

To: Holders of Class A Ordinary Shares of Yandex N.V.  
From: Board of Directors  
Date: June 10, 2021

**Meeting of holders of Class A Ordinary Shares of Yandex N.V.**  
**Agenda and Explanatory Notes**

*Opening*

*Introductory remarks*

*Prior approval of the merger of Yandex.Market B.V. into Yandex N.V.*

\*\*\*\*\*

**Prior approval of the proposed resolution of the Board of Directors to resolve upon the legal merger of the Company (acquiring company) with Yandex.Market B.V. (disappearing company)**

To approve pursuant to Article 27.2 of the current Articles of Association of the Company the proposed resolution of the Board of Directors to resolve upon the legal merger of the Company (acquiring company) with Yandex.Market B.V. (disappearing company) in accordance with the Merger proposal (**Decision**)

*Any other business*

## **Explanatory Notes to the Agenda**

### *Opening*

The Chairman and the Chief Operating Officer will explain the rationale and background of the proposed Merger.

**Prior approval of the proposed resolution of the Board of Directors to resolve upon the legal merger of the Company (acquiring company) with Yandex.Market B.V. (disappearing company) (the “Merger”).**

### **Reasons for the Merger**

In July 2020, Yandex N.V. acquired a significant minority interest in Yandex.Market B.V. from Sberbank of Russia. Yandex.Market B.V. is currently a wholly owned subsidiary of Yandex N.V. and is the intermediate holding company of the core e-commerce business of the Yandex group.

Following the transaction with Sberbank, this separate intermediate holding company structure serves no corporate purpose. In addition, this separate intermediate holding company creates tax and operational inefficiencies across the Yandex group as a whole. Accordingly, the Board of Directors of Yandex has determined that it is advisable and in the best interest of Yandex and its shareholders to merge Yandex.Market B.V. with and into Yandex N.V., with the separate corporate existence of Yandex.Market B.V. ceasing. This internal restructuring is not expected to have any impact on the overall operations of the Yandex group, other than the corporate and tax efficiencies described above. Under Dutch law, the Merger may be resolved upon by the Board of Directors of the Company. Pursuant to the Articles of Association of Company, the proposed resolution of the Board of Directors requires the prior approval of the Class A Meeting.

Accordingly, to simplify the legal structure of the Yandex group and thereby reduce the costs relating to the separate accounting and operational systems within the Yandex group, it is proposed to effect the Merger and that the Class A Meeting grants the prior approval.

### **Expected consequences for the activities.**

The Acquiring Company intends to continue the activities of the Disappearing Company.

### **Explanation from a legal, economic and social point of view.**

#### **Legal:**

The Acquiring Company will acquire the assets and liabilities of the Disappearing Company under universal title of succession. The financial data of the Disappearing Company will be accounted for in the annual accounts of the Acquiring Company as from 1 January 2021 and onwards.

The Disappearing Company will cease to exist after the Merger. The Acquiring Company will not assign any new shares in connection with the Merger.

Liabilities and debts, insofar as these should exist between the Merging Companies, shall cease to exist as a result of the Merger.

#### **Economic:**

The Merger will simplify the legal structure of the Yandex group and will therefore reduce the costs relating to the separate accounting and operational systems within the group, as the Disappearing Company will no longer be a separate legal entity.

**Social**

The Merger is subject to the provisions of Section 7:663, in conjunction with Section 7:662 paragraph 2, under (a), of the Dutch Civil Code. The Merger has no detrimental effects on the employment or on the employment conditions.

---

**MERGER PROPOSAL**

**Yandex N.V.**  
(Acquiring Company)

and

**Yandex.Market B.V.**  
(Disappearing Company)

---

## MERGER PROPOSAL

This merger proposal is drawn up by the management boards of:

1. **Yandex N.V.**, a public company (*naamloze vennootschap*), having its registered seat in Amsterdam (the Netherlands) and its business office at Schiphol Boulevard 165, 1118 BG Schiphol (the Netherlands), registered with the trade register of the Chamber of Commerce under number 27265167 (the "**Acquiring Company**"); and
2. **Yandex.Market B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its registered seat in Amsterdam (the Netherlands) and its business office at Schiphol Boulevard 165, 1118 BG Schiphol (the Netherlands), registered with the trade register of the Chamber of Commerce under number 66115582 (the "**Disappearing Company**"),
  - the Acquiring Company and the Disappearing Company jointly the "**Merging Companies**".

## RECITALS:

- (A) The management boards of the Merging Companies consider it desirable that the Merging Companies enter into a merger in accordance with the provisions of Section 2:309 et seq. in conjunction with Section 3a of Book 2 of the Dutch Civil Code ("**DCC**") and in accordance with the terms and conditions of this merger proposal.
- (B) At the moment of the filing of this merger proposal the issued shares in the capital of the Disappearing Company are held by the Acquiring Company and Stichting Yandex.Market Equity Incentive. Prior to the effectuation of the merger all shares in the capital of the Disappearing Company held by Stichting Yandex.Market Equity Incentive will be transferred to the Acquiring Company and cancelled, as the case may be, so that at the moment of the execution of the deed of merger the Acquiring Company will be the holder of the entire issued and outstanding share capital of the Disappearing Company. As a result, this merger will qualify as a 'simplified merger' as referred to in Section 2:333 paragraph 1 DCC.
- (C) The Merging Companies have not established a works council nor participation council as defined in the Works Councils Act (*Wet op de ondernemingsraden*).
- (D) According to information given by the management board of the Disappearing Company, in respect of the Disappearing Company there are no persons, other than the shareholders, who have the rights as referred to in article 2:227 paragraph 1 DCC.
- (E) The management boards of the Merging Companies have prepared explanatory notes as mentioned in Section 2:313 paragraph 1 DCC.

## PROPOSAL:

It is proposed to effect a legal merger in accordance with Section 2:309 DCC (the "**Merger**") as a result of which:

- (i) the Disappearing Company will cease to exist; and
- (ii) the Acquiring Company will acquire the assets and liabilities of the Disappearing Company under universal succession of title.

**DATA TO BE MENTIONED PURSUANT TO SECTION 2:312, SUBSECTIONS 2 AND 4 DCC:**

**(a) Type of legal entity, name and registered seat of the Merging Companies.**

**1. Acquiring Company:**

the public limited liability company under Dutch Law: **Yandex N.V.**, having its registered seat in Amsterdam (the Netherlands).

**2. Disappearing Company:**

the private limited liability company under Dutch law: **Yandex.Market B.V.**, having its registered seat in Amsterdam (the Netherlands).

**(b) Articles of association of Acquiring Company.**

The articles of association of the Acquiring Company were lastly amended by a deed of amendment, executed on 23 December 2019 before D. ter Braak, civil-law notary in Amsterdam (the Netherlands). The current text of the articles of association is attached as Annex to this merger proposal.

The articles of association of the Acquiring Company will not be amended in connection with the Merger.

**(c) Rights to be given and compensations to be paid pursuant to Section 2:320 DCC, to be chargeable to the Acquiring Company.**

As there are no persons who, in any other capacity than as shareholders, have special rights against the Disappearing Company, no special rights will be granted and no compensations will be paid to anyone.

**(d) Benefits to be granted to the managing directors of the Merging Companies or to third parties in connection with the Merger.**

None.

**(e) Intentions with regard to the composition of the management board of the Acquiring Company after the Merger.**

The present composition of the management board of the Acquiring Company is as follows:

Executive Directors:

- **Arkady Yuryevich Volozh**, on 11 February 1964;
- **Tigran Khudaverdian**, born on 28 December 1981;

Non-Executive Directors:

- **John Wilson Boynton**, born on 6 October 1965;
- **Esther Dyson**, born on 14 July 1951;
- **Alexander Stalievich Voloshin**, born on 3 March 1956;
- **Charles Emmitt Ryan**, born on 11 May 1967;
- **Rogier Benedikt Rijnja**, born on 14 November 1962;
- **Ilya Alekseevitch Strebulaev**, born on 17 May 1975;
- **Alexey Komissarov**, born in on 20 October 1969;
- **Aleksey Yakovitskiy**, born on 15 November 1975.

There is no intention to change the composition of the management board in connection with the Merger.

**(f) Date per which the financial data of the Disappearing Company will be accounted for in the annual accounts of the Acquiring Company.**

The financial year of the Merging Companies runs from 1 January up to and including 31 December.

The financial information of the Disappearing Company over the current financial year, up to the moment the Merger will take legal effect, shall be accounted for in the annual accounts of the Acquiring Company as from 1 January 2021.

**(g) Proposed measures in connection with the conversion of the shareholding of the Disappearing Company.**

Not applicable.

**(h) Intentions involving continuance or termination of activities.**

Upon completion of the Merger, the Acquiring Company intends to carry on the activities of the Disappearing Company in the same manner as currently carried out by the Disappearing Company. The Acquiring Company does not intend to discontinue any activities as a result of the Merger.

**(i) Approval of the merger proposal and the resolution to effect the Merger.**

It is proposed that the resolution to enter into the Merger shall be adopted by the management boards of the Acquiring Company and the Disappearing Company in accordance with Section 2:331 paragraph 1 and 4 DCC.

According to article 27.2 of the articles of association of the Acquiring Company the adoption of a resolution to enter into a legal merger requires the prior approval of such resolution by the meeting of holders of class A ordinary shares of the Acquiring Company.

**(j) Consequences of the Merger for the goodwill and the distributable reserves of the Acquiring Company.**

The Merger will have no effect on the size of the goodwill of the Acquiring Company.

The value of the assets and liabilities of the Disappearing Company will be added to the freely distributable reserves of the Acquiring Company

**(k) Financial statements.**

The annual accounts 2017, 2018 and 2019 of the Merging Companies are attached to this merger proposal (Annex II).

The Acquiring Company has prepared interim financial statements as per 31<sup>st</sup> of March 2021 (Annex III). The interim statements have been drawn up in accordance with the composition and valuation methods as used in the latest adopted annual accounts of the Acquiring Company.

The Disappearing Company has prepared interim financial statements as per 31<sup>st</sup> of March (Annex IV). The interim statements have been drawn up in accordance with the composition and valuation methods as used in the latest adopted annual accounts of the Disappearing Company.