

**PLEDGE OF SHARES**

in

**YANDEX N.V.**

by

**KRASNAYA ROZA 1875 LIMITED**

in favour of

**YANDEX N.V.**

[●] 2016

Van Doorne N.V.  
Jachthavenweg 121  
1081 KM Amsterdam  
The Netherlands

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## PLEDGE OF SHARES

This agreement and deed of pledge (**Deed**) is made the \_\_\_\_ day of [●] 2016 by:

- (1) **KRASNAYA ROZA 1875 LIMITED**, a limited company incorporated in Cyprus, having its registered office at 9, Vasileos Konstantinou Street, Agios Andreas, P.C. 1105, Nicosia, Cyprus, registered under registration number HE 304055, (the **Pledgor** and the **Subscriber**); and
- (2) **YANDEX N.V.**, a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands and its registered office at Schiphol Boulevard 165, 1118 BG Schiphol, the Netherlands, registered with the Commercial Register under number 27265167 (the **Pledgee** and the **Company**);

THE PARTIES TO THIS DEED HEREBY AGREE AS FOLLOWS:

### 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Interpretation

Capitalised terms not otherwise defined herein shall have the meaning given to them in the Framework Agreement.

#### 1.2 Definitions

In addition, in this Deed, unless the context otherwise requires:

**Claim** means any Claim (as such term is defined in the Framework Agreement) and any claim under the KR 1875 Suretyship or the Klyachin Guarantee;

**Dividends** means all dividends, other distributions and payments which become payable and/or accrue on or in respect of any of the Pledged Shares, whether payable in cash, by means of stock dividend or in kind and whether on the account of the distribution of profits, reserves, the repurchase of Pledged Shares, the redemption of Pledged Shares or otherwise;

**Encumbrance** means, in respect of the Security Assets, any mortgage, pledge, lien (*retentierecht*), right of usufruct, seizure, attachment or other encumbrance of any kind whatsoever, whether actual or contingent, conditional or otherwise and, in respect of any other assets, has the meaning given thereto in the Framework Agreement;

**Enforcement Event** means any Event of Default which is continuing unremedied and unwaived;

**Event of Default** means any default (*verzuim*) in the payment of any amount due under the Secured Obligations;

**Framework Agreement** means the framework agreement dated 19 February 2016 between the Pledgor as the Subscriber and the Pledgee as the Company;

**Group 1 Shares** means the issued class A ordinary shares in the capital of the Company which are held by the Pledgor on the date of this Deed, consisting of seven hundred and fifty thousand (750,000) shares, each share with a nominal value of one eurocent (EUR 0.01), numbered [●] up to and including [●];

**Group 2 Shares** means the issued class A ordinary shares in the capital of the Company which are held by the Pledgor on the date of this Deed, consisting of seven hundred and fifty thousand (750,000) shares, each share with a nominal value of one eurocent (EUR 0.01), numbered [●] up to and including [●];

**Initial Tax Term** has the meaning given to it in Clause 11.3(a);

**Initial Title Term** has the meaning given to it in Clause 11.2(a);

**LCIA Submission Date** means, in respect of any Claim, the first date on which the Company has:

- (a) submitted to the LCIA a request for arbitration;
- (b) paid the registration fee required by the LCIA Rules; and
- (c) nominated its arbitrator,

in respect of such Claim;

**Obligors** means the Pledgor, KR 1875 and Mr. Alexander Klyachin, and **Obligor** means any one of them;

**Other Claim** means any Claim other than a Tax Claim or a Title Claim;

**Pledge** means the security created or purported to be created by this Deed;

**Pledged Shares** means the Group 1 Shares and Group 2 Shares collectively (to the extent subject to the Pledge);

**Qualifying Amount** means the amount of two million US Dollars (USD 2,000,000);

**Register** means the *Belastingdienst Ondernemingen, afdeling Registratie*;

**Rights** means the Dividends, all present and future rights and claims of the Pledgor to acquire any shares in the capital of the Company and all other present and future rights and claims of the Pledgor arising out of or in connection with the Pledged Shares, other than the Voting Rights and the rights of holders of

depository receipts referred to in Clause 3.2 (*Rights of holders of depository receipts*);

**Secured Obligations** means:

- (i) any and all payment obligations (including under any indemnity) and other monetary obligations or liabilities (including in respect of damages) of the Pledgor in respect of Title Claims, Tax Claims and claims under clause 9.6 of the Framework Agreement to the extent such claims have not been satisfied in full by the Pledgor, KR 1875 as surety under the KR 1875 Suretyship or Mr. Alexander Klyachin as guarantor under the Klyachin Guarantee;
- (ii) any and all payment obligations (including under any indemnity) and other monetary obligations or liabilities (including in respect of damages) of the Pledgor in respect any Claims other than a Tax Claim or a Title Claim to the extent such claims have not been satisfied in full by the Pledgor or KR 1875;
- (iii) any and all payment obligations (including under any indemnity) and other monetary obligations or liabilities (including in respect of damages) of KR 1875 in respect of claims against KR 1875 under the KR 1875 Suretyship;
- (iv) any and all payment obligations (including under any indemnity) and other monetary obligations or liabilities (including in respect of damages) of Mr. Alexander Klyachin in respect of claims against Mr. Alexander Klyachin under the Klyachin Guarantee; and
- (v) any and all payment obligations and liabilities of the Pledgor under Clause 2.5 (*Covenant to Pay*) of this Deed.

**Security Assets** means the Pledged Shares and the Rights collectively;

**Tax Authority Decision** means a decision of a Tax Authority in respect of any violation of the Russian Tax Code by or liability to Tax of KR 1875 or NewCo (including any such decision in accordance with Item 7(1) of Article 101 of the Russian Tax Code (in Russian: *решение о привлечении к ответственности за совершение налогового правонарушения*) or Item 7(2) of Article 101 of the Russian Tax Code (in Russian: *решение об отказе в привлечении к ответственности за совершение налогового правонарушения*);

**Tax Claim** means any Tax Claim (as such term is defined in the Framework Agreement) or any claim under the KR 1875 Suretyship or the Klyachin Guarantee in respect of any such Tax Claim;

**Tax Term** means the Initial Tax Term together with any extension thereof under any of Clauses 11.3 (b), 11.3 (c) and 11.3 (d);

**Title Claim** means any Title Claim (as such term is defined in the Framework Agreement) or any claim under the KR 1875 Suretyship or the Klyachin Guarantee in respect of any such Title Claim;

**Title Term** means the Initial Title Term together with any extension thereof under Clause 11.2 (c);

**Voting Rights** means the voting rights attaching to the Pledged Shares;

**VWAP** means, on any date, the volume weighted average price per share (in US Dollars) of the class A ordinary shares of the Company calculated for one month of trading on NASDAQ ending on the day immediately prior to such date; and

**VWAP Value** means, in respect of any Pledged Shares at any date, the value of such Pledged Shares as at such date determined by multiplying the number of such Pledged Shares by VWAP at such date.

### 1.3 **References**

In this Deed:

- 1.3.1 references to the Framework Agreement, the KR 1875 Suretyship and the Klyachin Guarantee shall be construed as references to each such document as presently in force and as amended, modified, supplemented, novated, restated or replaced from time to time (whether before, on or after the date of this Deed, and including, in the case of the Framework Agreement, the amendments made by way of the [deed of amendment] dated [●]);
- 1.3.2 clause headings are inserted for convenience of reference only and are to be ignored in construing this Deed and, unless otherwise specified, all references to Clauses are to clauses of this Deed;
- 1.3.3 unless the context otherwise requires, words denoting the singular shall include the plural and *vice versa*;
- 1.3.4 references to "**include**" or "**including**" are to be construed without limitation;
- 1.3.5 references to any party include that party's successors and permitted transferees and assignees;
- 1.3.6 references to statutory provisions shall be construed as references to those provisions as replaced, amended or re-enacted from time to time;

1.3.7 references to Security Assets include, where the context so requires, references to all or any of the constituent parts thereof; and

1.3.8 a Claim shall be deemed "notified" if notice of the matter giving rise to such Claim has been given under paragraph 2.1 of schedule 9 to the Framework Agreement, notice of such Claim has been given to KR 1875 under the KR 1875 Suretyship or notice of such Claim has been given to the Guarantor under the Klyachin Guarantee.

#### 1.4 **Currency Conversion**

Any amount to be converted from one currency into another currency for the purposes of this Deed shall be converted into an equivalent amount at the Conversion Rate prevailing at the Relevant Date. For the purposes of this Clause 1.4:

1.4.1 "**Conversion Rate**" means (i) in the case of conversion between Dollars and Roubles, the Dollar/Rouble exchange rate and, in the case of conversion between Euros and Roubles, the Euro/Rouble exchange rate, each as published by the Central Bank of Russia for the Relevant Date, or (ii) in any other case, the spot closing mid-point rate for a transaction between the two currencies in question on the Business Day immediately preceding the Relevant Date as quoted by the Financial Times, London edition or (in either case) if no such rate is quoted on that date, on the last preceding date on which such rate was quoted; and

1.4.2 "**Relevant Date**" means, save as otherwise provided in this Deed, the date on which a payment or assessment is to be made save that, in relation to a Claim, the Relevant Date shall be the date on which such Claim was notified.

#### 1.5 **Transaction Document**

This Deed constitutes a Transaction Document.

## 2 **PLEDGE**

### 2.1 **Agreement to pledge**

The Pledgor and the Pledgee hereby agree that the Pledgor will, and is required to, create a right of pledge in favour of the Pledgee over the Security Assets as security for the Secured Obligations.

### 2.2 **Pledge**

As security for the performance of the Secured Obligations, the Pledgor hereby pledges to the Pledgee the Security Assets.

### 2.3 **Acceptance by the Pledgee**

The Pledgee hereby accepts the Pledge created by this Deed.

### 2.4 **Registration**

The Company shall, immediately upon the execution of this Deed, register this Deed with the Register.

### 2.5 **Covenant to Pay**

The Pledgor hereby covenants with the Pledgee that, upon an Event of Default in respect of any Secured Obligation of KR 1875 or Mr. Alexander Klyachin having occurred, it shall discharge and pay all of such Secured Obligations of KR 1875 or Mr. Alexander Klyachin (as appropriate) to the Pledgee when due.

## 3 **VOTING RIGHTS**

### 3.1 **Transfer of Voting Rights**

The Pledgor and the Pledgee hereby stipulate in accordance with Section 2:198(3) of the Dutch Civil Code that the Voting Rights shall vest in (*toekomen aan*) the Pledgee subject to the fulfilment of the conditions precedent (*opschortende voorwaarden*) that (i) an Enforcement Event has occurred and (ii) the Pledgee has given written notice to the Pledgor and the Company that an Enforcement Event has occurred and the Voting Rights vest in the Pledgee.

### 3.2 **Rights of holders of depository receipts**

As long as the Voting Rights shall not vest in the Pledgee, the Pledgee shall not have the rights of holders of depository receipts for shares which offer meeting rights (*certificaten van aandelen waaraan vergaderrecht is verbonden*). The Parties acknowledge that when the Voting Rights will vest in the Pledgee, the Pledgor shall have the rights of holders of depository receipts for shares which offer meeting rights by operation of law.

## 4 **RIGHTS**

### 4.1 **Permission to collect Rights**

The Pledgee is entitled to collect, receive and exercise the Rights, provided that the Pledgee hereby grants the Pledgor permission (*toestemming*) in accordance with Section 3:246(4) of the Dutch Civil Code to collect, receive and exercise the Rights.

#### 4.2 Revocation of permission

The Pledgee is entitled to revoke the permission set forth in Clause 4.1 (*Permission to collect Rights*) upon the occurrence of an Enforcement Event, by giving notice of such revocation to the Pledgor and the Company. As of that moment, only the Pledgee, with the exclusion of the Pledgor, shall be entitled to collect, receive and exercise the Rights.

### 5 REPRESENTATIONS AND WARRANTIES

The Pledgor hereby represents and warrants to the Pledgee on the date hereof that:

- a) it is the sole legal and beneficial owner of the Security Assets, has full title thereto and is entitled (*beschikkingsbevoegd*) to pledge the Security Assets to the Pledgee;
- b) the Pledged Shares are not subject to any restriction under Section 2:22(a) (1) of the Dutch Civil Code;
- c) this Pledge constitutes a first priority right of pledge (*pandrecht eerste in rang*) of the Security Assets;
- d) the Security Assets are not subject to any Encumbrance, have not been transferred or made subject to an Encumbrance in advance, nor has any such transfer or Encumbrance been agreed upon in advance;
- e) no depository receipts (*certificaten van aandelen*) have been issued in respect of the Pledged Shares by the Pledgor; and
- f) it has not entered into any agreements or arrangements, other than as may be included in the articles of association of the Company or the Framework Agreement, which restrict in any way the exercise by the Pledgee of the Voting Rights or its other rights under this Pledge.

### 6 UNDERTAKINGS

6.1 The Pledgor hereby undertakes to the Pledgee:

- a) to execute, procure and deliver all such agreements and documents and to do all such acts and things as may be required under Dutch law to create, perfect and/or protect the Pledge;
- b) to promptly notify the Pledgee of any attachment (*beslag*) of the Security Assets and to promptly notify the person making any such attachment or any receiver in bankruptcy (*curator*) or any

administrator in (*preliminary*) suspension of payment (*bewindvoerder*) of the existence of the Pledge;

- c) not to release, settle or subordinate any Rights without the prior written consent of the Pledgee;
- d) not to transfer any of the Pledged Shares or any rights in respect of the Pledged Shares to a third party without the prior written consent of the Pledgee; and
- e) not to sell, agree to sell or otherwise dispose of the Security Assets and not to create or grant or permit to subsist any Encumbrance on the Security Assets other than this Pledge without the prior written consent of the Pledgee.

6.2 The undertakings in this Clause 6 (*Undertakings*) remain in full force and effect from the date hereof for so long as the Pledge has not ended or been terminated in accordance with Clause 11 (*Termination and Release*).

## **7 ENFORCEMENT OF SECURITY - APPLICATION OF PROCEEDS**

### **7.1 Default**

Without prejudice to any rights of the Pledgor under the Framework Agreement, KR 1875 under the KR 1875 Suretyship and Mr. Alexander Klyachin under the Klyachin Guarantee, any failure to satisfy the Secured Obligations when due shall constitute a default (*verzuim*) in the performance of the Secured Obligations within the meaning of Section 6:81 of the Dutch Civil Code, without any demand (*sommatie*) or notice of default (*ingebrekestelling*) being sent or required.

### **7.2 Enforcement**

On or after the occurrence of an Enforcement Event, the Pledgee shall be entitled to enforce the Pledge and to take recourse against the proceeds thereof.

### **7.3 No sale in different manner**

The Pledgor is not entitled to request the court to determine that the Security Assets be sold in a different manner than as set forth in Section 3:250 of the Dutch Civil Code. Subject to receiving the prior written consent of the Pledgor, the Pledgee is entitled to request the court to determine that the Security Assets be sold in a different manner than as set forth in Section 3:250 of the Dutch Civil Code.

### **7.4 Application**

Any amount received or recovered by the Pledgee under this Deed shall be applied by the Pledgee towards satisfaction of the Secured Obligations in the understanding that any surplus after discharge of the Secured Obligations will be paid to the Pledgor.

## **8 MISCELLANEOUS**

### **8.1 Rescission**

To the fullest extent permitted by Dutch law, each of the Pledgor and the Pledgee hereby waives its rights to rescind or to seek to rescind (*ontbinden*) this Deed or to avoid or to seek to avoid (*vernietigen*) the legal acts (*rechtshandelingen*) performed under or pursuant to this Deed based on Dutch legal principles, it being understood that this provision does not prejudice any rights of the Pledgor and the Pledgee under the Framework Agreement.

### **8.2 Invalidity**

Should any provision of this Deed be or become invalid, void or unenforceable, all remaining provisions and terms hereof shall remain in full force and effect and the parties hereto will negotiate in good faith to replace the invalid, void or unenforceable provision with a valid and enforceable provision that reflects as nearly as possible the intention of the parties as referred in the provision thus replaced.

### **8.3 Liability**

The Pledgee (in its capacity as pledgee (*pandhouder*)) shall not be liable for any damages resulting from the reduction of value of the Security Assets, the sale of the Security Assets or the exercise or failure to exercise any of its rights hereunder.

### **8.4 Costs**

8.4.1. Except as provided in Clauses 8.4.2 and 8.4.3, each Party shall pay its own costs and expenses incurred in connection with performance of this Deed and enforcement of its rights under this Deed.

8.4.2. The Pledgor shall reimburse to the Pledgee on its first demand in full any reasonable and documented broker's fees and charges, taxes and other costs and expenses which the Pledgee shall incur in connection with the enforcement of its rights under this Deed, provided that the aggregate amount of such other costs and expenses (other than broker's fees and charges and taxes) to be reimbursed by the Pledgor to the Pledgee shall not exceed EUR 20,000.

8.4.3. Save to the extent agreed otherwise in writing between the Pledgor and the Pledgee, all costs, taxes, charges and expenses which the Pledgee shall incur in

connection with termination and release of the Pledge under Clause 11.1 (*Termination by Pledgee*) of this Deed shall be for the account of and borne by the Pledgee.

**8.5 No implied waivers**

A failure to exercise or a delay in exercising any right of the Pledgee hereunder shall not operate as a waiver or constitute a forfeiture (*rechtsverwerking*) thereof.

**9 ASSIGNMENT AND TRANSFER**

**9.1 No assignment by Pledgor**

The Pledgor may not assign and/or transfer all or part of its rights, obligations and/or the legal relationship under this Deed, without the prior written consent of the Pledgee.

**9.2 Assignment by Pledgee**

Subject to notification in writing given to the Pledgor no later than five (5) Business Days before such assignment and/or transfer, the Pledgee may assign and/or transfer all or part of its rights, obligations and/or the legal relationship under this Deed by way of an assignment of claims (*cessie*), transfer of obligations (*schuldoverneming*) or transfer of contract (*contractoverneming*) to any member of the Company's Group that from time to time holds the NewCo Shares (or any of them) and the Pledgor hereby irrevocably gives its approval and cooperates in advance with such assignment and/or transfer of obligations or contract in accordance with Sections 6:156 and 6:159 of the Dutch Civil Code.

**10 NOTICES**

All notices to the parties hereto to be made in connection with this Deed, shall be made in accordance with clause 28 (*Notices*) of the Framework Agreement.

**11 TERMINATION AND RELEASE**

**11.1 Termination by Pledgee**

Without prejudice to Clauses 11.2 (*Release for Title Claims*), 11.3 (*Release for Tax Claims*), 11.4 (*Term for Other Claims*), 11.5 (*Early Release for Pledged Shares*), 11.6 (*Existing Claims*), 11.7 (*General Release Procedure*) and 11.8 (*Procedure for deregistering the Pledge over the Pledged Shares*), the Pledgee is entitled by way of a written notice to the Pledgor (i) to terminate (*opzeggen*) the Pledge in whole or in part in accordance with Section 3:81 (2) of the Dutch Civil Code and (ii) to release the Pledge in respect of all or part of the Security Assets and/or the Secured Obligations. If a waiver (*afstand van recht*) by the Pledgee is required to give effect to such a release, such release shall be deemed to include such waiver, and such waiver is hereby accepted by the Pledgor in advance.

## 11.2 Release for Title Claims

- a) Without prejudice to Clause 11.5 (*Early Release for Pledged Shares*) and subject to the condition precedent (*opschortende voorwaarde*) that, as at the expiry of the period of 36 months from the Completion Date (such period, the **Initial Title Term**), none of the circumstances referred to in any of Clauses 11.2 (b), 11.3 (b), 11.3 (c) and 11.3 (d) subsists (for which purposes references in Clauses 11.3 (b), 11.3 (c) and 11.3 (d) to the expiry of the Initial Tax Term shall be read as references to the expiry of the Initial Title Term), subject to Clause 11.7 (*General Release Procedure*), the remaining Group 1 Shares are released from the Pledge, save that the number of Pledged Shares released under this Clause 11.2 (a) shall not exceed the total number of Pledged Shares at such time minus 750,000.
- b) In the event that, as at the expiry of the Initial Title Term:
1. a Russian court of first instance (in Russian: *суд первой инстанции*) has issued a decision in favour of any third party, the effect of which decision (if the same were to come into force) would be:
    - a. to deprive the Company of ownership title to (or to establish or confirm the existence of an Encumbrance over) any of the shares of NewCo; and/or
    - b. to deprive NewCo of ownership title to (or to establish or confirm the existence of an Encumbrance over) any of the Owned Immovable Property; and/or
    - c. to deprive NewCo of (or to establish or confirm the existence of an Encumbrance over) the leasehold title to the NewCo Land Plot or any part thereof; and/or
  2. the Company has submitted to the LCIA a request for arbitration (and paid the registration fee required by the LCIA Rules and nominated its arbitrator) in respect of any Title Claim; and/or
  3. a Governmental Authority has issued a decision requiring the demolition of any of the Owned Immovable Property (unless such decision has been set aside or held to be illegal by a decision of a Russian court of competent jurisdiction that has come into force),

no Pledged Shares are released under Clause 11.2 (a).

c) Where any of the circumstances referred to in Clause 11.2 (b) exists as at the expiry of the Initial Title Term, the Title Term shall be extended such that it shall expire on the expiry of 18 months from the earlier of:

1. the last LCIA Submission Date in respect of any Title Claim;  
and
2. the date of expiry of the Initial Title Term,

and, upon the expiry of the Title Term as extended under this Clause 11.2 (c), subject to Clauses 11.2 (d) and 11.7 (*General Release Procedure*), the remaining Group 1 Shares are released from the Pledge.

d) If, as at the expiry of the Initial Title Term, any of the grounds for extension of the Tax Term referred to in Clauses 11.3 (b), 11.3 (c) and 11.3 (d) exists (for which purposes references in such Clauses to the expiry of the Initial Tax Term shall be read as references to the expiry of the Initial Title Term), the Pledge shall be extended in respect of all Pledged Shares existing at such time in accordance with such Clauses and, subject to Clause 11.7 (*General Release Procedure*), and the remaining Group 1 Shares are released from the Pledge upon the later of the expiry of the Title Term and the expiry of the Tax Term, as extended under Clause 11.3.

### 11.3 Release for Tax Claims

a) Without prejudice to Clause 11.5 (*Early Release for Pledged Shares*), subject to the condition precedent (*opschortende voorwaarde*) that, as at 31 December 2019 (the period from the Completion Date up to and including such date being the **Initial Tax Term**), none of the circumstances referred to in any of Clauses 11.3 (b), 11.3 (c) and 11.3 (d) subsists, subject to Clause 11.7 (*General Release Procedure*), the remaining Group 2 Shares are released from the Pledge.

b) The Tax Term shall be extended beyond the expiry of the Initial Tax Term in the event that, as at the expiry of the Initial Tax Term any on-site tax audit (in Russian: *выездная налоговая проверка*) in respect of KR 1875 or NewCo either:

1. is taking place; or

2. has been completed, but no decision has been issued by the Tax Authority in respect of such on-site tax audit.

In this case, the Tax Term shall be extended up to (and including) the date of issuance of the last Tax Authority Decision to be issued by the Tax Authority that conducted any such on-site tax audit in respect of such tax audit in accordance with Item 7(1) of Article 101 of the Russian Tax Code (in Russian: *решение о привлечении к ответственности за совершение налогового правонарушения*) or Item 7(2) of Article 101 of the Russian Tax Code (in Russian: *решение об отказе в привлечении к ответственности за совершение налогового правонарушения*).

- c) The Tax Term shall be extended beyond the date of expiry of the Initial Tax Term (or, if later, the date of expiry of any extension pursuant to Clause 11.3 (b)) in the event that any one or more Tax Authority Decisions have been issued by the Tax Authority in accordance with Item 7(1) of Article 101 of the Russian Tax Code (in Russian: *решение о привлечении к ответственности за совершение налогового правонарушения*) or Item 7(2) of Article 101 of the Russian Tax Code (in Russian: *решение об отказе в привлечении к ответственности за совершение налогового правонарушения*) or otherwise holding KR 1875 and/or NewCo liable for Taxes in an amount exceeding (in aggregate, for all Tax Authority Decisions, and for KR 1875 and NewCo taken together) four million US Dollars (USD 4,000,000) (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is such date). In this case, the Tax Term shall be extended up to (and including) the expiry of the last to expire (in respect of all Tax Authority Decisions) of a period being, in respect of any given Tax Authority Decision, either:

1. **2 years** from the date of issue (in Russian: *вынесение*) of either:
  - a. the decision of the Tax Authority that conducted the relevant tax audit, if no appeal against such decision is filed with the superior (in Russian: *вышестоящий*) Tax Authority within the time limit applicable under Russian law; or
  - b. if an appeal against the decision of the Tax Authority that conducted the relevant tax audit is filed with the superior Tax Authority within the time limit applicable under Russian law, the decision of the superior Tax Authority,

such date of issue, the "decision issue date") if, as at the expiry of 3 months following the decision issue date, KR 1875 or NewCo has filed with a Russian court a statement contesting the relevant decision of the Tax Authority that conducted the relevant tax audit or superior Tax Authority (as appropriate); or

2. **2 years and 9 months (33 months)** from the decision issue date if, as at the expiry of 3 months following the decision issue date, neither KR 1875 nor NewCo (as appropriate) has filed with a court a statement contesting the relevant decision of the original Tax Authority or superior Tax Authority (as appropriate).

- d) If the Company submits to the LCIA a request for arbitration (and has paid the LCIA registration fee and nominated its arbitrator) in respect of any Tax Claim, the Tax Term shall be extended up to (and including) the expiry of 18 months from the date of filing the request with the LCIA in accordance with the Framework Agreement.
- e) If more than one of the circumstances referred to in Clauses 11.3 (b), 11.3 (c) and 11.3 (d) subsists at any time, the Tax Term shall be extended such that, subject to Clause 11.3 (f), it shall expire on the last date for expiration of the Tax Term applicable under any of Clauses 11.3 (b), 11.3 (c) and 11.3 (d).
- f) In the event that the Tax Term has been extended pursuant to Clause 11.3(c), the Tax Term shall expire in the event that:
  1. one or more on-site tax audits have been conducted in respect of KR 1875 covering all of the years 2013 – 2015 and the Tax Authority Decision(s) of the relevant Tax Authority in respect of all such on-site tax audit(s) have been issued; and
  2. by reason of:
    - a. one or more Tax Authority Decisions made against KR 1875 or NewCo having been set aside or determined to be illegal (in whole or in part) by one or more decisions of a superior Tax Authority or one or more decisions of a Russian court of competent jurisdiction that have come into force; or
    - b. the payment of any Tax by KR 1875,

the aggregate liability KR 1875 and NewCo (taken together) under all remaining Tax Authority Decisions is reduced to an amount less than four million US Dollars (USD 4,000,000) (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date of the last relevant decision of a superior Tax Authority or Russian court or Tax payment by KR 1875, as appropriate).

- g) Upon the expiry of the Tax Term as extended, subject to Clause 11.7 (*General Release Procedure*), all remaining Group 2 Shares shall be released from the Pledge.

#### 11.4 Term for Other Claims

The term for Other Claims shall be 21 months, without extension. No Pledged Shares shall be released from the Pledge upon the expiry of the term for Other Claims.

#### 11.5 Early Release for Pledged Shares

11.5.1 Subject to Clause 11.5.3 and 11.6 (*Existing Claims*) and Clause 11.7 (*General Release Procedure*), subject to the conditions precedent (*opschortende voorwaarde*) set out in Clauses 11.5.1 (a) to (c), and provided that no Title Claim or Other Claim shall then have been notified, Pledged Shares shall promptly be released from the Pledge as follows (counting upward from the Group 2 Share with the lowest number):

- a) Subject to Clauses 11.5.1 (d)(1) 11.5.2, and Clause 11.6 (*Existing Claims*) (b), 50% of the Pledged Shares are released if a single on-site tax audit has been conducted in respect of KR 1875 covering all of the years 2013 – 2015, the Tax Authority Decision(s) by the Tax Authority that conducted such on-site tax audit in respect of such on-site tax audit have been issued, and:
1. no violation or liability to Tax is identified in any such Tax Authority Decision and each such Tax Authority Decision was issued in accordance with Item 7(2) of Article 101 of the Russian Tax Code (in Russian: *решение об отказе в привлечении к ответственности за совершение налогового правонарушения*); or
  2. the total aggregate amount of (i) the amount of any one or more violations or liabilities to Tax identified in any such Tax Authority Decision individually or all of the Tax Authority Decisions in aggregate (for which purposes any such

liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date immediately preceding the day when the Pledged Shares are to be released); and (ii) the amount of any notified Title Claims and Other Claims (provided that the amount of such notified Title Claims or Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), does not exceed the Qualifying Amount; or

3. where the total aggregate amount of (i) the amount of any one or more violations or liabilities to Tax identified in any such Tax Authority Decision individually or all of the Tax Authority Decisions in aggregate (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date immediately preceding the day when the Pledged Shares are to be released); and (ii) the amount of any notified Title Claims and Other Claims (provided that the amount of such notified Title Claims or Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), exceeds the Qualifying Amount:
  - a. KR 1875's liabilities to Tax (including fines and penalties) pursuant to each such Tax Authority Decision have been discharged in full and proof of final discharge of all such liabilities has been delivered to the Company;
  - b. KR 1875 has challenged each such Tax Authority Decision in court, enforcement of each such Tax Authority Decision has been suspended by the court upon KR 1875's application and KR 1875 has, for the purposes of such court proceedings, procured the issuance in favour of the relevant Tax Authority of an irrevocable and untransferable bank guarantee having a term of validity of not less than 12 (twelve) months for the entire amount of all claims of such Tax Authority under each such Tax Authority Decision, including all applicable Tax(es), fines and penalties (as specified in the relevant Tax Authority Decision(s)); or

c. each such Tax Authority Decision has been:

1. determined to be illegal in full by a decision of a Russian court of competent jurisdiction that has come into force; or
2. set aside in full by a superior Tax Authority.

b) Subject to Clauses 11.5.1(d)(2), 11.5.2 (b) and 11.6 (*Existing Claims*), 25% of the Pledged Shares are released if an on-site tax audit has been conducted in respect of KR 1875 for the year 2015 alone, the final Tax Authority Decision(s) in respect of such on-site tax audit have been issued, and:

1. no violation or liability to Tax is identified in any such Tax Authority Decision and each such Tax Authority Decision was issued in accordance with Item 7(2) of Article 101 of the Russian Tax Code (in Russian: *решение об отказе в привлечении к ответственности за совершение налогового правонарушения*); or
2. the total aggregate amount of (i) the amount of any one or more violations or liabilities to Tax identified in any such Tax Authority Decision individually or all of the Tax Authority Decisions in aggregate (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date immediately preceding the day when the Pledged Shares are to be released); and (ii) the amount of any notified Title Claims and Other Claims (provided that the amount of such notified Title Claims or Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), is less than the Qualifying Amount; or
3. where the total aggregate amount of (i) the amount of any one or more violations or liabilities to Tax identified in any such Tax Authority Decision individually or all of the Tax Authority Decisions in aggregate (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date immediately preceding the day when the Pledged Shares are to be released); and (ii) the amount of any notified Title Claims and Other Claims (provided that the amount of such notified Title Claims or

Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), exceeds the Qualifying Amount:

- a. KR 1875's liabilities to Tax (including fines and penalties) pursuant to each such Tax Authority Decision have been discharged in full and proof of final discharge of all such liabilities has been delivered to the Company;
  - b. KR 1875 has challenged each such Tax Authority Decision in court, enforcement of each such Tax Authority Decision has been suspended by the court upon KR 1875's application and KR 1875 has, for the purposes of such court proceedings, procured the issuance in favour of the relevant Tax Authority of an irrevocable and untransferable bank guarantee having a term of validity of not less than 12 (twelve) months for the entire amount of all claims of such Tax Authority under each such Tax Authority Decision, including all applicable Tax(es), fines and penalties (as specified in the relevant Tax Authority Decision(s)); or
  - c. each such Tax Authority Decision has been:
    1. determined to be illegal in full by a decision of a Russian court of competent jurisdiction that has come into force; or
    2. set aside in full by a superior Tax Authority.
- c) Subject to Clauses 11.5.1(d)(2) , 11.5.2 (b) and 11.6 (*Existing Claims*), 12.5% of the Pledged Shares are released if an on-site tax audit has been conducted in respect of KR 1875 for each of the years 2013 or 2014 (for the avoidance of doubt, 25% in total for the years 2013 and 2014 together), the final Tax Authority Decision(s) in respect of such on-site tax audit have been issued, and:
1. no violation or liability to Tax is identified in any such Tax Authority Decision and each such Tax Authority Decision was issued in accordance with Item 7(2) of Article 101 of the Russian Tax Code (in Russian: *решение об отказе в привлечении к ответственности за совершение налогового правонарушения*); or

2. the total aggregate amount of (i) the amount of any one or more violations or liabilities to Tax identified in any such Tax Authority Decision individually or all of the Tax Authority Decisions in aggregate (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date immediately preceding the day when the Pledged Shares are to be released); and (ii) the amount of any notified Title Claims and Other Claims (provided that the amount of such notified Title Claims or Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), is less than the Qualifying Amount; or
3. where total aggregate amount of (i) the amount of any one or more violations or liabilities to Tax identified in any such Tax Authority Decision individually or all of the Tax Authority Decisions in aggregate (for which purposes any such liability denominated in Roubles shall be converted into Dollars at the Conversion Rate on the basis that the Relevant Date is the date immediately preceding the day when the Pledged Shares are to be released); and (ii) the amount of any notified Title Claims and Other Claims (provided that the amount of such notified Title Claims or Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), exceeds the Qualifying Amount:
  - a. KR 1875's liabilities to Tax (including fines and penalties) pursuant to each such Tax Authority Decision have been discharged in full and proof of final discharge of all such liabilities has been delivered to the Company;
  - b. KR 1875 has challenged each such Tax Authority Decision in court, enforcement of each such Tax Authority Decision has been suspended by the court upon KR 1875's application and KR 1875 has, for the purposes of such court proceedings, procured the issuance in favour of the relevant Tax Authority of an irrevocable and untransferable bank guarantee having a term of validity of not less than 12 (twelve) months for the entire amount of all

claims of such Tax Authority under each such Tax Authority Decision, including all applicable Tax(es), fines and penalties (as specified in the relevant Tax Authority Decision(s)); or

c. each such Tax Authority Decision has been:

1. determined to be illegal in full by a decision of a Russian court of competent jurisdiction that has come into force; or
2. set aside in full by a superior Tax Authority,.

d) For the purposes of this Clause 11.5.1:

1. in the event of the release of any Pledged Shares under either Clause 11.5.1 (b) or Clause 11.5.1 (c), the number of the Pledged Shares to be released under Clause 11.5.1 (a) shall equal to:
  - a. 50% of the Pledged Shares; less
  - b. the number of the Pledged Shares released under Clause 11.5.1 (b) and/or 11.5.1 (c); and
2. in the event of the release of Pledged Shares under Clause 11.5.1 (a), no Pledged Shares shall be released under either of Clauses 11.5.1 (b) and 11.5.1 (c).

11.5.2 Subject to Clause 11.5.3 and Clause 11.7 (*General Release Procedure*) and Clause 11.6 (*Existing Claims*), and provided that no Title Claim or Other Claim shall then have been notified, subject to the condition precedent (*opschortende voorwaarde*) that any Tax Authority Decision(s) which identified any one or more violations or liabilities to Tax of KR 1875 in an amount, individually or in the aggregate with the other Tax Authority Decision(s) and notified Title Claims and Other Claims, exceeding the Qualifying Amount (the year to which such Tax Authority Decision relates being the **Relevant Year**) as described in Clauses 11.5.1(a) to 11.5.1(c), above is determined to be illegal in part by a decision of a Russian court of competent jurisdiction (and such decision has come into force) or set aside by a superior Tax Authority in part such that (in either case) the total amount of such Tax exceeding the Qualifying Amount claimed by any Tax Authority from KR 1875 in respect of the Relevant Year (such amount, the **Remaining Tax Liability**) is less than the VWAP Value at such time of 25% (where the Relevant Year is 2015) or 12.5% (where the Relevant Year is 2013 or 2014) of the Pledged Shares (such VWAP Value, the **Maximum Release Value**), and

provided that Pledged Shares have not been released in respect of the Relevant Year under Clause 11.5.1, a number of the Group 2 Shares having a VWAP Value at such time equal to the amount of such Tax claimed by the Tax Authority under such Tax Authority Decision in respect of which Tax such Tax Authority Decision has been so determined to be illegal or invalid or set aside are released from the Pledge (counting upward from the Group 2 Share with the lowest number), provided always that:

- a) the number of Pledged Shares released from the Pledge under this Clause 11.5.2 in respect of the Relevant Year shall in no circumstances exceed a number of Pledged Shares having a VWAP Value at such time equal to the difference between: (i) the Maximum Release Value in respect of the Relevant Year and (ii) the Remaining Tax Liability in respect of the Relevant Year; and
- b) the number of Pledged Shares that may be released from the Pledge in respect of the Relevant Year under Clause 11.5.1 shall be reduced by the number of Pledged Shares released from the Pledge in respect of the Relevant Year under this Clause 11.5.2.

11.5.3 For the avoidance of doubt, no Pledged Shares shall be released under Clause 11.5.1 or Clause 11.5.2 if the Group 2 Shares have been released under Clause 11.3 (a) or 11.3 (g).

#### 11.6 Existing Claims

Notwithstanding Clause 11.5 (*Early Release for Pledged Shares*), in the event that, at any time that any Group 2 Shares are required to be released under Clause 11.5 (*Early Release for Pledged Shares*), there are (i) any Tax Authority Decisions which identified any one or more violations or liabilities to Tax of KR 1875 for which KR 1875's Tax liability has not been discharged in full, and/or (ii) Title Claims or Other Claims which have been notified and the amount of which, individually or in the aggregate, exceeds the Qualifying Amount (it being understood, for the avoidance of doubt, that the amount of such notified Title Claims or Other Claims (or a series of related notified Title Claims or Other Claims) shall exceed two hundred and fifty thousand US Dollars (USD 250,000) but does not need to exceed four million US Dollars (USD 4,000,000)), a number of Group 2 Shares shall remain subject to the Pledge being the lesser of:

- a) the total number of Group 2 Shares then remaining; and
- b) a number of Group 2 Shares having a VWAP Value at such time equal to the aggregate value of all liabilities pursuant to such Tax Authority Decisions and all such Tax Claims at such time.

## 11.7 General Release Procedure

In the event that, on any date on which any Pledged Shares are required to be released from the Pledge under any of Clauses 11.2 (*Release for Title Claims*), 11.3 (*Release for Tax Claims*), 11.5 (*Early Release for Pledged Shares*) and 11.6 (*Existing Claims*), there are any notified Claims, the number of Pledged Shares to be released from pledge shall be determined as follows:

**A = the lesser of X and Y**, where:

**A** is the number of Pledged Shares to be released from pledge;

**X** is the number of Pledged Shares that, but for this Clause 11.7 (*General Release Procedure*), are to be released from pledge on such date under the terms of Clause 11.2 (*Release for Title Claims*), 11.3 (*Release for Tax Claims*), 11.5 (*Early Release for Pledged Shares*) or 11.6 (*Existing Claims*), as applicable, and

**Y = N – (S / V)**, where:

**N** is the total number of Pledged Shares on such date;

**S** is the aggregate value (in US Dollars) of all notified Claim(s) as at such date; and

**V** is VWAP as at such date,

(provided always that Y shall in no event be less than zero).

For this purpose, the value of a Claim shall be:

- a) where the liability of the Subscriber, KR 1875 or the Guarantor (as appropriate) for such Claim has been finally determined by arbitration pursuant the Framework Agreement, the KR Suretyship or the Klyachin Guarantee (as appropriate) or by agreement in writing between the Company (on the one hand) and the Subscriber, KR 1875 or Mr Alexander Klyachin, as appropriate (on the other hand), the amount of such liability as so determined; or
- b) where such liability has not been so determined, the amount claimed by the Company in respect of such Claim.

Save as provided in Clause 11.5.1, Pledged Shares shall be released counting upward from the Pledged Share with the lowest number or, where the release is specifically of Group 1 Shares or Group 2 Shares, the lowest number comprised in the Group 1 Shares or Group 2 Shares, as appropriate.

#### 11.8 Procedure for deregistering the Pledge over the Pledged Shares

For the purposes of deregistering the Pledge in respect of any Pledged Shares, where any Pledged Shares are required to be released from the Pledge under any of Clauses 11.2 (*Release for Title Claims*), 11.3 (*Release for Tax Claims*), and 11.5 (*Early Release for Pledged Shares*), the Subscriber shall send to the Company a relevant request in writing supported by:

- a) in the case of release under Clause 11.5 (*Early Release for Pledged Shares*), the documents confirming the grounds for such release; and
- b) in the case of release under Clauses 11.2 (a) or 11.3 (a), confirmation, signed by a duly authorized signatory of the Subscriber, that none of the circumstances referred to in any of Clauses 11.2 (b), 11.3 (b), 11.3 (c) and 11.3 (d) subsists,

(such request, a **Pledge Deregistration Request**). By no later than the expiration of 14 days from the date of receipt of a Pledge Deregistration Request, the Company shall either confirm to the Pledgor the release of the relevant Pledged Shares and send to Computershare Inc. a written instruction to remove the restrictive legend in respect of the relevant Pledged Shares or notify the Subscriber in writing of its refusal to give such confirmation and instruction. If the Company unjustifiably fails to send the written instruction to Computershare Inc. to remove the restrictive legend in respect of any of the Pledged Shares specified in the Pledge Deregistration Request that are then required to be released under the terms of this Clause 11, the Company shall be subject to a penalty of LIBOR plus 2% p.a. of the VWAP Value of such Pledged Shares in respect of which such instruction is unjustifiably withheld for the period from the 15th day following the date of the Pledge Deregistration Request to the date when the Pledge deregistration entry is made in respect of such Pledged Shares in the Company's register of shareholders held by Computershare Inc.

#### 11.9 Limitation of Liability

The Company shall have no liability in connection with any breach of its obligations under Clause 11.8 (*Procedure for deregistering the Pledge over the Pledged Shares*) for or in respect of any:

- a) loss of profit or loss of opportunity;
- b) change in the price of any Pledged Shares;
- c) professional fees and expenses, including brokerage and professional fees, in connection with any disposal of shares (but excluding, for the avoidance of doubt, any fees, costs and expenses in connection with any court or arbitration proceedings);

- d) indirect or consequential loss; or
- e) punitive or exemplary damages.

For the avoidance of doubt, any losses arising from the fact that any Pledged Shares are not available to the Pledgor (or any member of the Subscriber's Group) for any period of time for use as collateral or security in respect of any loan or financing arrangement shall be deemed indirect and consequential loss for the purposes of this Clause 11.9. The Company shall have no liability under Clause 11.8 (*Procedure for deregistering the Pledge over the Pledged Shares*) in respect of any loss to the extent the Pledgor has recovered such loss under clause 9.18 of the Framework Agreement.

#### 11.10 Enforcement Commenced

No Pledged Shares with respect to which the Pledgee is enforcing the Pledge in accordance with Clause **Error! Reference source not found. (Error! Reference source not found.)** shall be released from the Pledge. For the avoidance of doubt, any Pledged Shares which are not subject to enforcement under Clause **Error! Reference source not found. (Error! Reference source not found.)** may be released from the Pledge in accordance with the terms of Clauses 11.2 (*Release for Title Claims*), 11.3 (*Release for Tax Claims*) and 11.5 (*Early Release for Pledged Shares*).

## 12 THE COMPANY

The Company hereby:

- a) acknowledges the rights of pledge created over the Security Assets;
- b) acknowledges that it has received notice of the rights of pledge created over the Rights; and
- c) undertakes to register the rights of pledge over the Pledged Shares and the prohibition of transfer the Pledged Shares included in Clause 6.1d) in the Company's shareholders' register (as maintained by Computershare Inc.) by way of a restrictive legend and to provide the Pledgee with a copy of such registration as soon as practically possible.

## 13 APPLICABLE LAW AND JURISDICTION

### 13.1 Applicable law

This Deed is governed by and shall be construed in accordance with Dutch law.

13.2 **Jurisdiction**

The Pledgor hereby irrevocably submits to the jurisdiction of the competent court in Amsterdam, The Netherlands in connection with any disputes arising under this Deed.

13.3 **Power of attorney**

If a party to this Deed is represented by an attorney or attorneys in connection with the execution of this Deed or any agreement or document pursuant hereto and the relevant power of attorney is expressed to be governed by Dutch law, such choice of law is hereby accepted by each other party, in accordance with Article 14 of the Hague Convention on the Law Applicable to Agency of the fourteenth day of March nineteen hundred and seventy-eight.

*(signature page follows)*

This Deed has been entered into on the date first above written by:

**KRASNAYA ROZA 1875 LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**YANDEX N.V.**

By: \_\_\_\_\_  
Name:  
Title: