

Yandex

Restructuring of the Corporate Governance of Yandex N.V.

November 2019

Forward Looking Statement Disclaimer

This presentation contains forward-looking statements that involve risks and uncertainties. These include statements regarding the approval of the proposed Restructuring by our shareholders, the implementation and effect of the proposed Restructuring, the potential future legal regime applicable to our business, and the manner in which our new corporate governance structure is intended to operation, as well as the anticipated development of the internet search and the online advertising markets, the planned growth of our business, our anticipated revenues and capital.

Actual results may differ materially from the results predicted or implied by such statements, and our reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by such statements include, among others, the reaction of shareholders, analysts and the media to the proposed Restructuring, the complexity of the proposed changes to our corporate governance structure, and the actions of new parties and individuals in our corporate governance structure, and changes in the legal and regulatory environment in which we operated, as well as those risks and uncertainties included under the caption “Risk Factors” in our Shareholders’ Circular dated November 18, 2019, and under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 20-F dated April 19, 2019, both of which are on file with the Securities and Exchange Commission and available on our investor relations website.

All information provided in this presentation is as of November 18, 2019, and Yandex expressly disclaims any duty to update this information unless required by law.

Executive Summary

- Yandex N.V. operates in a rapidly evolving environment of increasing regulatory complexity. Over the recent years, many countries across the globe have been increasing their scrutiny of the internet and technology space and large internet companies

- In light of the Russian public authorities' concerns about Yandex N.V. governance and ownership, and the recent regulatory developments, the Company is presenting for the shareholders' approval a targeted Corporate Governance Restructuring Proposal aimed at:
 - Addressing concerns of Russian regulators and public authorities
 - Protecting Yandex N.V. from potential adverse political and legislative developments in Russia
 - Protecting economic interests of its shareholders and ensuring continued strong governance
 - Granting Class A shareholders additional governance rights related to major transactions and significant new share issuance

- Our approach to achieving these objectives is intended to ensure Yandex N.V.'s ongoing, sustainable development while remaining one of the leading European technology companies



The Background

The Background – Summary

Throughout the world, scrutiny of internet and technology businesses has intensified in recent years, as a result of the growing role of large internet companies in day-to-day life, and Russia is not an exception.

Moreover, Yandex has disproportionately greater significance in the context of Russian internet sector and economy overall, compared to the relative significance of its peers in their home markets.

- Yandex N.V. is one of Europe's largest internet companies and a leading technology company in Russia, its core market, and is subject to local laws and regulations.

- In Russia, as in many other countries, a number of laws and regulations have been adopted to address national concerns about the growing role of large internet companies. Even more onerous potential laws have been proposed or considered.

- The company recognizes the concerns of the public authorities in light of its disproportionately significant role in the sectors it operates in and in the broader Russian economy and society as a whole.

- These concerns have centered around corporate governance structure of Yandex N.V., potential for foreign influence over sensitive business matters in its Russian business, protection of personal data of its Russian users and foreign control over the Board of Directors of Yandex N.V.

- Protection mechanisms already existed in the Company's corporate governance since pre-IPO:
 - The Priority Share issued to Sberbank in 2009, which has the power to block accumulation of 25% or more of Yandex N.V. shares and sale of all or substantially all assets
 - Non-transferrable high-vote Class B shares held by CEO and certain early shareholders do not seem sufficient to fully address the challenges that the Company is currently facing

The Background – Increasing Regulation & Scrutiny on a Global Level

Throughout the world, governments, regulators, businesses and consumers have intensified their scrutiny of internet and technology businesses. In recent years, the growing role of the internet in day-to-day life has heightened the concerns around out personal data, access to news and the flow of information.



US

Expanding the scope of foreign investment commission, banning operations of selected foreign tech companies, ordering divestures of foreign investments, blocking foreign acquisitions



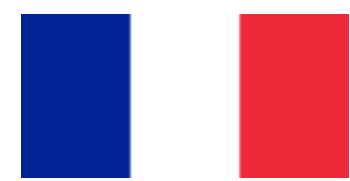
China

Expanding the scope of cyber security legislation, aimed at censoring user-generated content, tracking user identities and protecting personal data; partially or completely restricting foreign investment in selected sectors of the technology industry



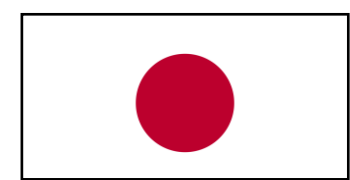
Canada

Blocking foreign companies from acquiring critical infrastructure



France

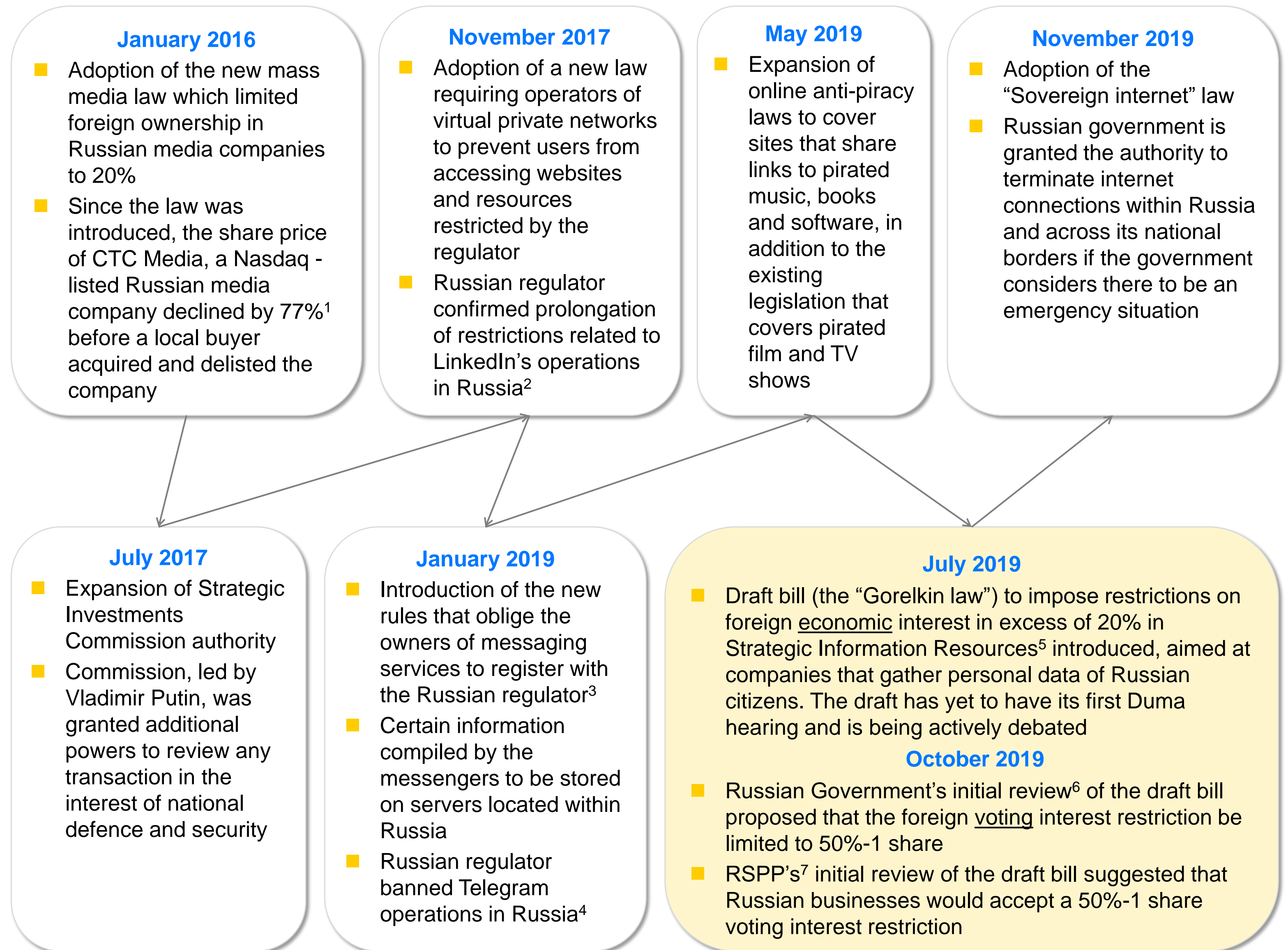
Expanding the scope of foreign investment regulations and broadening the list of protected industries



Japan

Expanding the scope of restricted business sectors, requiring foreign investors to receive ministerial approval

The Background – Regulatory Developments in Russia



Source: Factiva
¹ Calculated using prices as of 14-Sep-14 (the date when Government introduced the law) and 02-Jul-15 (before UTH offer announcement for the purchase of 75% stake). ² Access restricted since 10-Nov-16. ³ Roskomnadzor.
⁴ Access restricted since 13-Apr-18. ⁵ Criteria for becoming a SIR are not clearly defined.
⁶ Review is published on behalf of K.Chuychenko, Deputy Prime Minister of Russia, Chief of the Government Staff. ⁷ Russian Union of Industrialists and Entrepreneurs.



Corporate Governance Restructuring Proposal

Objectives of the Proposed Restructuring

1 Addressing concerns of Russian regulators and public authorities

2 Protecting Yandex N.V. from potential adverse legislative developments in Russia

3 Protecting economic interests of Yandex's shareholders, expanding certain rights of Class A shareholders and ensuring continued strong governance

Structure PRIOR to the Proposed Restructuring

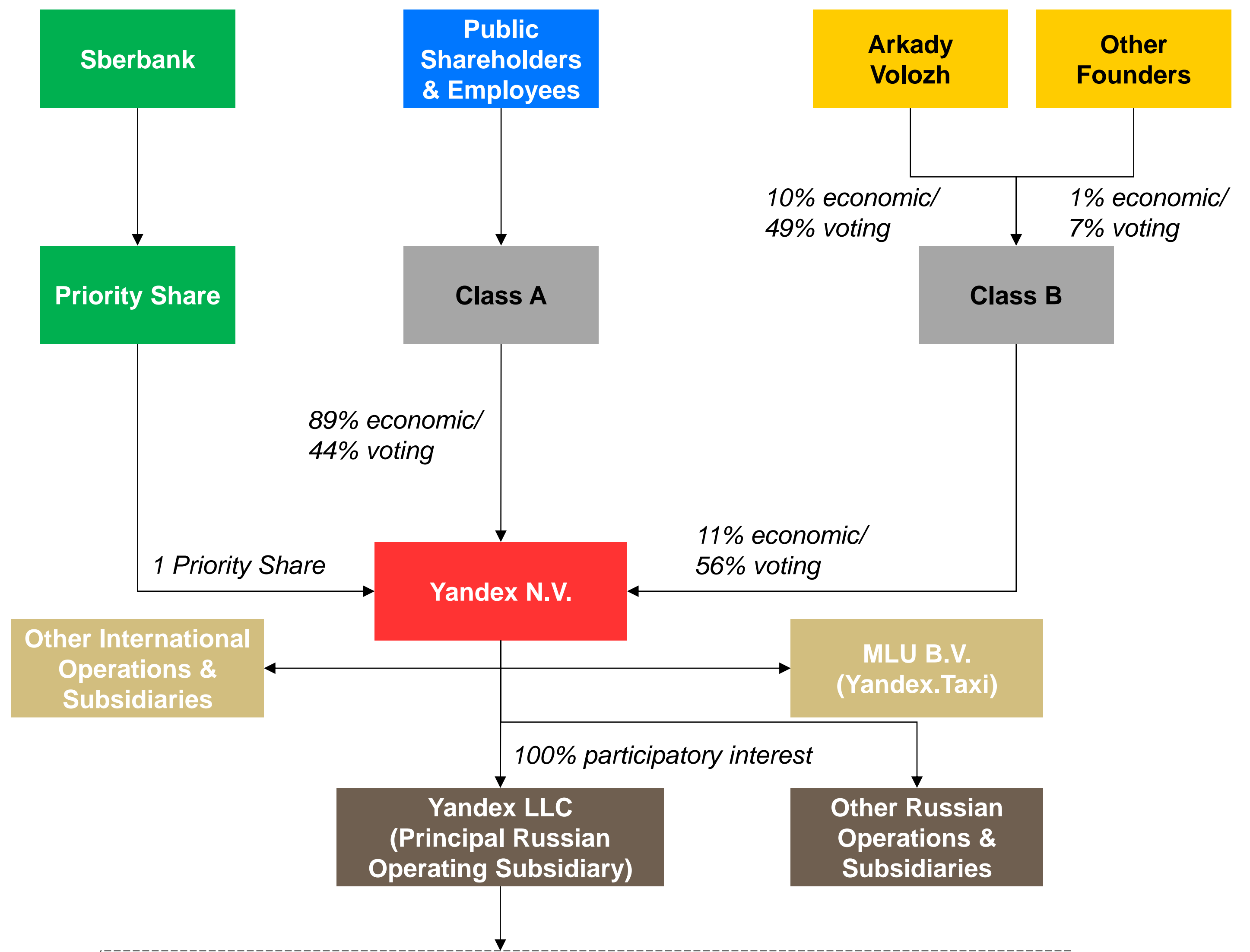
Shares Outstanding

- 328.7MM total shares outstanding, including
 - 291.5MM Class A (1 vote per share)
 - 37.1MM Class B (10 votes per share); Non-transferrable, automatically convert to Class A upon sale or holder's death
 - 1 Priority Share

662.9MM total number of votes

Priority Share

- Issued to Sberbank in September 2009
- Right to approve the accumulation of more than 25% of shares (in number or by voting power) in Yandex N.V.
- Right to approve the sale or transfer of all or substantially all of the assets of Yandex N.V., including the sale of Yandex LLC
- Does not carry any additional control or governance rights
- Economic rights limited to its pro rata nominal entitlement of €1.00



- Principal operations, which include Search & Portal, among others
- Holds core IP that underpins the Yandex Group ecosystem (software code, algorithms and know-how)
- Owns data centers and holds personal data and big data of Russian users

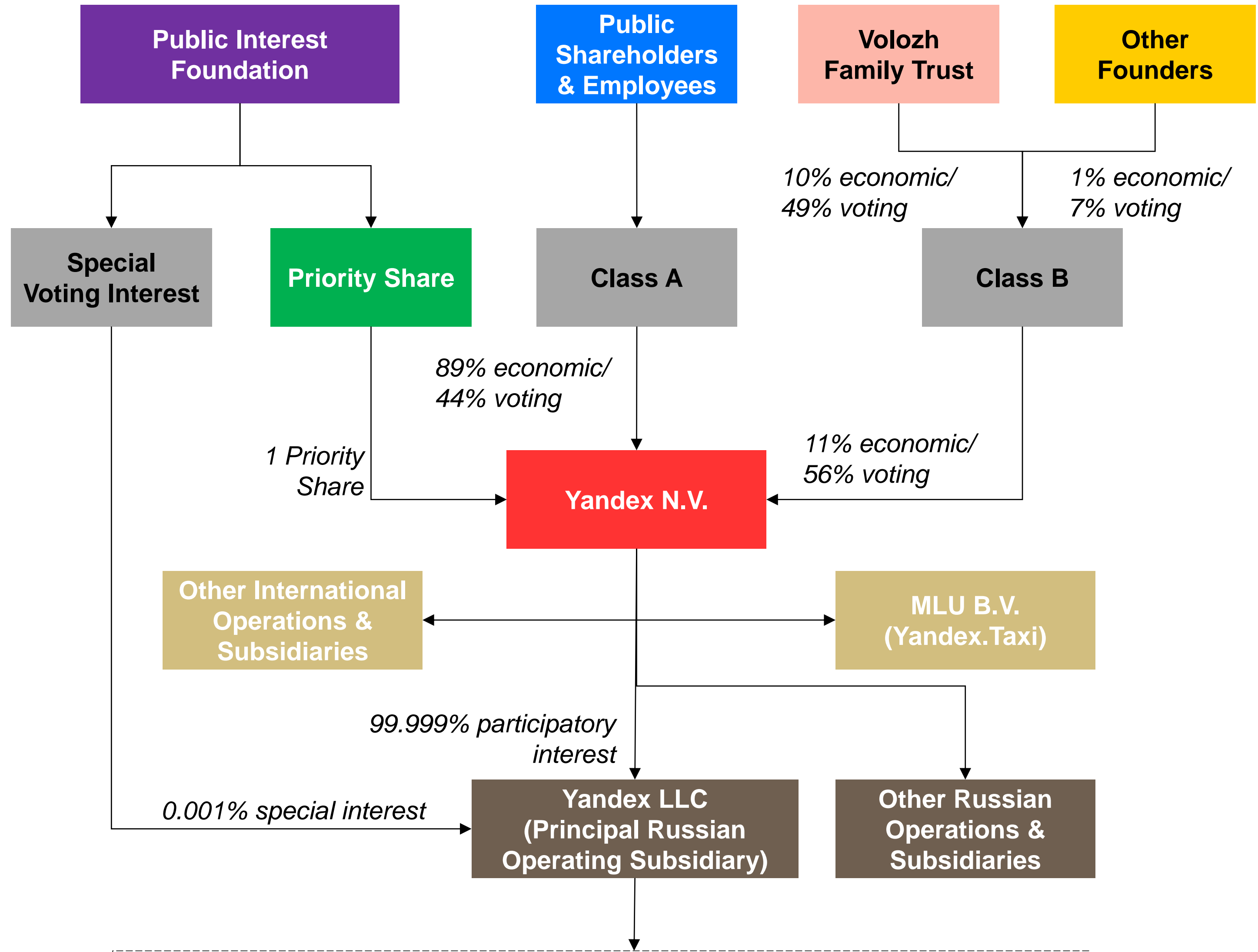
Note: Economic and voting structure presented as of 31-Oct-19.

Structure Immediately AFTER the Proposed Restructuring

New and Amended Governance Structures

- **Public Interest Foundation** to safeguard the public interest of the Russian Federation; to appoint 2 Designated Directors (“DD”) to Yandex N.V. Board
- **Public Interest Committee** of the BoD of Yandex N.V. is a gatekeeper on certain focused & defined Board matters related to disposals or transfers of material IP or personal data to foreigners; to be comprised of 3 Directors, including 2 DDs and Yandex N.V. CEO
- **Nominating Committee** of the BoD of Yandex N.V. to select and recommend Yandex N.V. Board nominees; to include 1 DD who will have veto right on the appointment of 4 Board Directors
- **Class B shares** rights to be amended to include a 2-year moratorium on conversion into Class A shares upon the death of the holder
- **Volozh Family Trust** will be established to hold Mr. Volozh’s current Class B shares, 95% of which will be locked-up for a period of 2 years
- **Priority Share** to be transferred from Sberbank to Public Interest Foundation; right to approve accumulation of a significant stake in the Company to be amended to 10% of shares (in number or by voting power) in Yandex N.V. from 25% as before the restructuring
- **Class A Shares** will receive additional rights to approve significant share issuance and material transactions

Note: Economic and voting structure presented as of 31-Oct-19.



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- Holds core IP that underpins the Yandex Group ecosystem (software code, algorithms and know-how)
- Owns data centers and holds personal data and big data of Russian users

Public Interest Foundation Overview

- Public Interest Foundation established as an “orphan” entity, incorporated under Russian law in Kaliningrad Special Administrative Region, with no shareholders, owners or beneficiaries (modelled after the Stichting concept in Dutch corporate law)
 - The draft legislation was approved by the State Duma in the 3rd 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
- Governed by a Board of Directors consisting of 11 directors, including Yandex N.V. CEO, 2 directors nominated by Yandex N.V. CEO, 5 directors nominated by state universities and 3 directors nominated by independent institutions
- Holds Priority Share in Yandex N.V. (transferred from Sberbank) and Special Voting Interest in Yandex LLC, the principal Russian operating subsidiary of Yandex N.V., granting it certain limited protective governance rights
- Right of Priority Share to be amended to grant the following rights:
 - binding nomination of 2 Designated Directors to the Board of Yandex N.V.,
 - approval of accumulation of 10% or more (from 25% previously) shares (economic or voting control) in the Company, and
 - approval of the sale or transfer of all or substantially all of assets, including the sale of Yandex LLC;
- Designated Directors will sit on the newly formed Public Interest Committee of the Board of Directors of Yandex N.V. (2 of 3 seats) and on its Nominating Committee (1 out of 5 seats), which is responsible for nominating members to the Yandex N.V. Board of Directors. A Designated Director serving on the Nomination Committee will have a right to veto nomination of 4 out of 12 Board Directors. Any nominations will still need to be approved by the Board before putting them to a shareholder vote

Public Interest Foundation Overview (Cont'd)

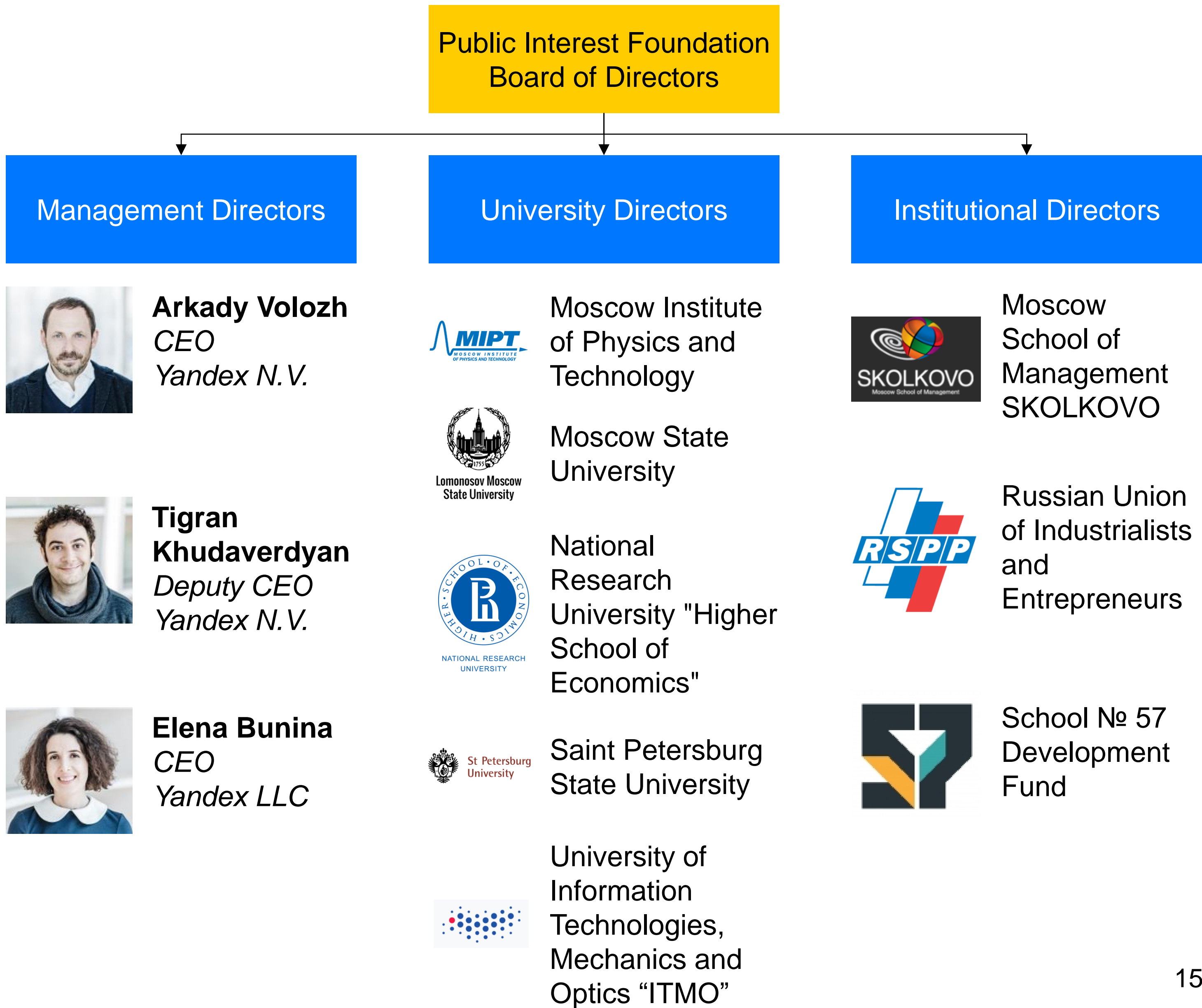
- The Public Interest Committee of Yandex N.V. Board, will have the ability to act as a gatekeeper only on a limited list of matters (rather than day-to-day operations), related to:
 - transfer of material IP rights, if as a result Yandex N.V. would lose the ability to use such rights in Russia,
 - transfer of Russian users' personal data and non-depersonalized big data to non-Russian persons,
 - Russian users' personal data protection policies,
 - agreements with non-Russian states or international intergovernmental organizations
- Special Voting Interest will allow Public Interest Committee, in very specific situations, and upon the determination of the qualified majority of directors of the Foundation, the temporary replacement of the General Director of Yandex LLC
- The situations, triggering the replacement of the General Director are:
 - a Special Corporate Situation - an unresolved breach of specific governance rights of the Public Interest Foundation at the Yandex. N.V level
 - a Special Situation - an unresolved issue constituting an extraordinary one-off event related to matters of the national security of the Russian Federation requiring urgent remedy

Public Interest Foundation Overview (Cont'd)

- The temporary replacement of the Director of Yandex LLC with an Interim General Director is a clearly outlined process
 - Determination of the trigger must be made by at least 5 University directors, and
 - In case of a Special Corporate Situation – at least 1 additional Institutional or Management Director
 - In case of a Special Situation – at least 2 additional Institutional or Management Directors
 - After the Foundation Board decides that a trigger has occurred, a notice will be sent to the Company indicating the issue and giving the Company sufficient time to remedy the situation within a cure period
- Should the Company fail to remedy the situation within the appropriate cure period, PIF's Special Voting Interest in Yandex LLC becomes super-voting, granting PIF the ability to replace the General Director with an Interim General Director picked from a pre-agreed list
- An Interim General Director will have significantly limited powers (no right of termination of employees or manage bank accounts, approve transactions over c. \$47,000, etc.) and will hold office until a situation triggering the replacement is resolved, effectively placing the control over Yandex LLC, while he is in office, in the hands of Yandex N.V., as a controlling participant in Yandex LLC
- The Interim General Director will hold office:
 - In case of a Special Corporate Situation – until Yandex N.V. determines that the situation has been resolved
 - In case of a Special Situation – for a period of 15 days, or earlier, if the Yandex N.V. Board and the PIF mutually agree that the situation has been resolved

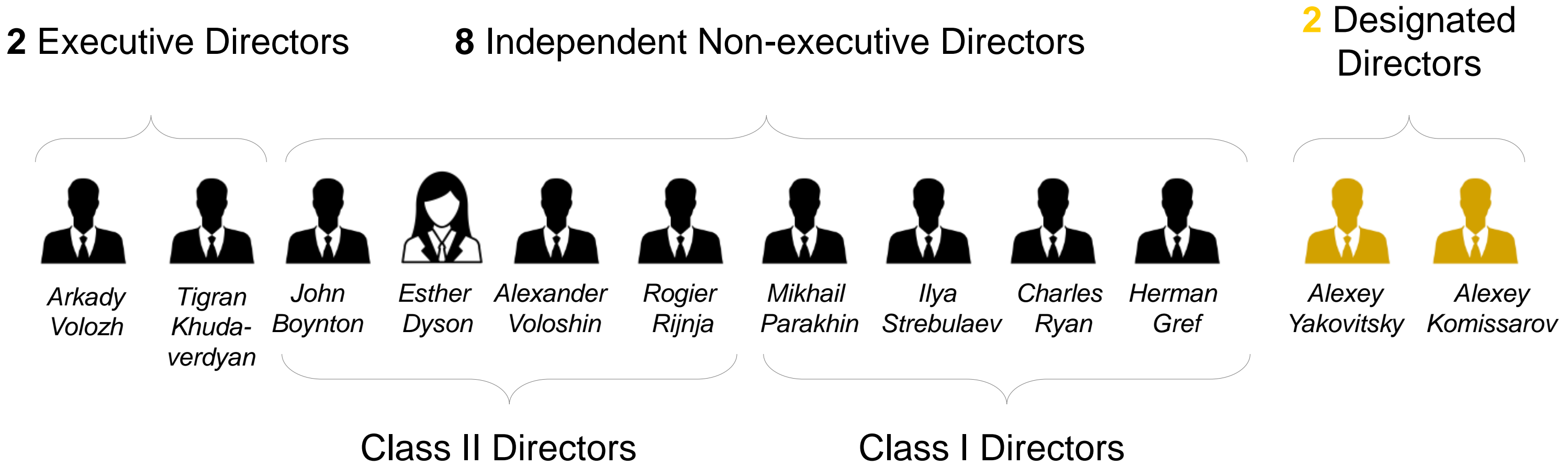
Public Interest Foundation Board Composition

Our long-standing and productive relationship with the universities and institutions represented on the Public Interest Foundation Board will allow us to have an open and direct dialogue with relevant stakeholders



Changes to the Yandex N.V. Board Composition

- BoD will be expanded to include 2 additional Designated Directors appointed by the Public Interest Foundation via a binding nomination
- A new Public Interest Committee will be formed to address a specific, limited set of issues
- Nominating Committee will be separated from the Corporate Governance Committee and will nominate potential board candidates to the Board. A Designated Director will have the right to veto 4 out of 12 nominees to the BoD of Yandex N.V.



Public Interest Committee

- Comprised of 2 DDs and the CEO; decisions must be unanimous
- Has power to approve Board’s decisions on certain and specific matters related to:
 - Sale or licence of material IP rights that would restrict its use by Yandex in Russia
 - Transfer of personal data of Russian users to non-Russian persons
 - Modification of internal policies on protection of personal data and big data of Russian users
 - Agreements with a non-Russian state or a non-Russian state organization

Nominating Committee

- Comprised of 1 DD and 4 Independent Non-executive Directors
- Board selects one of two DDs to serve on the Nomination Committee by a simple majority vote
- Responsible for recommending to the Board the nomination of the 10 Directors who are not the Designated Directors
- DD will have veto right (but not approval rights) in respect to the nomination of the 4 Class I Directors of the Board
- Board will have to approve Class I candidates before proposing them for shareholder vote

Designated Directors Candidates Overview



**Alexey
Komissarov**

- Vice-Rector of the Russian Presidential Academy of National Economy and Public Administration
- Member of PJSC SIBUR Holding's Board of Directors
- Served as the Director of the Industry Development Fund and as an Independent Director, Member of the Strategy and Investment Committee and Chairman of the Budget and Reporting Committee to GLONASS in 2015-2017
- Served in the Moscow government as a Minister and Head of the Department of Science, Industrial Policy and Entrepreneurship and Advisor to the Mayor in 2011-2015
- Holds degree from the Moscow Automobile and Road Construction State Technical University (MADI) in Automotive Engineering and Maintenance and MBA from Kingston University (UK)
- Graduated from the Institute of Directors as a Chartered Director



**Alexey
Yakovitsky**

- CEO of VTB Capital, VTB Group's investment banking business, member of VTB Capital's board of directors, Chairman of the Supervisory Board of VTB Bank (Europe) SE, member of the Board of Directors of Rostelecom
- Started his career in equity research at United Financial Group (UFG). Ranked #1 telecom analyst for Russia by Institutional Investor in 2004
- Co-head of Russian equity research at UFG and Deutsche Bank (which acquired UFG) in 2005-2008
- Joined VTB Capital in 2008 as co-head of equities and head of research, and became CEO of VTB Capital Russia in 2009
- Holds 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)

Volozh Family Trust: Overview & Mr. Volozh Lock-up

- Currently, Class B shares are held directly by Mr. Volozh and immediately convert into Class A shares upon their sale or death of Mr. Volozh.
- As part of this restructuring, Company articles will be amended to establish a 2-year moratorium in case of Class B holder's death (currently, conversion is immediate and automatic).
- Mr. Volozh will establish The Volozh Family Trust to hold his Class B shares.
- During the 2 year transition period, 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. The Trust cannot sell any Class B shares during the transition period. After 2 years, the shares held by the trust would automatically convert into Class A shares.
- Mr. Volozh has also agreed to a lock-up of 95% of his current Class B shareholding for a period of 2 years. For illustration, should other holders of Class B shares sell their entire current holdings of their Class B shares and Mr. Volozh sell the permitted 5% of his Class B holding, Mr. Volozh would still hold over 51% voting interest in Yandex N.V.

Indicative Timetable and Approval Process for the Restructuring

Restructuring process requires the affirmative vote by the holders of a three-fourths of the votes cast in the Meeting of Holders of Class A Ordinary Shares (“Class A Meeting”)¹

Event	Date and Time (CET) ²
1 Voting Record Date for Both Shareholder Meetings	November 22, 2019 at 11.59 p.m. CET
2 Latest Time and Date for Receipt of Forms of Proxy for Both Shareholder Meetings	December 19, 2019 at 11.59 p.m. CET
3 Class A Meeting	December 20, 2019 at 10:00 a.m. CET
4 Extraordinary General Meeting	December 20, 2019, immediately following the Class A Meeting, and subject to approval of all proposals at the Class A Meeting
5 Restructuring Becomes Effective if all Shareholder Resolutions are Successfully Passed	As promptly as practicable following approval

¹ Under Articles of Association, blank or invalid votes count towards establishing a quorum, but do not count for voting purposes. ² The dates and times are indicative only and are based on current expectations and may be subject to change.


In Conclusion

Our proposal provides a framework for continued strong corporate governance, while addressing the need for further oversight of the business given its strategic significance

It is designed to safeguard the future of Yandex and protect stakeholder interests, including, in particular, economic interests of Class A shareholders, as well as to continue to pursue our strategic objectives as an independent company

Proposed structure also grants Class A shareholders additional rights and removes the risk of a sudden shift of control over the Board of Directors of Yandex N.V to non-Russian parties

We encourage you to vote in favour of the proposed amendments

A photograph of a curved, light-colored stone staircase. The stairs are made of wide, light-colored stone steps and are set against a curved wall of the same material. A curved handrail, also made of stone, runs along the left side of the stairs. The overall aesthetic is clean and modern. The text "Supplementary Materials" is overlaid on the left side of the image.

Supplementary Materials

Increasing Regulation & Scrutiny on Global Level



US

- In Sep-19, the US Treasury issued draft regulations to implement changes required under the FIRRMA (Foreign Investment Risk Review Modernization Act) that were aimed at expanding types of investments and activities that will fall within the jurisdiction and review of the CFIUS¹
- Throughout the last year the US government has publicly taken steps to exclude Huawei from developing 5G networks due to the Chinese government's alleged influence over Huawei
- In Mar-19 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 Mar-18 CFIUS also blocked the proposed takeover by Broadcom (a Singapore-incorporated company) of Qualcomm (a US-incorporated company)



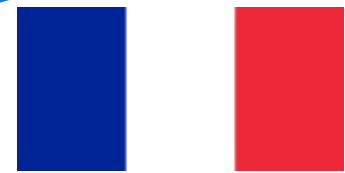
China

- in China, the regulation of telecommunications, internet and media industries have significantly intensified since 2014, when Cyberspace Administration of China ("CAC") was established with the focus on expanding and formalizing the country's internet administration
- Since its establishment, CAC has significantly expanded the scope and reach of internet regulation, particularly in the areas of censoring user-generated content, tracking and verifying user identities and protecting personal user information
- Foreign investment into the Chinese internet and technology space is also subject to multiple restrictions, including prohibiting direct foreign ownership in the telecommunications sector



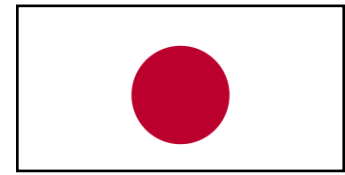
Canada

- Following national security review in 2018, the Canadian government blocked Singapore-incorporated company CCC International Holdings Limited from acquiring the Canadian company Aecon Group Ltd due to concerns that critical infrastructure could become foreign-investor controlled



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



Japan

- In Sep-19 FEFTA² expanded 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

¹ Committee on Foreign investment in the United States. ² Foreign Exchange and Foreign Trade Act.

Overview of Cooperation with Universities and Institutions



Moscow Institute of Physics and Technology

- ✓ Yandex and MIPT co-founded the Data Analysis Department, now part of the Department of Innovation and High Technology, in 2007. Head of the Data Analysis Department is Elena Bunina, CEO of Yandex LLC
- ✓ Yandex has been contributing part of its School of Data Analysis program to MIPT's program in Information Search and Machine Learning within the Intelligent Systems Department since 2011
- ✓ For many years Yandex has sponsored the International Collegiate Programming Contest (ICPC) competitions in MIPT



Lomonosov Moscow State University

Moscow State University

- ✓ Elena Bunina is an MSU Professor since 2001
- ✓ The Yandex School of Data Analysis and MSU's Faculty of Mathematics have coordinated their programs starting from 2012
- ✓ About half of those who have ever lectured at the Yandex School of Data Analysis now teach or have taught at the MSU



NATIONAL RESEARCH UNIVERSITY

Higher School of Economics

- ✓ Yandex has been a partner of the HSE since 2008
- ✓ Arkady Volozh is a member of the the Board of HSE Trustees. Elena Bunina is a member of the HSE Supervisory Council
- ✓ Yandex and the HSE co-founded the Faculty of Computer Science in 2014. Ivan Arzhancev, the head of academic projects of Yandex, was appointed as the Dean



Saint Petersburg State University

- ✓ A master's program in Data Analysis based on the program offered by the Yandex School of Data Analysis was opened at the St Petersburg University in 2014
- ✓ Yandex contributed to the launch of a new faculty – the Faculty of Mathematics and Computer Science – at the St Petersburg University in 2019. The Faculty had one of the highest numbers of Olympiad winners and runners-up among students enrolled that year



ITMO University

- ✓ Yandex has been sponsoring the semi-finals of the ITMO-organized ICPC World Programming Championship for over a decade
- ✓ In addition to sponsoring the WPC semi-finals, Yandex also supports its quarterfinals in St Petersburg and the National Programming Olympiad for Student Teams, also organized by the ITMO

Overview of Cooperation with Universities and Institutions (Cont'd)



The Moscow School of Management

- ✓ The Moscow School of Management SKOLKOVO is a private business school founded in 2006 as a joint project of the national and international business
- ✓ Yandex partners with SKOLKOVO in corporate training: sharing experience, organizing conferences, running courses and programs



Russian Union of Industrialists and Entrepreneurs

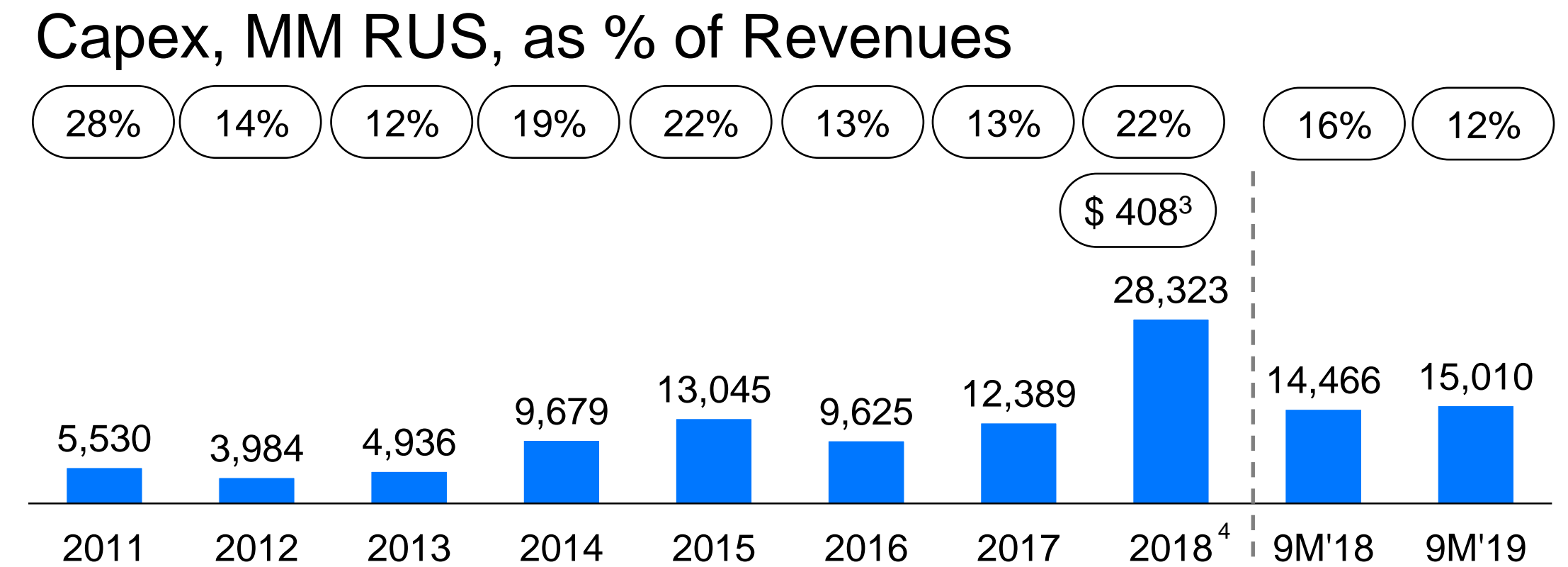
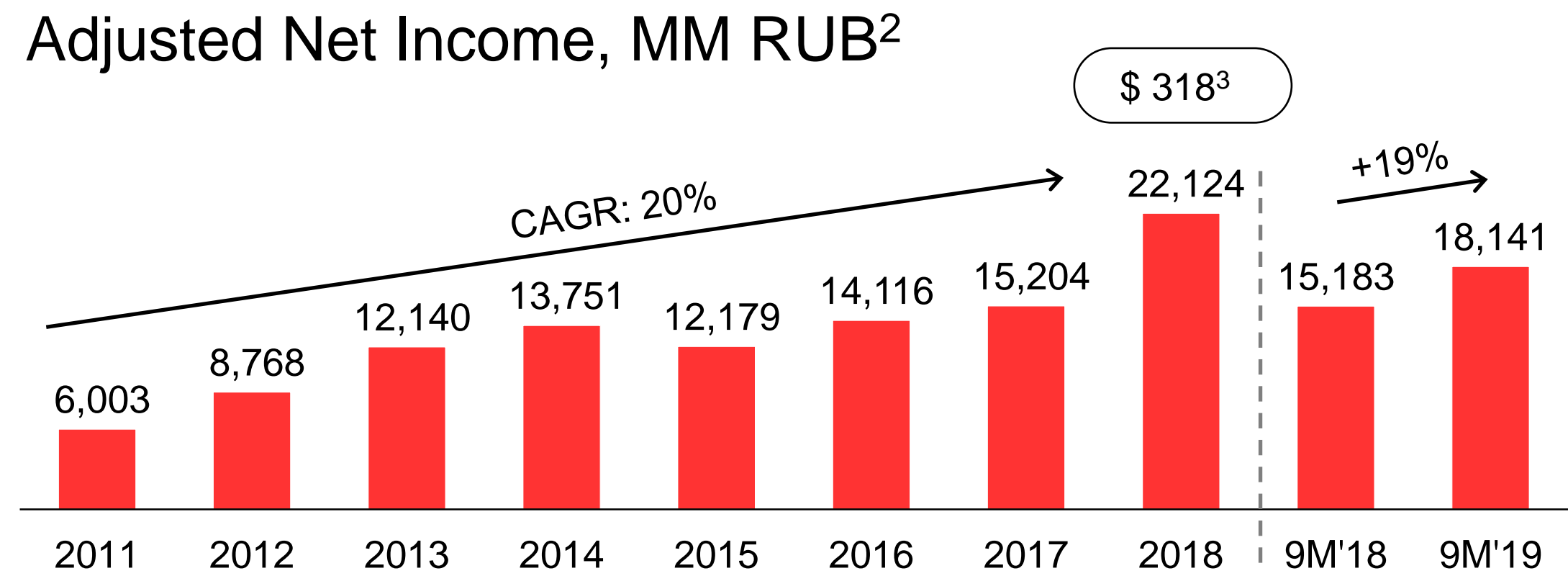
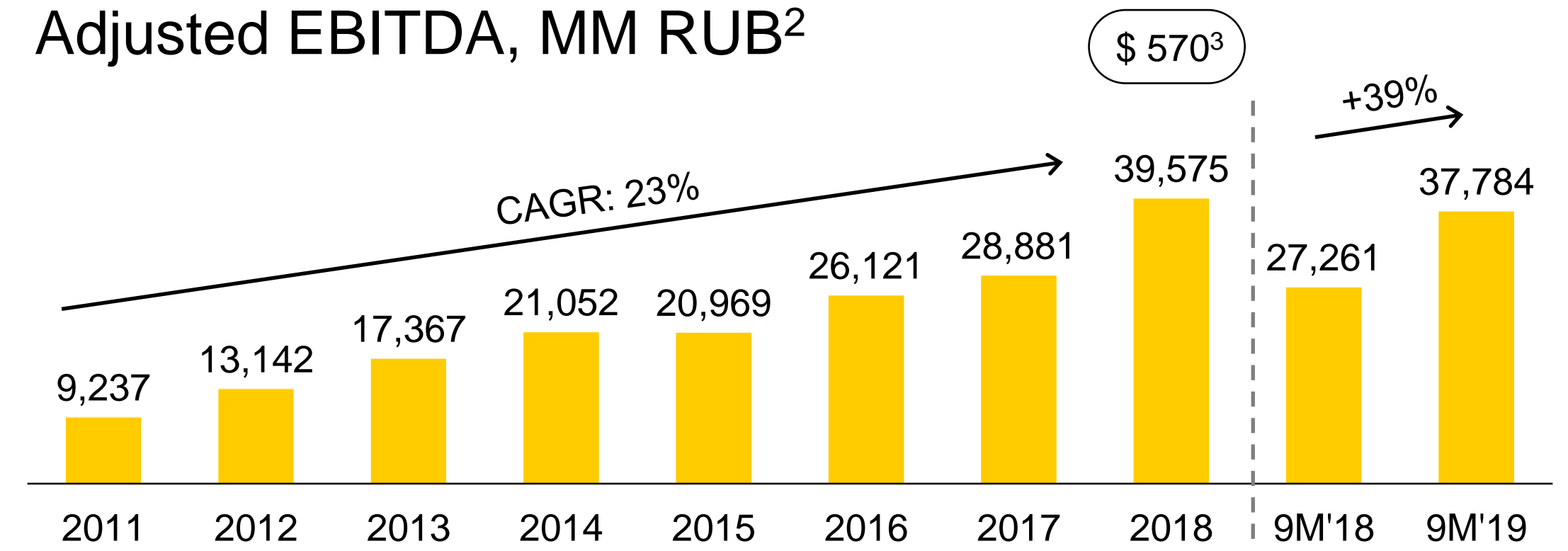
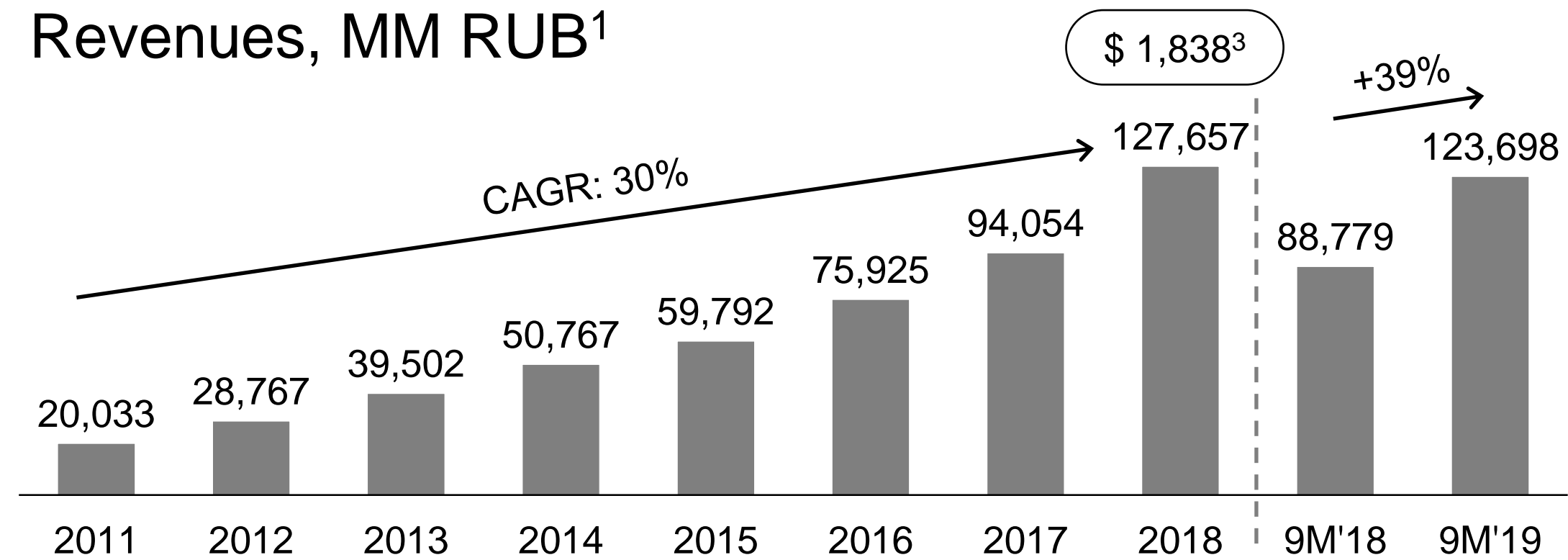
- ✓ Yandex is a member of the RSPP alongside over a hundred industrial and regional associations that represent key sectors of the economy: oil & gas industry, engineering, defence industry, construction, chemical industry, consumer goods and food manufacturing, banking, and services sector
- ✓ The RSPP and Yandex co-founded a new format of a large-scale student competition for professional development in technology, humanities and natural sciences. Called "I am a professional", the competition uses tasks created by experts working at Russia's largest companies and leading universities that test participants' professional rather than general knowledge. Winners of the competition receive cash prizes, benefits for admission to postgraduate studies, and employment advantages



School № 57 Development Fund

- ✓ School 57 is one of the leading mathematical schools in Russia. It is one of Russia's top ten schools by the number of national academic completion winners in various subjects. It is second among schools in Moscow with the best Unified State Exam results and academic competition results for the academic year 2011-2012
- ✓ School 57 is one of Moscow's schools that have developed extensive experience nurturing gifted students for many years
- ✓ Yandex has a long history of collaborating with School 57, which started with the launch of Yandex.Lyceum as a testing ground for the School's courses in basic and supplementary education in 2016

Yandex N.V. Financial Summary



Note: The growth rates of the financial results, excluding Yandex.Market. We deconsolidated Yandex.Market starting 27-Apr-2018, The date of the completion of the Yandex.Market joint venture between Yandex and Sberbank

¹ Revenues are recognized net of VAT, discounts and commissions, but gross of TAC. ² Adjusted EBITDA and Adjusted Net income are non-GAAP financial measures. ³ Converted using an exchange rate of Rub 69.4706 to \$1.00 as of 31-Dec-2018. \$ figures, shown in charts, expressed in millions. ⁴ Capex excluding the one-off effect from the headquarter site acquisition that amounted to 9.7 RUBbn in 2018

Shareholder Vote

The Shareholder Circular, 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 both meetings, 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.

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