; and
 - (d) upon the expiry of the period to cure the Special Situation, set forth by the decision of Participant 1 referred to in section 8(a) above, the Special Situation is not cured and Participant 2 has adopted a decision in accordance with constituent documents of Participant 2, on the existence of the Special Situation upon the expiry of such term.

In the event Participant 2 has notified Participant 1 and the Company about the existence of the Special Situation as set out in section 8(a), the Foundation shall not be entitled to adopt another decision on the occurrence of the Special Situation in connection with the same violation.

Approved by
Resolution of the sole founder
No. [·] dated 20

CHARTER

**International Foundation
Public Interest Foundation**

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1. **DEFINED TERMS**

- 1.1. **Questionnaire** has the meaning defined in paragraph 6.15 of this Charter
- 1.2. **Interim General Director** has the meaning as set forth in the Yandex LLC's Charter.
- 1.3. **General Director** has the meaning as set forth in the Yandex LLC's Charter.
- 1.4. **Yandex Group** means the Founder and all persons under the Founder's Control.
- 1.5. **Applicable Law** has the meaning defined in paragraph 2.2 of this Charter.
- 1.6. **Director A** has the meaning defined in paragraph 6.2.1 of this Charter.
- 1.7. **Director B** has the meaning defined in paragraph 6.2.2 of this Charter.
- 1.8. **Director C** has the meaning defined in paragraph 6.2.3 of this Charter.
- 1.9. **Additional Grounds** shall mean a list of additional grounds for termination of the employment agreement with General Director set out in Appendix 5 to Yandex LLC's Charter.
- 1.10. **Law** means [Federal Law No. 290-FZ "On international companies and international foundations".]
- 1.11. **Executive Director** means the sole executive body of the Foundation.
- 1.12. **ITMO** means Federal State Autonomous Educational Institution of Higher Education "National Research University ITMO", registration No. 1187746579690.
- 1.13. **Public Policy Committee** means Public Policy Committee of the board of directors of the Founder, formed in accordance with the Founder's Articles and governed by a charter adopted in accordance with the Founder's Articles.
- 1.14. **Nominating Committee** shall mean the nominating committee of the board of directors of the Founder, formed in accordance with the Founder's Articles and governed by a charter adopted in accordance with the Founder's Articles.
- 1.15. **Control** means, in relation to any entity: (a) direct or indirect authority to determine and procure determination of the management decisions in relation to such entity (due to holding any securities, or partnership rights, or other types of holding, under a contract or otherwise); (b) entitlement to directly or indirectly determine voting by over 50% votes at any general meeting (or an equivalent body) of such entity; or (c) the right to appoint over 50% of members of a board (or any closest equivalent) of such entity. "Controlling", "Controlled" and "under Control" shall be construed accordingly.
- 1.16. **Ownership Cap** means the restriction on holding shares in the Founder in accordance with the definition of the Ownership Cap under the Founder's Articles.
- 1.17. **MSU** means Federal State Budget Educational Institution of Higher Education M.V. Lomonosov Moscow State University, registration No. 1037700258694.
- 1.18. **MIPT** means Federal State Autonomous Educational Institution of Higher Education "Moscow Institute of Physics and Technology (National Research Institute)", registration No. 1027739386135.

- 1.19. **HSE** means Federal State Autonomous Educational Institution of Higher Education “National Research University “Higher School of Economics”, registration No. 1027739630401.
- 1.20. **Notary** means any one of the notaries on the List of Notaries.
- 1.21. **Binding Nomination** shall mean a nomination by the Foundation as the holder of the Priority Share of a candidate to serve as Designated Director, which shall be made in accordance with the Founder’s Articles and internal documents of the Founder.
- 1.22. **Yandex LLC** means Yandex Limited Liability Company, registration No. 1027700229193.
- 1.23. **Special Corporate Situation** has the meaning as defined by Yandex LLC’s Charter.
- 1.24. **Special Situation** has the meaning as defined by Yandex LLC’s Charter.
- 1.25. **RSPP** means the All-Russia Public Organization “Russian Union of Industrialists and Entrepreneurs”, Registration No. 1037700126540.
- 1.26. **Secretary** means the person that acts as the secretary of the Board meeting.
- 1.27. **Foundation Secretary** means the corporate secretary of the Foundation.
- 1.28. **AV Family Trust** means certain trust established by Arkady Yurievich Volozh existing under the laws of Cayman Islands.
- 1.29. **CEO** means the Chief Executive Officer of the Founder within the meaning of the Founder’s Articles.
- 1.30. **Skolkovo** means Non-Governmental Educational Institution of Additional Professional Education Moscow School of Management “SKOLKOVO”, registration No. 1075000012405.
- 1.31. **Board of Directors of the Founder** means board of directors of the Founder acting on the basis of the Founder’s Articles and internal documents of the Founder.
- 1.32. **Board** means the collegial management body of the Foundation.
- 1.33. **Consent** has the meaning defined in paragraph 6.9 of this Charter
- 1.34. **SPbGU** means Federal State Budgetary Educational Institution of Higher Education “Saint-Petersburg State University”, registration No. 1037800006089
- 1.35. **Priority Share** means Priority Share in the share capital of the Founder, which grants the rights and powers stipulated in the Founder’s Articles.
- 1.36. **Special Interest** means a participatory interest in the charter capital of Yandex LLC with a nominal value of 166.05 (one hundred sixty six and 05/100) rubles, which accounts for 0.001% (1/1000 percent) of Yandex LLC charter capital, contributed to the Foundation by the Founder.
- 1.37. **Designated Director** shall mean a member of the board of directors of the Founder defined as Designated Director in the Founder Articles.

- 1.38. **List of Notaries** means a list of notaries that may be approved and amended by the Board from time to time in accordance with this Charter.
- 1.39. **List of Candidates** has the meaning as defined in Yandex LLC's Charter.
- 1.40. **Requirements** means the requirements specified in Schedule 1 to the Charter.
- 1.41. **University** means any one of the organizations listed in paragraph 6.2.2 of the Charter.
- 1.42. **Charter** means version of the Foundation's charter, as in effect from time to time.
- 1.43. **Yandex LLC's Charter** means the charter of Yandex LLC, as in effect from time to time.
- 1.44. **Founder's Articles** means the articles of association of the Founder, as in effect from time to time.
- 1.45. **Founder** has the meaning defined in paragraph 2.1 of the Charter.
- 1.46. **Foundation** has the meaning defined in paragraph 2.1 of the Charter.
- 1.47. **School № 57 Development Fund** means Fund for the aid and promotion of the development of the educational and scientific activities of State Budgetary General Education Institution of Moscow "School № 57", registration No. 1187700018747.
- 1.48. **Expert** means any of PwC, EY, Deloitte or KPMG (or their subsidiaries or branches operating in the territory of the Russian Federation) or such other auditor company, as may be approved by the Board from time to time.
- 1.49. **Expert Institution** means any one of the organizations listed in paragraph 6.2.3 of the Charter.

2. GENERAL PROVISIONS

- 2.1. International Foundation "Public Policy Foundation" (the "**Foundation**") is a unitary non-commercial organization without membership established by Yandex N.V., registered in accordance with the laws of the Netherlands in the Trade Register under the registration number 27265167 (the "**Founder**").
- 2.2. The Foundation operates in accordance with the Law, other laws and regulatory legal acts of the Russian Federation ("**Applicable Law**") and this Charter.
- 2.3. The full name of the Foundation in Russian: Международный Фонд "Фонд общественных интересов".
- 2.4. The abbreviated name of the Foundation in Russian: МФ "ФОИ".
- 2.5. The full name of the Foundation in English: International Foundation Public Interest Foundation.
- 2.6. The abbreviated name of the Foundation in English: IF PIF.
- 2.7. The Foundation is considered formed and acquires the rights and obligations of a legal entity from the moment of its state registration. The foundation is established for an indefinite period.

- 2.8. The Foundation owns separate assets and is liable for its obligations with these assets, has its separate balance sheet, has the right to acquire and exercise property and non-property rights in its own name, assume obligations, act as plaintiff and defendant in court, open settlement, foreign currency and other accounts in banking and credit institutions.
- 2.9. The Foundation is liable for its obligations with all of its assets capable of being collected for debts in accordance with Applicable Law. The Founder is not liable for the obligations of the Foundation, nor is the Foundation liable for the obligations of its Founder. The Foundation is not liable for the obligations of the state, nor is the state liable for the obligations of the Foundation.
- 2.10. Registered address of the Foundation: Russian Federation, [Kaliningrad].

3. OBJECTS AND SCOPE OF ACTIVITIES OF THE FOUNDATION

- 3.1. The Foundation is established to perform managerial functions, and its statutory object is to preserve the continuity and promote the success of the Yandex Group business.
- 3.2. In connection with its objects the Foundation performs the following activities:
- 3.2.1. ownership of the assets transferred to the Foundation by the Founder and exercise of the rights and fulfillment of the obligations associated with the ownership of such assets in accordance with this Charter, including:
- (a) ownership of the Priority Share; and exercising the rights and fulfilling obligations of the Priority Share holder in accordance with the laws applicable to the Priority Share on the terms set forth in the Founder's Articles; and
 - (b) ownership of the Special Interest and exercising the rights and fulfilling obligations of a participant in Yandex LLC, as provided for under the Applicable Law and Yandex LLC's Charter;
- 3.2.2. exercise of other corporate rights and powers in connection with the ownership of the Priority Share and the Special Interest, in the scope set out under the applicable laws and the Founder's Articles and Yandex LLC's Charter accordingly,
- in each case, only to achieve the statutory objects of the Foundation and only in the manner stipulated by the Founder and set out in this Charter.
- 3.3. The Foundation has the right to pursue the activities that directly contribute to the attainment of the objects specified in paragraph 3.1 of this Charter.
- 3.4. The Foundation may not engage in income-generating activities using the assets referred to in paragraph 3.2.1 of this Charter. In accordance with the Law, the exercise of the rights and the receipt of income under the Priority Share and the Special Interest, as well as participation in commercial entities is not recognized as income-generating activities (commercial activities).
- 3.5. In relation to the Priority Share, the Foundation is considered a qualified investor upon its contribution to the Foundation.

4. ASSETS OF THE FOUNDATION

- 4.1. The Foundation has the right to own or have other property rights in any assets to which civil rights may apply, including monetary funds in rubles and in foreign currencies, securities and other assets.
- 4.2. The assets of the Foundation shall be formed from the following sources:
 - 4.2.1. one-time and regular contributions from the Founder;
 - 4.2.2. contributions to finance the Foundation and its statutory activities;
 - 4.2.3. income payable on the assets owned by the Foundation, including dividends (income, interest) payable on the shares, debentures and other securities, and on deposits;
 - 4.2.4. other earnings not prohibited by Applicable Law.
- 4.3. Other than the members of Yandex Group, no third parties are allowed to make contributions to finance the Foundation.
- 4.4. Income generated through the activities of the Foundation shall not be distributed to the Founder and shall be used only for financing the statutory activities of the Foundation, except for the distribution of the assets of the Foundation to the Founder upon liquidation of the Foundation in the manner provided for in paragraph 12.3 of the Charter.
- 4.5. On the basis of part 2 of Article [12(7)] of the Law, the Foundation does not have the right to dispose of its assets, including those specified in paragraph 3.2.1 of the Charter, as follows:
 - 4.5.1. alienate the Priority Share and Special Interest, including by way of exit from Yandex LLC or requesting Yandex LLC to acquire its Special Interest;
 - 4.5.2. transfer the Priority Share and the Special Interest under a trust management with the right of the manager to exercise the rights attached thereto;
 - 4.5.3. charge any assets as a security under any obligations of the Foundation or a third party;
 - 4.5.4. provide rights of gratuitous use over any assets of the Foundation;
 - 4.5.5. alienate any exclusive rights over intellectual property or grant any exclusive license in relation to intellectual property.

Information about the restrictions imposed by this paragraph, as well as provisions of paragraph 12.3 shall be recorded with the Unified Federal Register of Legally Significant Information about the Activities of the Legal Entities and Entrepreneurs and Other Subjects of Economic Activities. Any transaction made by the Foundation in violation of such restriction shall be null and void (part 1 of Art. 174(1) of the Civil Code).
- 4.6. Certain types of transactions of the Foundation require prior approval by the Founder and (or) Board in accordance with paragraphs 8.5 and 9.2 or other provisions of this Charter.
- 4.7. The Founder has the right to make, at any time, one-time or regular contributions to the assets of the Foundation on the basis of a unilateral transaction that does not require the approval of the Foundation or of any other person. As of the date of the approval of this version of the Charter, the Founder issues to the Foundation an irrevocable guaranty to cover Foundation's ongoing expenses.

5. MANAGEMENT BODIES

5.1. The Foundation shall have the following management bodies:

5.1.1. the Board; and

5.1.2. the Executive Director.

5.2. The management bodies of the Foundation shall act within their scope of competence in accordance with this Charter.

5.3. The main function of the Board is to ensure that the Foundation achieves the objects for which it was established.

5.4. The Executive Director is responsible for day-to-day management of the Foundation's activities and acts on behalf of the Foundation without a power of attorney.

6. FORMATION OF THE BOARD

6.1. The Board shall consist of eleven (11) members, all of which shall be natural persons.

6.2. The Board shall be formed following the procedure set out below:

6.2.1. three members of the Board that include the individual that is serving as the CEO from time to time (or if such office is then vacant, another executive director of the Founder), together with two members of the management bodies of the Founder or any entity within Yandex Group as he/she may appoint for this purpose. Hereinafter the Board members appointed in accordance with this paragraph 6.2.1 are together referred to as "**Directors A**", and "**Director A**" means any one of them;

6.2.2. five members of the Board that include:

- (a) one individual nominated by MSU;
- (b) one individual nominated by MIPT;
- (c) one individual nominated by HSE;
- (d) one individual nominated by ITMO; and
- (e) one individual nominated by SPbGU,

hereinafter the Board members appointed in accordance with this paragraph 6.2.2 are together referred to as "**Directors B**", and "**Director B**" means any one of them. During the entire term of their duties, Directors B shall satisfy the Requirements;

6.2.3. three members of the Board that include:

- (a) one individual nominated by RSPP; and
- (b) one individual nominated by Skolkovo;
- (c) one individual nominated by School № 57 Development Fund;

hereinafter the Board members appointed in accordance with this paragraph 6.2.3 are together referred to as "**Directors C**", and "**Director C**" means any one of them. Directors

C shall satisfy the Requirements (save for the instances when failure to satisfy the Requirements is permissible in accordance with second subsection of paragraph 6.11);

- 6.2.4. for the purposes this Charter Directors A, Directors B and Directors C form separate classes of Board members.
- 6.3. The initial Board shall be formed by the Founder by the resolution approving this version of the Charter. The decision on the approval of this version of the Charter specifies: (i) the class of Board members under paragraph 6.2 above, to which each so appointed Board member belongs; (ii) the University or Expert Institution by which such Board member is deemed to be nominated, if applicable; and (iii) contact details and other information for sending notices to the members of the initial Board, as well as to the Founder, Universities and Expert Institutions. Except as otherwise provided in paragraph 6.12 of this Charter, after the formation of the initial Board of the Foundation, the Board shall be formed on the basis of the principles established in paragraph 6.2 of the Charter.
- 6.4. The list of the Universities and Expert Institutions as set forth in this Charter may not be changed, except by amendment of the Charter with a Founder's prior approval under paragraph 9.2.1 of this Charter.
- 6.5. The term of office of the members of the Board is unlimited. The termination of the powers of one member of the Board shall not entail the termination of powers of all the other members of the Board. An incomplete Board shall retain its powers, but is not authorized to decide on the following matters:
- 6.5.1. amendment of the Charter;
- 6.5.2. liquidation of the Foundation;
- 6.5.3. to the extent the number of incumbent Directors A is less than two, any decisions that require at least two votes of Directors A.
- 6.6. The powers of a Board member shall be terminated on the following grounds:
- 6.6.1. voluntary resignation of the Board member, in which case such Board member notifies the Foundation with a copy to all incumbent members of the Board and the relevant University or the Expert Institution, which nominated (or is deemed to have nominated) such Board member, if applicable. The powers of the Board member shall be terminated from the moment of such notification to the Foundation, unless another date is indicated in the notification;
- 6.6.2. death of the Board member, recognition of him/her as missing, dead, legally incompetent or insolvent in the manner prescribed by any law applicable to such person in any jurisdiction. The powers of such Board member shall be terminated on the day of his/her death or on the date of the court decision that recognizes him/her as missing, dead, legally incompetent, insolvent, as the case may be, comes into effect;
- 6.6.3. if Director B or Director C ceases to satisfy any of the Requirements then the powers of Director B or Director C shall be terminated:
- (a) on the date when the relevant Director B or Director C notifies the Foundation (with a copy to the Founder) of non-compliance with the Requirements, including by way of submitting the Questionnaire as envisaged by paragraph 6.15; or

(b) if Director B or Director C does not give a notice of non-compliance with the Requirements, then:

- (i) upon expiry of twenty (20) calendar days from the Founder's, Director A's or Director B's notice to the Foundation (with a copy to the relevant Director B or Director C) of the non-compliance by such Director B or Director C with the Requirements, which specifies with reasonable level of detail the basis for such non-compliance; or
- (ii) if Director B or Director C ceases to satisfy the Requirements solely because of a commercial conflict of interest as defined in item 5 of Schedule 1, which is caused by the Yandex Group's actions (including as a result of acquisition of any new business by Yandex Group), upon six (6) months from the Founder's notice to the Foundation (with a copy to the relevant Director B or Director C) of the non-compliance of the relevant Director B or Director C with the Requirements, which specifies with reasonable level of detail the basis for such non-compliance; and

unless in each case specified in paragraphs 6.6.3(b)(i) and 6.6.3(b)(ii), prior to the expiry of the relevant term set forth in paragraph 6.6.3(b)(i) or 6.6.3(b)(ii), the relevant Director B or Director C, who was identified as non-compliant by the Founder's, Director A's or Director B's notice, has not sent to the Foundation (with a copy to the Founder) a written objection with reasonable level of detail as to why such Director B or Director C considers himself/herself compliant with the Requirements. Upon receipt of such objection by Director B or Director C, the Founder within 3 (three) months from the date of receipt of a written objection by the relevant Director B or Director C may at its discretion appoint an Expert for the purposes of determining whether the Board member is compliant with the Requirements, and the powers of the relevant Director B or Director C shall be terminated on the date of the receipt by the Foundation (with a copy to such Director B or Director C) of the written opinion of the Expert confirming that such Director B or Director C does not satisfy the Requirements. If the Founder has not provided the Foundation (with a copy of such Director B or Director C) the written opinion of the Expert confirming that such Director B or Director C does not satisfy the Requirements within 3 (three) months from the date of receipt of the written objection of the relevant Director B or Director C, termination of powers of the respective Director B or Director C is permissible only subject to a new notice by the Founder submitted in the manner as provided for by paragraphs 6.6.3(b)(i) or 6.6.3(b)(ii) above.

For avoidance of doubt, the Founder, Director A or Director B is entitled to appoint an Expert prior to notifying the Foundation (with a copy to the relevant Director B or Director C) of the non-compliance by Director B or Director C with the Requirements as envisaged by paragraphs 6.6.3(b)(i) or 6.6.3(b)(ii), in which case the powers of Director B or Director C shall terminate upon expiry of twenty (20) calendar days or upon expiry six (6) months from the relevant notice, as applicable in each case.

In the circumstances specified in paragraphs 6.6.3(a) and 6.6.3(b), the Foundation shall be obliged to immediately notify the University or the Expert Institution that has nominated (is deemed to have nominated) the relevant Director B or Director C of the receipt of the Founder's notice regarding their non-compliance with the Requirements.

- 6.6.4. if the person serving as the CEO replaces any other Director A. The powers of Director A terminate from the appointment of a new Director A as set forth by paragraph 6.9.1 of the Charter;
- 6.6.5. if the University replaces Director B who was nominated (or is deemed nominated) by such University. The powers of Director B terminate from the appointment by the University of a new Director B as set forth by paragraphs 6.9.2 of the Charter;
- 6.6.6. if the Expert Institution replaces Director C who was nominated (or is deemed nominated) by such Expert Institution. The powers of Director C terminate from the appointment by the Expert Institution of a new Director C as set forth by paragraphs 6.9-6.11 of the Charter;
- 6.6.7. if a decision to terminate his/her appointment is made by all the other incumbent members of the Board unanimously (e.g. in the event a member of the Board does not comply with the requirements of the Charter, fails to fulfill decisions of the Board, fails to fulfill his/her duties as a member of the Board, does not attend three (3) consecutive meetings of the Board). The powers of such Board member are terminated from the date of the unanimous decision of all the other incumbent Board members, unless another date is indicated in their decision.
- 6.7. Other than envisaged by paragraph 6.8 below, from the time of the termination of the powers of a member of the Board and until the time of the appointment of a new member of the Board as his/her replacement in accordance with paragraphs 6.9-6.11, the vote of the terminated member is not taken into account for the purpose of decision-making by the Board.
- 6.8. Notwithstanding the provisions of paragraph 6.7, to the extent permitted by the Applicable Law:
- 6.8.1. in the event the powers of Director A are terminated for any reason, other than envisaged by paragraph 6.6.4, until a new Director A is appointed in accordance with paragraph 6.9.1, the voting right of the terminated Director A shall be temporarily transferred to another Director A, provided that any incumbent Director A may exercise voting rights of not more than one terminated Director A and no longer than within sixty (60) days from the termination of such Director A. The voting right of the terminated Director A shall be transferred to the Director A holding the position of the CEO, or in case of CEO's termination, to the Director A who has been serving on the Board for the longer time period, and if such time period is the same — to the older one;
- 6.8.2. in the event the powers of Director B are terminated for any reason, other than envisaged by paragraph 6.6.5, until a new Director B is appointed, in accordance with paragraph 6.9.2, the voting right of the terminated Director B shall be temporarily transferred to another Director B, provided that any incumbent Director B may exercise voting rights of not more than one terminated Director B and no longer than within sixty (60) days from the termination of such Director B. The voting right of the terminated Director B shall be transferred to the incumbent Director B nominated (considered to be nominated) by the University appearing first above on the list in paragraph 6.2.2, who is not exercising the voting rights of another terminated Director B;
- 6.8.3. in the event the powers of Director C are terminated for any reason, other than envisaged by paragraph 6.6.6, until a new Director C is appointed, in accordance with paragraph 6.11, the rights and obligations of the relevant Director C shall be temporarily vested with the most senior officer of the Expert Institution, which nominated (or is deemed to have nominated) Director C whose powers are so terminated. The relevant Expert Institution, and Directors A and Directors B, shall endeavor to fill such position within 30 days of such

vacancy arising. Within such term of 30 days, the relevant most senior officer of the Expert Institution may perform the duties of Director C irrespective of whether he/she satisfies the Requirements and whether a consent by the Board has been granted in accordance with paragraph 6.10.2. Upon expiry of such 30-day period, any of Director A or Director B shall be entitled to initiate the termination of the powers of such most senior officer of the Expert Institution serving as Director C on the ground of his/her non-compliance with the Requirements in accordance with the procedure set out in paragraph 6.6.3(b);

- 6.8.4. in the event a Director B is not attending a Board meeting of the Board held in accordance with paragraph 7.20 in person, such Director B may authorize another incumbent Director B to exercise his/her voting rights at the Board meetings under a power of attorney issued in form set out in Schedule 6 for a period of not more than thirty (30) days from the date of issue. Such power of attorney must be certified by a notary.
- 6.8.5. in the event any member of the Board is not attending a meeting of the Board held in accordance with paragraph 7.15 in person, such member of the Board may authorize another incumbent member of the Board of the same class to exercise his/her voting rights at the Board meetings under a power of attorney issued in form set out in Schedule 6 for a period of not more than fifteen (15) calendar days from the date of issue. Such power of attorney must be certified by a notary; and
- 6.9. Upon occurrence of any ground for termination of the powers of a Board member as specified in paragraphs 6.6.1-6.6.3 or for the purposes of replacing a member of the Board as envisaged in paragraphs 6.6.4-6.6.6:
- 6.9.1. in relation to Director A, the person serving as the CEO replaces Director A, whose powers have been terminated or who is proposed to be replaced by appointment of a new Director A;
- 6.9.2. in relation to Director B, the relevant University, which nominated (or is deemed to have nominated) such terminated Director B, replaces Director B, whose powers have terminated or who is proposed to be replaced; and
- 6.9.3. in relation to Director C: the relevant Expert Institution, which nominated (or is deemed to have nominated) such terminated Director C, shall nominate candidate(s) to replace Director C, whose powers have been terminated or who is proposed to be replaced;

in each case by written notice to the Foundation (with a copy to the incumbent members of the Board) containing information about the appointed Director A or Director B or candidate(s) for the position of Director C, as relevant.

In case of appointment of Director A or Director B in accordance with paragraphs 6.9.1-6.9.2, such appointment becomes effective immediately upon the written notice to the Foundation. In case of appointment of Director B or nomination of candidates to the positions of Director C in accordance with paragraphs 6.9.2-6.9.3, the relevant written notice shall include documents as reasonably necessary to confirm that (i) each candidate for the position of Director B or Director C meets the Requirements, including a filled out Questionnaire, and (ii) each candidate has agreed to be appointed as a member of the Board, which shall be evidenced by a written consent in form of Schedule 3 (the “**Consent**”). Any nomination of the Director must be accompanied by nomination document duly executed by an authorized representative of the Founder, the University or the Expert Institution, as applicable.

- 6.10. Not later than two (2) business days from the date of the receipt by the Foundation of the notification containing information about the candidate(s) nominated to the position of Director C in accordance with paragraph 6.9.3, the Executive Director or another member

of the Board shall set the date for a meeting of the Board, the agenda of which includes (i) the verification of the compliance of the proposed candidates to the position of Director C with the Requirements and (ii) the granting of consent to their appointment. Such meeting of the Board shall be held within the term set forth in paragraph 7.7. Following the consideration by the Board of the above matters:

- 6.10.1. a candidate shall be deemed to meet the Requirements if at least two Directors A and at least two Directors B vote “in favor” on the matter of compliance of the candidate with the Requirements; and
- 6.10.2. the consent to the appointment of the candidate is deemed granted if at least two of Directors A and at least two of Directors B vote “in favor” on the matter of granting a consent by the Board to the appointment of such candidate to the position of Director C.

The Board shall notify the person who has nominated the relevant candidate(s) to the position of a Board member of the decision made by the Board within one (1) business day from the execution date of the minutes of the meeting in accordance with the notification procedure set out herein.

- 6.11. From the date the candidate nominated to the position of Director C is granted a consent to the appointment in accordance with paragraph 6.10.2, such candidate is appointed to the position of Director C.

In the event a candidate to the position of Director C is not deemed to meet the Requirements, but a consent to his/her appointment was received in accordance with paragraphs 6.10.2, and such candidate was appointed to the position of Director C as set out in this paragraph 6.11, the Founder is entitled to initiate the termination of the powers of such Director C at any time in accordance with paragraph 6.6.3 and notwithstanding the consent to his appointment provided such person does not meet (continues not to meet) the Requirements after being appointed to the position of Director C.

In the event that in relation to none of the candidates proposed for the position of Director C by an Expert Institution the Board has granted its consent to such candidate’s appointment, then the relevant nominating Expert Institution shall have the right to propose other candidates in accordance with the same procedure as described in paragraph 6.9.3.

- 6.12. If at any time voting power over securities carrying at least 50% plus one of the votes under all outstanding ordinary shares in the Founder is not held cumulatively (directly or indirectly) by one or more individuals holding Russian citizenship and (or) persons that are under Control of such individuals, state corporations, state companies, public-law companies, state and municipal enterprises, establishments and organizations, as well as their Controlled persons and other entities Controlled by the state, federal authorities, authorities of the constituent subjects of the Russian Federation or municipal authorities, then:

- 6.12.1. there shall be two (2) Directors A on the Board. The person that is authorized to appoint Directors A in accordance with paragraph 6.2.1 shall make a decision on the termination of the powers of a particular Director A and shall notify the Foundation thereof. The powers of such Director A shall be terminated from the date of such notification. To the extent the person referred to in paragraph 6.2.1 does not make a decision on termination of the powers of a particular Director A within thirty (30) days from the moment specified in paragraph 6.12, the Board shall be entitled to make such decision. The relevant decision by the Board shall be adopted by the majority of votes of Directors B;
- 6.12.2. HSE appoints one additional Director B to the Board in accordance with the procedure set out in paragraph 6.9.2, so that after such appointment there are six (6) Directors B. All

provisions of this Charter attributable to Directors B shall apply to the additional Director B in full; and

6.12.3. The Board will continue to include three (3) Directors C.

For the purposes of this paragraph 6.12, the below persons AV Family Trust at all times shall be deemed to be under Control of individuals holding Russian citizenship.

If at any time after the composition of the Board is amended in accordance with this paragraph 6.12, the voting power over securities carrying the voting power over securities carrying the number of votes under all outstanding ordinary shares in the Founder as specified in paragraph 6.12 above will be again held cumulatively (directly or indirectly) by the persons as listed in paragraph 6.12, then: (i) the Board shall be formed in accordance with the principles described in paragraph 6.2 of the Charter from the moment the Founder notifies the Foundation of the relevant circumstances; (ii) on the date of the receipt of such notification by the Foundation, the powers of Director B nominated in accordance with paragraph 6.12.2 shall terminate; and (iii) the person referred to in paragraph 6.2.1 is entitled to appoint third Director A in accordance with the procedure set out in paragraph 6.9.1 of the Charter.

- 6.13. The procedure for the formation of the Board provided for by this Charter cannot be changed, except by unanimous decision of all members of the Board and upon a prior approval of the Founder.
- 6.14. The members of the Board shall not be considered employees of the Foundation. The members of the Board may receive remuneration and compensation of expenses directly related to participation on the Board, provided that the relevant amounts should not exceed the annual amount of such payments as set out in the financial plan (budget) approved by the Board with the Founder's consent.
- 6.15. Directors B and Directors C on an annual basis are obliged to submit to the Foundation with a copy to the Founder a filled out questionnaire concerning their compliance with the Requirements in form of Schedule 2 hereto (the "Questionnaire"), as well as notify the Foundation of any changes in the information set out in the Questionnaire by submitting to the Foundation with a copy to the Founder of a new filled out Questionnaire not later than within three (3) business days after such changes occurred.
- 6.16. Board members are obliged to notify the Foundation (with a copy to all other Board members) of their contact details and information for the purposes of notices, requests and communications sent in accordance with this Charter in each case of changes to the previously notified details. At the request of any Board member, the Executive Director or Foundation Secretary are obliged to provide such Board member with the contact details and information of all other Board members, as well as Universities and Expert Institutions.
- 6.17. Directors B and Directors C are obliged to notify the Foundation of contact details and information of the Universities and Expert Institutions that have appointed (are deemed to have appointed) for notice purposes in each case of changes to the previously notified details.
- 6.18. Prior to receipt by the Foundation of any notice from a Board member of a change in contact details or information of such Board member, the relevant University or Expert Institution, all notices addressed as notified previously shall be deemed to be properly addressed.

7. COMPETENCE OF THE BOARD. DECISION-MAKING PROCEDURE

- 7.1. The Board is entitled to decide on the matters referred to its competence under the Applicable Law and this Charter. The decisions of the Board shall be passed in accordance with the procedures set out in this section 7 and Schedule 4 hereto.
- 7.2. Issues referred to the competence of the Board cannot be referred to any other management bodies of the Foundation.
- 7.3. The members of the Board shall elect a chair from among themselves. The chair of the Board shall be elected and replaced by a simple majority vote of the Board members. The chair is elected for an indefinite term.
- 7.4. Meetings of the Board are held at least once a year. An ordinary meeting of the Board is held no earlier than three (3) and no later than six (6) months after the end of each calendar (financial) year.
- 7.5. An extraordinary meeting of the Board is convened by the Executive Director on his own initiative or at the request of any member of the Board. If a Board meeting is called to consider any matters listed in items 10 and 11(a)-(h) of Schedule 4, such Board meeting may be convened by any Director B.
- 7.6. A request to convene an extraordinary meeting of the Board shall be signed by the persons requesting its convocation and sent to the Executive Director together with the list of such persons and the proposed agenda.
- 7.7. The Executive Director shall, within two (2) business days from the date of the receipt of the request to convene an extraordinary meeting of the Board, set a date for its holding. An extraordinary meeting of the Board shall be convened and held within four (4) business days from the day the Executive Director receives a request to convene such meeting. In the event no decision to convene a Board meeting is made within the term set forth above, as well as in the event specified in paragraph 7.5, the Board meeting may be convened by the Board member who has requested convocation of such Board meeting.
- 7.8. The Executive Director, or another person who is convening the Board meeting in accordance with paragraph 7.7, shall notify the members of the Board of the convocation of the meeting and of the agenda and shall e-mail to them all materials and information required for preparing for the meeting at least two (2) business days before the date of the meeting. For the avoidance of doubt, the Executive Director shall notify the members of the Board of the convocation of the meeting and of the agenda immediately following the making of decision on the date for holding a meeting as per paragraph 7.7.
- 7.9. Members of the Board shall have the right to propose additional issues for the agenda within one (1) business day after they have been notified of the convocation of a meeting of the Board. If additional issues are included in the agenda, the members of the Board shall be notified of the fact at least one (1) business day before the date of the meeting.
- 7.10. In case of violation of the procedure established by this Charter for convening and preparing a meeting of the Board, such meeting shall nonetheless be recognized as valid if it was attended by all incumbent members of the Board.
- 7.11. A meeting of the Board is competent (has a quorum) if attended by a majority of the incumbent members of the Board, including at least one Director A. If the agenda of the meeting includes issues the approval of which requires unanimous vote, or vote by a qualified majority, or by a specific number of the members of the Board, the meeting of the

Board will be competent to consider such issues provided that the meeting of the Board is attended by members of the Board whose number is sufficient to pass a relevant decision.

- 7.12. Each of the members of the Board participating in the meeting shall have one vote, other than (i) exercising the vote of another member of the Board in accordance with paragraph 6.8 and (ii) in the circumstances when a special procedure for decision-making on certain matters applies as set forth in Schedule 4.
- 7.13. In the absence of a quorum, the Executive Director, or the person who has convened the Board meeting, shall announce the convocation of another meeting of the Board instead of the one that failed, and such new meeting shall be with the same agenda and shall be held no later than two (2) business days from the date of the failed meeting of the Board. The quorum of the meeting called instead of the failed meeting shall be as required under paragraph 7.11, provided however that no participation of at least one Director A is required, as long as the votes of Directors A shall not be required for adopting a decision on any matter included on such meeting's agenda.
- 7.14. A meeting of the Board shall be opened by the Executive Director or a member of the Board convening the meeting, who shall hold the election of the chair from among the members of the Board attending the meeting. The chair is elected by a simple majority of the members of the Board participating in the meeting. The chair shall conduct the meeting, count the votes and adjourn the meeting. The Board member that has requested the meeting convocation shall act as the Secretary, and if such Board member is not participating in such Board meeting, or has been elected as the chair, then the Foundation Secretary shall act as the Secretary. If the Foundation does not have a position of Foundation Secretary, the Executive Director shall act as the Secretary. For the purposes of certification of the Board decisions referred in paragraph 7.20, the meeting should be attended by a Notary.
- 7.15. Other than envisaged by paragraph 7.20, for the purposes of determining the quorum and voting results on the agenda of the Board meeting, the votes of the following Board members shall be considered in addition to those of Board members participating in person:
- 7.15.1. vote of the Board member participating in the meeting via video conferencing or similar means of communication allowing all the participants in the meeting of the Board to see and hear all other members of the Board who participate in person, provided that such option of participation was notified in the notice of the meeting in accordance with paragraph 7.8;
- 7.15.2. vote of the Board member who has authorized another Board member of the same class to exercise his/her voting rights at such Board meeting in accordance with paragraph 6.8.5, provided that (i) not more than three of Directors B may authorize another Director B to exercise their voting rights at such meeting under a power of attorney, and provided that (ii) each member of the Board participating in the meeting in person may be authorized to cast votes under a power of attorney from not more than two other members of the Board of the same class; and
- 7.15.3. vote of an absent Board member who has not authorized another Board member to exercise the voting rights in accordance with 7.15.2, but who has submitted a completed written ballot on the meeting agenda and specified his/her vote on each agenda item. Such written ballot shall be taken into account for the purposes of the quorum and voting on the agenda if all of the below conditions are met:
- (a) the authenticity of the Board member's signature on the written ballot on the agenda has been certified by a notary; and

- (b) the original written ballot on the agenda executed by such Board member has been submitted before the end of the registration of the members of the Board for the participation in the meeting specified in the convocation notice; and
 - (c) the Board member has expressly specified how his/her vote shall be casted on each item of the agenda (i.e. “in favor”, “against”, “abstained”).
- 7.16. No later than two (2) business days after the meeting of the Board, minutes of the meeting must be drawn up specifying the agenda of the meeting, the decisions made, and the voting results. The minutes of the meeting of the Board must be executed by the chair of the meeting and the Secretary, as well as by all members of the Board who participated in the meeting in person, unless otherwise required by this Charter.
- The minutes of the Board meeting shall append all written ballots and powers of attorney, representing the votes that have been taken into account for the purposes of the quorum and voting on the agenda of the Board meeting in accordance with paragraph 7.15.
- 7.17. Copies and extracts from the minutes of the meeting of the Board shall be signed by the Executive Director.
- 7.18. For the purposes of this Charter, unless otherwise specifically required, any notices by the Board members to the Foundation and other Board members, as well as from the Foundation to the Board members in connection with convocation and preparing to the Board meetings may be sent by email or other electronic means of communication with a copy by regular mail or courier delivery at the address of the addressee.
- 7.19. In the event the Board passes a decision on any matters listed in item 11 of Schedule 4 such decision shall also authorize one of Directors B to participate in the general participants’ meeting of Yandex LLC and exercise Foundation’s voting right in accordance with the decision of the Board.
- 7.20. The Board is entitled to consider the matters specified in item 11(b) and 11(e) of Schedule 4 hereto, in each case only subject to satisfaction of all conditions requires for the occurrence of a Special Corporate Situation or a Special Situation specified in Schedule 5, as applicable, and subject to compliance with the following procedures for making and certifying the decision:
- 7.20.1. the relevant Board meeting is held in person (and provisions of paragraph 7.15 do not apply); and
 - 7.20.2. if any of the incumbent Directors B whose vote is required for the quorum is not able to attend the meeting of the Board in person, such Director B may authorize another incumbent Director B to exercise his/her voting rights on the agenda of such Board meeting in accordance with paragraph 6.8.4, provided that (i) not more than three of Directors B may authorize another Director B to exercise their voting rights at such meeting under a power of attorney, and provided that (ii) each Director B participating in the meeting in person may be authorized to cast votes under a power of attorney from not more than two Directors B; and
 - 7.20.3. the fact of taking the decision by the Board on items 11(b) and 11(e) of Schedule 4 hereto shall be certified by a notary in accordance with the procedure set out in Art. 103.10 of Fundamentals of Legislation of the Russian Federation on Notarial Activities.
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8. THE EXECUTIVE DIRECTOR

- 8.1. The Executive Director is responsible for day-to-day management of the activities of the Foundation and acts on behalf of the Foundation without a power of attorney.
 - 8.2. The Executive Director is elected by the decision of the Board from among Directors A for an indefinite term. The initial Executive Director acting from the date of this version of the Charter is elected by the Founder upon the decision of the approval of this version of the Charter. The terms of the employment contract of the initial Executive Director are determined by the Founder.
 - 8.3. In performing his activities, the Executive Director is reporting to the Board and is responsible for ensuring the fulfillment of decisions of the Board.
 - 8.4. The Executive Director:
 - 8.4.1. acts on behalf of the Foundation without a power of attorney, including representing the Foundation in dealings with third parties within the scope of powers stipulated in the Charter;
 - 8.4.2. prepares and submits for the approval by the Board annual financial plans (budgets) of the Foundation;
 - 8.4.3. enters into transactions and agreements on behalf of the Foundation subject to applicable restrictions hereunder (including restrictions set out in paragraphs 4.5 and 8.5);
 - 8.4.4. convenes and opens meetings of the Board;
 - 8.4.5. approves internal labor regulations and ensures compliance therewith;
 - 8.4.6. issues orders on the appointment of employees of the Foundation, on their transfers and dismissals, applies incentive and disciplinary measures to them within the scope provided for in the financial plan (budget) of the Foundation;
 - 8.4.7. opens and closes settlement and other accounts of the Foundation in banking and lending institutions in Russian and foreign currency;
 - 8.4.8. issues orders, instructions, directives and other acts on matters falling within his scope of competence, that are binding on the employees of the Foundation;
 - 8.4.9. represents and protects the rights and legitimate interests of the Foundation in relations with the bodies of legislative, executive and judicial power, local governments, as well as in relations with legal entities and individuals;
 - 8.4.10. annually reports on the work done to the Board and the Founder;
 - 8.4.11. organizes the accounting and reporting work;
 - 8.4.12. ensures compliance with the provisions of this Charter, the main areas of the Foundation's activities and other documents of the Foundation;
 - 8.4.13. makes decisions on other issues related to the activities of the Foundation which were not referred by this Charter and Applicable Law to the competence of the other management bodies of the Foundation.
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- 8.5. The Executive Director is not entitled to exercise the following rights at his/her sole discretion, without first receiving an approval of the Board:
- 8.5.1. exercise any rights attaching to the Priority Share or Special Interest, as well as any rights of participation in other commercial entities,
 - 8.5.2. enter into gratuitous transactions whereby the Foundation is to alienate any of its assets;
 - 8.5.3. enter into, amend and terminate any agreements on voting, exercising corporate rights, issuing instructions to the members of the governing bodies of other entities;
 - 8.5.4. enter into any transactions with any third parties in excess of the total amount of one (1) million US dollars in an individual financial year, or, with respect to transactions specified in paragraph 10.6, in excess of the total amount of six million (6,000,000) Rubles in any given financial year (or an equivalent amount in other currency, in each case).
- 8.6. The Executive Director may be removed from his/her position before the expiration of his/her term of office by decision of the Board, e.g., due to the Director ceasing to be a member of the Board, or may resign at his/her discretion. For the avoidance of doubt, the termination of the Executive Director's powers as such does not trigger termination of his/her powers as the relevant member of the Board.

9. THE RIGHTS OF THE FOUNDER

- 9.1. The Founder exercises its rights in relation to the Foundation as provided for by the Applicable Law and this Charter.
- 9.2. The management bodies of the Foundation may not pass any of the following decisions without a prior approval by the Founder:
- 9.2.1. amendment of the Charter;
 - 9.2.2. liquidation of the Foundation;
 - 9.2.3. approval of the financial plan (budget) of the Foundation for the financial year and amendments thereto;
 - 9.2.4. approval of the Foundation's staffing table, including the amount of remuneration;
 - 9.2.5. issuance of powers of attorney on behalf of the Foundation.
- 9.3. To the extent any approval or consent is required from the Founder in accordance with this Charter, such approval or consent should be specific, made in writing and executed by the CEO or another authorized representative of the Founder, whose signature must be certified by a notary (practicing at the location where the consent is being executed).

10. CONFLICT OF INTERESTS

- 10.1. A member of the Foundation's management body is considered to be an interested party if he/she, his/her spouse, parents, children, half- and full brothers and sisters, adoptive parents and/or adopted children and/or persons under their control (controlled entities), any other relatives on any side or persons residing together with the member of the Foundation's management body:
- 10.1.1. are a party, beneficiary, intermediary or representative in the transaction of the Foundation;

- 10.1.2. are the Controlling person of a legal entity that is a party, beneficiary, intermediary or representative in the transaction of the Foundation;
- 10.1.3. hold positions in the management bodies of a legal entity that is a party, beneficiary, intermediary or representative in a transaction with the Foundation, or positions in the management bodies of the managing organization of that legal entity.
- 10.2. Interested parties shall, within 3 (three) days from the day they learned or should have learned about the circumstances due to which they may be recognized as interested in the decisions of the management bodies and transactions of the Foundation, notify the Foundation and the Founder of the persons fitting the description provided in paragraph 10.1, and the proposed transactions and decisions of the management bodies of the Foundation of which they are aware and in which they may be recognized as being interested.
- 10.3. In the event of a change in any of the above circumstances, interested parties are obliged to notify the Foundation and the Founder of the change within three (3) days from the day they learned or should have learned about the change.
- 10.4. The Foundation shall bring the information contained in the notification received by it pursuant to paragraphs 10.2 and 10.3 of this section to the notice of the management bodies of the Foundation.
- 10.5. Interested party transaction of the Foundation requires prior approval by the Board, unless paragraph 10.6 applies.
- 10.6. No prior approval is required under paragraphs 8.5.4 and 10.5 for any transactions by the Foundation, in which Director A (Directors A) is interested, as long as the total value of such transactions does not exceed 6,000,000 (six million) Rubles during an individual financial year (or equivalent in other currency).
- 10.7. A decision to approve an interested party transaction shall be made by a majority of votes of the members of the Board. If a member of the Board is recognized as an interested party in relation to a decision or a transaction, his vote shall be disregarded when determining the availability of the quorum and the results of the voting on the relevant agenda item. If all members of the Board are interested in a transaction, a decision to approve such transaction shall be made in the ordinary manner (if it requires approval in accordance with the Charter on other grounds) without following the voting procedure established in this paragraph.
- 10.8. For avoidance of doubt provisions of this section 10 shall not be interpreted to restrict the voting powers of Directors A in respect of all matters listed in items 10 and 11 of Schedule 4 regardless of whether Directors A may be viewed as interested in the transactions and decisions proposed for considerations by the Board.

11. MAKING AMENDMENTS TO THE CHARTER

- 11.1. The Board is not authorized to approve any changes and additions to this Charter in the following cases:
 - 11.1.1. The Board has not obtained a prior approval by the Founder to such changes and additions;
 - 11.1.2. there is a vacancy on the Board.
- 11.2. The state registration of changes and additions to this Charter is made in the manner prescribed by Applicable Law.

11.3. Changes and additions to this Charter become effective from the time they are recorded in the unified state register of legal entities.

12. LIQUIDATION OF THE FOUNDATION

12.1. The Foundation may be liquidated by unanimous decision of the Board, with the prior written approval of the Founder, in case the object of the Foundation has been achieved or it has become apparent that the object cannot be achieved or amended.

12.2. The Foundation may be liquidated by a court decision in cases provided for by the Law.

12.3. Upon liquidation, the assets of the Foundation remaining after payment of creditor claims, including the assets referred to in paragraph 3.2.1 of the Charter, shall be transferred to the Founder.

12.4. The reorganization of the Foundation is not allowed.

13. MISCELLANEOUS

13.1. Other than set out in paragraph 7.18, all notices, requests and communications envisaged by this Charter shall be delivered by personal delivery or pre-paid urgent delivery by a recognized international courier service.

13.2. Any notice to be given under this Charter, provided it has been duly addressed, shall be deemed to have been received:

13.2.1. if personally delivered, at the time of delivery as specified by the acceptance stamp by a representative of the receiver;

13.2.2. if sent by pre-paid urgent delivery by an international express delivery service (such as UPS, DHL, FedEx or similar), three (3) business days after the date of posting to the relevant address or upon the receipt of a delivery report of a courier or a report of an international express delivery service (UPS, DHL, FedEx or similar) regarding the recipient's refusal to accept the message or inability to deliver to the specified address; and

13.2.3. in case of email delivery: on the sent day if sent prior to 18.00, or on the following calendar date if sent after 18.00, Moscow time in each case.

13.3. This Charter is made in English and Russian languages, with both versions intended to be identical in meaning and of equal legal force; in the event of any discrepancy the Russian text shall prevail.

SCHEDULE 1. REQUIREMENTS

Any person who is a member of the management bodies of the Foundation (as well as each candidate for the position in the management bodies of the Foundation), must meet the following requirements:

- (1) may not be an employee of a state corporation or a company controlled by the state (or by any state agency).
 - (2) may not be currently and should not have been during the last 2 full calendar years a person appointed by a political party or be a member of the governance bodies of a political party, or a person holding a position as a civil servant, a member / employee of any government body, or a member of an elected body of power, or hold any other public office.
 - (3) no criminal record; not subject to disqualification under the Code of Administrative Offenses of the Russian Federation; not subject to any administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation.
 - (4) may not be a person with whom the Foundation or Yandex Group may not be allowed to have dealings due to restrictions imposed by law applicable to the Foundation or any person within Yandex Group.
 - (5) may not have currently and should not have had during the last two full calendar years a commercial conflict of interest with Yandex Group. For the purpose of this provision:
 - A commercial conflict of interest is defined as the existence of a commercial relationship between a business that competes with the business of Yandex Group, and:
 - the member of the management bodies (candidate to the position of in the management bodies) of the Foundation;
 - his/her close relatives (including his/her spouse, parents, spouse's parents, children, siblings) or any person sharing the person's household;
 - legal entities that are, directly or indirectly, Controlled Persons of such persons or his/her close relatives;
 - entities in which the candidate or his/her close relatives have a shareholding of more than 1% of a listed company or 3% of a non-public company;
 - Commercial relationships include the following direct or indirect relationships with a business that competes with the business of Yandex Group:
 - labor relations, including past labor relations;
 - membership in the board of directors, including past membership;
 - acting as a consultant;
 - ownership of shares (more than 1% in a public company or 3% in a non-public company).
 - A business that competes with business of Yandex Group - a business that operates in any sector/field of activity (save for the areas/lines of activities in academic science, education and not-for-profit medicine) in which Yandex Group's revenue is more than 1% of the total revenue of Yandex Group based on the consolidated financial statements prepared under
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generally accepted accounting principles in the US (*US GAAP*) for the six-month period ending on the last balance sheet date, as determined in accordance with US GAAP.

SCHEDULE 2. QUESTIONNAIRE

I, [full name], hereby certify that I am aware of the Requirements as set out in the Foundation Charter and make the below statements as of the date hereof:

1. I am not currently an employee of a state corporation or companies controlled by the state:

o confirm / o do not confirm, see details below:

2. I am not currently and within the preceding two (2) full calendar years have not been a political appointee or member of governing bodies of a political party, a government official or a member or employee of any state apparatus, a member of parliament, or a political office-holder:

o confirm / o do not confirm, see details below:

3. I do not have criminal record; am not subject to disqualification under the Code of Administrative Offenses of the Russian Federation, am not subject to any administrative penalty for any offense listed in chapter 15 of the Code of Administrative Offenses of the Russian Federation:

o confirm / o do not confirm, see details below:

4. After making reasonable inquiries on the below matters, I confirm that I am not a person with whom the Foundation or Yandex Group is restricted from having dealings due to restrictions imposed by laws applicable to the Foundation or any person within Yandex Group:

o confirm / o do not confirm, see details below:

5. After taking reasonable inquiries on the below matters, I confirm that I do not have currently and have not had within the preceding two (2) full calendar years commercial conflict of interest, whereas:
 - 5.1 commercial conflict of interest is defined as any commercial relationship between any business that operates in any area/line of activity (save for the areas/lines of activities in academic science, education and not-for-profit medicine), which represents above one per cent. (1%) of the gross revenue of the Yandex Group based on the consolidated financial statements prepared under generally accepted accounting principles in the US (*US GAAP*) for the six-month period ending on the last balance sheet date, as determined in accordance with US GAAP, and:
 - (i) myself;
 - (ii) my close relatives (including my spouse, parents, spouse's parents, children, siblings) or any person sharing my household;
 - (iii) by companies directly or indirectly controlled by me or my close relatives;

(iv) entities in which I or my close relatives have a shareholding of more than one per cent. (1%) of a listed company or three per cent. (3%) of a non-public company; and

5.2 Commercial relationships include the following direct or indirect relationships with a business that competes with the business of Yandex Group:

(i) employment, including in the past;

(ii) directorship, including in the past;

(iii) consultancy arrangement;

(iv) shareholding (more than one per cent. (1%) of a listed company or three per cent. (3%) of a non-public company)

confirm / do not confirm, see details below:

I certify that the foregoing statements made by me are true. The copies of the documents confirming the above statements are attached. I agree that I shall be liable if any of the above statements are untrue.

SCHEDULE 3. CONSENT

To: [Foundation]

1. I, [full name], hereby consent to hold the position of the Director [B/C] of the Foundation if appointed.
2. This Consent is issued for an indefinite period and I may withdraw it by notifying the Foundation at the following email address: _____ .

Signature: _____
[Full name]

Date: _____

**SCHEDULE 4. COMPETENCE OF THE BOARD
AND DECISION-MAKING PROCEDURE**

1. The Board's scope of competence shall include adopting resolutions on the below matters, subject to the procedures set forth below.
2. The following special rules of decision-making procedure apply to the matters that in accordance with this Schedule 4 shall be decided by a qualified majority of votes of Directors A:
 - (i) each Director A has five (5) votes and each members of the Board of another class has one vote; and
 - (ii) the decision on such matter is adopted, provided that at least two Directors A cast all of their votes in favor of such decision.

No.	Matter Put to Vote	Procedures to Adopt Resolution
Foundation's operational matters:		
1.	Amendment and modification of this Charter	Unanimous vote of all 11 members of the Board
2.	Resolution on liquidation of the Foundation	Unanimous vote of all 11 members of the Board
3.	Decision on payment of remuneration to the Board members in connection with exercising of their duties	Qualified majority of votes of Directors A
4.	(a) Approval of the Foundation's financial plan (budget) for the financial year, including approval of compensation payable to the members of the Board for their expenses under paragraph 6.14 of the Charter, amendments to the financial plan (budget)	Qualified majority of votes of Directors A
	(b) Approval of transactions referred to in paragraph 8.5	At least majority of votes of Directors A and majority of votes of Director B
5.	Election of the Executive Director from among Directors A and early termination of such Executive Director's powers	Qualified majority of votes of Directors A
6.	Approval of the annual report and accounts (financial statements) of the Foundation	Qualified majority of votes of Directors A
7.	Resolution on termination of a member of the Board in the circumstances set forth in paragraph 6.6.7 of the Charter	Unanimous vote by all incumbent members of the Board (provided that the vote of the Board member who is voted on shall not be taken account)
8.	Resolution on whether a candidate proposed for the position of Director C satisfies the Requirements, in accordance with paragraph 6.10.1 of the Charter	At least two votes of Directors A and at least two votes of Directors B

No.	Matter Put to Vote	Procedures to Adopt Resolution
9.	Resolution on granting a consent to appointment of a candidate to the position of Director C in accordance with paragraph 6.10.2	At least two votes of Directors A and at least two votes of Directors B
Matters related to exercising the Foundation's right to participate in other entities		
10.	<i>In connection with the Priority Share</i>	
(a)	Resolution on whether candidates proposed by the Board members for the position of a Designated Director, as well as their substitutes, meet the requirements of the Founder's Articles	At least five votes of Directors B plus one vote of Director A or Director C
(b)	Making a Binding Nomination of a Designated Director, as well as its substitute, in accordance with the procedures stipulated by the Founder's Articles (including in the event that a person appointed earlier to serve as a Designated Director becomes unable to serve as a Designated Director for any reason, or is terminated) and resolution on authorizing Director B to notify the Founder of such Binding nomination, as well as on instructing a Designated Director to submit a resignation	At least five votes of Directors B plus one vote
(c)	Granting an approval to the Board of Directors of the Founder, as may be requested thereby, to proceed on any matter not in compliance with a recommendation by the Public Policy Committee or in absence of a recommendation by the Public Policy Committee, where such recommendation is required under the Founder's internal regulation	At least five votes of Directors B plus one vote of Director A or Director C
(d)	Granting a prior approval to a Designated Director on the Nominating Committee to veto any nominee to the position of Class A director on the Founder's board of directors in accordance with the Founder's internal regulations	At least five votes of Directors B plus one vote of Director A or Director C
(e)	Granting an approval to a potential acquirer of shares in the Founder in excess of the Ownership Cap in accordance with Article 4C of the Founder's Articles	At least five votes of Directors B plus one vote of Director A or Director C

No.	Matter Put to Vote	Procedures to Adopt Resolution
(f)	Resolution on submitting to the Founder of a request to convene an extraordinary general meeting of shareholders of the Founder, proposal to include into the agenda of the general meeting of the shareholders of the Founder the matter of terminating the powers of a Designated Director and authorizing Director B to exercise voting rights on such matter at the general meeting of the shareholders of the Founder	At least five votes of Directors B plus one vote of Director A or Director C
(g)	Granting an approval to the Board of Directors of the Founder, as may be requested thereby, to proceed on approval of the candidate(s) to be included into the List of Candidate, to the extent no Designated Directors are on the Board of Directors of the Founder	At least five votes of Directors B plus one vote of Director A or Director C
11.	<i>In connection with the Special Interest:</i>	
(a)	Resolution on sending a Special Corporate Situation notice to the Founder and Yandex LLC on the occurrence of a trigger for a Special Corporate Situation (in accordance with the description of the trigger for a Special Corporate Situation specified in <u>Schedule 5</u> hereto)	At least five votes of Directors B plus one vote of Director A or Director C
(b)	Resolutions on occurrence of a Special Corporate Situation and calling a general meeting of participants of Yandex LLC in order (i) to terminate General Director due to an Additional Ground for termination that constitutes a Special Corporate Situation and (ii) to appoint Interim General Director in accordance with the Yandex LLC's Charter	At least five votes of Directors B plus one vote of Director A or Director C
(c)	Determining how to vote the Special Interest at the general meetings of participants of Yandex LLC on termination of General Director on Additional Grounds referred to in item (b) above and on appointing Interim General Director in connection with a Special Corporate Situation	At least five votes of Directors B plus one vote of Director A or Director C
(d)	Resolutions on sending a notice of Special Situation occurrence to the Founder and Yandex LLC and determining a time period within which such Special Situation must be rectified (provided that such time period may be not less than seven (7) calendar days)	At least five votes of Directors B plus two votes, each of which shall be a vote of Director A or Director C
(e)	Resolutions on existence of a Special Situation upon the expiry of the time period by which such Special Situation was to be rectified and calling a	At least five votes of Directors B plus two votes, each of which shall be a vote of Director A or Director C

No.	Matter Put to Vote	Procedures to Adopt Resolution
	General Meeting of Participants of Yandex LLC in order (i) to terminate General Director on Additional Ground for termination that constitutes a Special Situation and (ii) to appoint Interim General Director in accordance with the Yandex LLC's Charter	
(f)	Determining how to vote the Special Interest at the General Meetings of Participants of Yandex LLC on termination of General Director on Additional Grounds referred to in item (e) above and on appointing Interim General Director in connection with an Special Situation	At least five votes of Directors B plus two votes, each of which shall be a vote of Director A or Director C
(g)	Determining how to vote the Special Interest on the matter of election of the General Director (clause 12.2.16 of the Yandex LLC's Charter)	Simple majority vote of incumbent members of the Foundation Board
(h)	Resolution on the matter of proposing candidates for inclusion in the List of Candidates and submitting such proposal on amending the List of Candidates to the Founder and Yandex LLC	At least five votes of Directors B plus one vote
(i)	Approval of the agreement with the Founder concerning elimination of a Special Corporate Situation or a Special Situation	At least five votes of Directors B plus one vote of Director A or Director C
(j)	Resolution on exercising the right to withdraw from Yandex LLC or the right to request Yandex LLC to acquire the Special Interest	Unanimous vote of all 11 members of the Board
(k)	Granting Foundation's consent for the pledge of participatory interest (or part thereof) held by the Founder in the charter capital of Yandex LLC	At least five votes of Directors B plus one vote
(l)	Determining how to vote the Special Interest on other matters of the general meeting of participants of Yandex LLC that require resolutions to be adopted by a unanimous vote in accordance with the Yandex LLC's Charter, including:	
(i)	imposition of additional obligations on all participants of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B
(ii)	termination of additional obligations of a participant of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B
(iii)	granting additional rights to a participant (participants) of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B

No.	Matter Put to Vote	Procedures to Adopt Resolution
(iv)	termination or limitation of additional rights granted to all participants of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B
(v)	decision to oblige the participants of Yandex LLC to make contributions to the Yandex LLC's assets other than in accordance with the procedures sets forth in Section 10.3 of the Yandex LLC's Charter	At least two votes of Directors A plus at least three votes of Directors B
(vi)	approving the Yandex LLC's Charter, amending it or approving a new version of the Yandex LLC's Charter, making a decision that Yandex LLC will continue to operate on the basis of the model charter, or that Yandex LLC will not continue to operate on the basis of the model charter, changing the amount of the charter capital of Yandex LLC, changing the name of Yandex LLC or its registered address;	At least two votes of Directors A plus at least three votes of Directors B
(vii)	decision on the reorganization or liquidation of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B
(viii)	decision on allocation of the share in the charter capital of Yandex LLC owned by Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B
(ix)	decision on payment to creditors of the actual value of a share in the charter capital of Yandex LLC owned by a participant of Yandex LLC whose assets are being foreclosed	At least two votes of Directors A plus at least three votes of Directors B
(x)	approval of the form and terms and conditions of the agreement with Interim General Director	At least two votes of Directors A plus at least three votes of Directors B
(xi)	approval of the monetary value of non-monetary contributions to the assets of Yandex LLC made by the participants of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B
(xii)	decision on distribution of profit among the Participants disproportionately to the sizes of their shares in the charter capital of Yandex LLC	At least two votes of Directors A plus at least three votes of Directors B

Other Matters

12. Approval of an interested party transaction

No.	Matter Put to Vote	Procedures to Adopt Resolution
(a)	if Director B or Director C is interested	Majority of votes of the members of the Board who are not interested, including at least two votes of Directors A
(b)	If Director A is interested, other than in relation to transactions referred to in paragraph 10.6	Majority of votes of the members of the Board who are not interested
13.	Decision on terminating the powers of Director A in accordance with paragraph 6.12.1 of the Charter	Majority of votes of Directors B
14.	Approval of amendments to the corporate agreement entered into between the Foundation and the Founder in relation to Yandex LLC and authorizing Director B to execute any such amendments	Majority of votes of Directors B
15.	Resolution to raise a claim against the Founder	At least five votes of Directors B plus at least two votes of Directors C
16.	Approval of the List of Notaries	Majority of votes of Directors A and majority of votes of Director B
17.	Resolutions on other matters envisaged by this Charter and Applicable Law	Majority of votes of Directors A and majority of votes of Director B

**SCHEDULE 5. SPECIFIC REQUIREMENTS TO
DECISION-MAKING**

The Board shall be entitled to make a decision on the occurrence of a Special Corporate Situation (per item 11(b) of Schedule 4) or a Special Situation (per item 11(e) of Schedule 4) provided that all of conditions specified in Part 1 or in Part 2 of this Schedule 5, as applicable, have been fully met.

No.	Description
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Part 1. Decision on occurrence of a Special Corporate Situation

- | | | |
|----|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (a) | Trigger for the Special Corporate Situation: the Public Policy Committee is not formed; and |
| | (b) | The Board is entitled to make a decision on occurrence of the Special Corporate Situation, if all of the below conditions are met: |
| | (i) | on regular meeting, but in any event not later than four (4) months after the trigger for the Special Corporate Situation referred to in section 1(a) has occurred, the Board of Directors of the Founder has failed to adopt a decision to form the Public Policy Committee; and |
| | (ii) | the Board has made a decision set forth by section 11(a) of <u>Schedule 4</u> to the Charter, in connection to the trigger for a Special Corporate Situation referred to in section 1(a), and the Foundation has notified the Founder of such decision and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification the Public Policy Committee has not been formed yet); and |
| | (iii) | the Board of Directors of the Founder has failed to adopt a decision to form the Public Policy Committee at the next regular meeting of the Board of Directors of the Founder, held after the receipt by the Founder of the notification from the Foundation, described in section 1(b)(i) above, but in any event not later than four (4) months after the receipt by the Founder of the notification from the Foundation, described in section 1(b)(i) above. |
| | (c) | A Special Corporate Situation with the trigger in this section 1 shall be deemed eliminated on the date, when: (i) the Board of Directors of the Founder adopted a decision to form the Public Policy Committee; or (ii) the Founder and the Foundation agreed that this Special Corporate Situation is eliminated. |
| 2. | (a) | Trigger for the Special Corporate Situation: the Board of Directors of the Founder has made a decision to dismiss the Public Policy Committee; and |
| | (b) | The Board is entitled to make a decision on occurrence of the Special Corporate Situation, if all of the below conditions are met: |
| | (i) | the Board has made a decision forth by section 11(a) of <u>Schedule 4</u> to the Charter, in connection to the trigger for a Special Corporate Situation, referred to in section 3(a) and the Foundation has notified the Founder of such taken decision and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification the Public Policy Committee still has not been formed yet); and |
| | (ii) | the decision to form the Public Policy Committee is not made at the next |

No.	Description
	ordinary meeting of the Board of Directors of the Founder, which is held after the receipt by the Founder of the notification from the Foundation, described in section 2(b)(i) above, but in any event not later than four (4) months after the receipt by the Founder of the notification from the Foundation, described in section 2(b)(i) above.
	(c) A Special Corporate Situation with the trigger in this section 2 shall be deemed eliminated on the date, when: (i) the Board of Directors of the Founder has adopted a decision to form the Public Policy Committee; or (ii) the Founder and Foundation agreed that this Special Corporate Situation is eliminated.
3.	(a) Trigger for the Special Corporate Situation: the Board of Directors of the Founder has failed to adopt a decision to include any one Designated Director in the Nominating Committee; and
	(b) The Board is entitled to make a decision on occurrence of the Special Corporate Situation, if all of the below conditions are met:
	(i) the Board has made a decision forth by section 11(a) of <u>Schedule 4</u> to the Charter, in connection to the trigger for a Special Corporate Situation, listed in section 3(a) and the Foundation has notified the Founder of such taken decision and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification no Designated Director has been appointed to the Nominating Committee); and
	(ii) the decision to appoint a Designated Director to the Nominating Committee is not made at the next ordinary meeting of the Board of Directors of the Founder, which is held after the receipt by the Founder of the notification described in section 3(b)(i) above from the Foundation, but in any event not later than four (4) months after the receipt by the Founder of the notification described in section 3(b)(i) above.
	(c) A Special Corporate Situation with the trigger in this section 3 shall be deemed eliminated on the date, when: (i) the Board of Directors of the Founder has adopted a decision to include a Designated Director in the Nominating Committee; or (ii) Founder and Foundation agreed that this Special Corporate Situation is eliminated.
4.	(a) Trigger for the Special Corporate Situation: the general shareholders meeting of the Founder has rejected the Binding Nomination of the Foundation with respect to any of the Designated Directors; and
	(b) The Board is entitled to make a decision on occurrence of the Special Corporate Situation, if all of the below conditions are met:
	(i) the Board has made a decision forth by section 11(a) of <u>Schedule 4</u> to the Charter, in connection to the trigger for a Special Corporate Situation, listed in section 4(a) and the Foundation has notified the Founder of such taken decision and specified the trigger for the Special Corporate Situation (provided that as of the date of such notification the general shareholders meeting of the Founder has not approved the Binding Nomination with respect to any of the Designated Directors); and
	(ii) the Foundation has, in accordance with this Charter, made a decision on offering in by way of a Binding Nomination of candidate to the position of the Designated Director and has notified the Founder of the taken decision in accordance with the procedure, set forth in the Founder's Articles and the

No.	Description
	internal documents of the Founder; and
	(iii) the Binding Nomination of the Foundation with respect to the Designated Director described in section 4(b)(ii) has not been approved by the general shareholders meetings of the Founder within sixty (60) days after receipt by the Founder of the notification by the Foundation described in section 4(b)(i).
	(c) A Special Corporate Situation with the trigger in this section 4 shall be deemed eliminated on the date, when: (i) the Binding Nomination of the Foundation with respect to the candidate to the position of the Designated Directors has been approved by the general shareholders meetings of the Founder; or (ii) Founder and Foundation agreed that this Special Corporate Situation is eliminated.
5.	(a) Trigger for the Special Corporate Situation: the general shareholders meeting of the Founder has taken a decision to terminate the authorities of any of the Designated Directors (other than in case such decision has been made upon the Foundation's consent); and
	(b) The Board is entitled to make a decision on occurrence of the Special Corporate Situation, if all of the below conditions are met:
	(i) the Board has made a decision forth by section 11(a) of <u>Schedule 4</u> to the Charter, in connection to the trigger for a Special Corporate Situation, listed in section 5(a) and the Foundation has notified the Founder of such taken decision (provided that as of the date of such notification the general shareholders meeting of the Founder has not approved the Binding Nomination with respect to the relevant Designated Director); and
	(ii) the Foundation has, in accordance with this Charter, adopted a decision to make a Binding Nomination in respect of a candidate to the position of Designated Directors and has notified the Founder of the taken decision in accordance with the procedure set forth by the Founder's Articles and internal documents of the Founder and specified the trigger for the Special Corporate Situation; and
	(iii) the Binding Nomination of the Foundation in respect of the candidate to the position of the Designated Director described in section 5(b)(ii) has not been approved by the general shareholders meeting of the Founder within sixty (60) days after receipt by the of the notification by the Foundation, described in section 5(b)(i) above.
	(c) A Special Corporate Situation with the trigger in this section 5 shall be deemed eliminated on the date, when: (i) the Binding Nomination of the Foundation with respect to the candidate to the position of the Designated Director has been approved by the general shareholders meeting of the Founder; or (ii) Founder and Foundation agreed that this Special Corporate Situation is eliminated.
6.	(a) Trigger for the Special Corporate Situation the general shareholders meeting of the Founder has decided to fill the vacancy of class I director (as defined in the internal documents of the Founder) with a candidate who was not recommended by subcommittee I of the Nominating Committee (" Noncompliant Candidate ") (for avoidance of doubt, the situation where the position of class I director remains vacant as a result of such general shareholders meeting of the Founder is not considered a trigger); and
	(b) The Board is entitled to make a decision on occurrence of the Special Corporate

No.	Description
	Situation, if all of the below conditions are met:
	(i) the Board has made a decision set forth by section 11(a) of <u>Schedule 4</u> to the Charter, in connection with the trigger for a Special Corporate Situation, listed in section 6(a) and the Foundation has notified the Founder of such taken decision and specified the trigger for the Special Corporate Situation not later than ninety (90) days prior to the date of the regular general shareholders meeting of the Founder; and
	(ii) the next regular general shareholders meeting of the Founder after the receipt by the Founder of the notification of the Foundation referred to in section 6(b)(i) failed to:
	<ul style="list-style-type: none"> – appoint to a candidate recommended by subcommittee I of the the Nominating Committee (“Compliant Candidate”) to the position of class II director, and, as a result, the relevant position of class I director remains vacant or a Compliant Candidate is appointed to replace the Noncompliant Candidate holding the position class I director; or
	<ul style="list-style-type: none"> – terminate the authority of the Noncompliant Candidate as class I director.
	For the purposes of section 6(b)(ii), the next regular general shareholders meeting of the Founder after the receipt by the Founder of the notification of the Foundation described in section 6(b)(i) above is:
	<ul style="list-style-type: none"> – to the extent the regular general shareholders meeting of the Founder falls on any date upon expiry of the ninety (90) days’ period following the receipt by the Founder of the notification of the Foundation described in section 6(b)(i) above — the earliest regular general shareholders meeting of the Founder; and
	<ul style="list-style-type: none"> – to the extent the regular general shareholders meeting of the Founder falls on any date within falls on a date within the ninety (90) days’ period following the receipt by the Founder of the notification of the Foundation described in section 6(b)(i) above, — the regular general shareholders meeting taking place in the following calendar year.
	(c) A Special Corporate Situation with the trigger in this section 6 shall be deemed eliminated on the date, when:
	(i) the general shareholders meeting of the Founder made a decision to appoint Compliant Candidate to the position of class II director; or
	(ii) the general shareholders meeting of the Founder made a decision to authority of the Noncompliant Candidate as class I director, and and, as a result, the relevant position of class I director remains vacant or a Compliant Candidate is appointed to replace the Noncompliant Candidate holding the position class I director; or
	(iii) Founder and Foundation agreed that this Special Corporate Situation is eliminated.
7.	(a) Trigger for the Special Corporate Situation: Yandex LLC acts without the consent of a General Meeting on issues set forth in sections 12.2.31 — 12.2.34 of the Yandex LLC’s Charter, or the Founder votes on those issues not in accordance with the earlier adopted decision of the Public Policy Committee, or in the absence of a decision of the Public Policy Committee or the Fund granting its consent as stipulated by section 10(c) of Appendix 4 on approval of a respective action

No.	Description
	(transaction) of Yandex LLC; and
(b)	The Board is entitled to make a decision on occurrence of the Special Corporate Situation, if all of the below conditions are met:
(i)	the Board has made a decision forth by section 11(a) of Appendix 4 to the Charter, in connection to the trigger for a Special Corporate Situation, listed in section 7(a) and the Foundation has notified the Founder and Yandex LLC of such taken decision and specified the circumstances that resulted in the failure to comply with the restrictions imposed by sections 12.2.31 — 12.2.34 of the Yandex LLC’s Charter and the actions that need to be taken to eliminate the trigger for the Special Corporate Situation, which must be one of the following actions:
	(x) obtaining decision of the Public Policy Committee or the Fund as stipulated by section 10(c) of Appendix 4 on approval of such action (transaction) in accordance with the constituent and internal documents of Founder, or
	(y) with respect to restrictions imposed by sections 12.2.31-12.2.32 and 12.2.34 of the Yandex LLC Charter:
	– cancellation by Yandex LLC of the action (transaction) or
	– challenging by Yandex LLC of the relevant action (transaction) and filing a claim to a competent court (arbitration tribunal) to invalidate the transaction or to apply the consequences of invalidity, provided such claim has been accepted by a competent court (arbitration tribunal);
	(z) with respect to restrictions imposed by section 12.2.33 of Yandex LLC Charter: approval (reinstatement) of the relevant internal policy of Yandex LLC or its Controlled persons as in effect before its amendment, if such amendment served as a trigger for the Special Corporate Situation;
	(provided that as of the date of such notification none of the relevant action specified above has not been made); and
(ii)	within sixty (60) days after receipt by the Founder and Yandex LLC of the notification by the Foundation, described in section 7(b)(i) above, none of the relevant actions, which is necessary for eliminating the Special Corporate Situation and which is specified in section 7(b)(i) above has been made.
(c)	A Special Corporate Situation with the trigger in this section 7 shall be deemed eliminated:
	· on the date, when the relevant action necessary for elimination of the Special Corporate Situation has been made as specified in section 7(b)(i) above, or
	· if the Interim General Director, acting within its authority, has failed to make actions necessary to eliminate the Special Corporate Situation specified in items 7(b)(i)(x)-7(b)(i)(z) during sixty (60) calendar days from the appointment of such Interim General Director — on the date of the expiry of such 60-day term; or
	· on the date, when Founder and Foundation agreed that this Special Corporate Situation is eliminated.

Part 2. Decision on the occurrence of a Special Situation

8. The Board is entitled to make a decision on occurrence of the Special Situation, if all of the below conditions are met:

- (a) the Board has made a decision forth by section 11(e) of Schedule 4 to the Charter, including has specified in such decision which violation resulted in the occurrence of the Special Situation and a time period for such Special Situation to be rectified, which in no case may be less than seven (7) calendar days, and the Foundation has notified the Founder and Yandex LLC of such decision with a notarized copy of such decision enclosed; and
- (b) the Special Situation relates to matters of the national security of the Russian Federation; and
- (c) upon expiry of the period to cure the Special Situation, set forth by the decision of the Board described in section 8(a) above, the respective Special Situation is not cured.

In the event the Foundation has notified the Founder and Yandex LLC about the existence of the Special Situation as set out in section 8(a), the Foundation shall not be entitled to adopt another decision on the occurrence of the Special Situation in connection with the same violation.

