



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.

Explanatory Notes to the Agenda

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.
