



## 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

### Agenda and Explanatory Notes

Date: June 28, 2018 at 4:00 p.m. local time  
Location: Van Doorne  
Jachthavenweg 121  
1081 KM Amsterdam, The Netherlands

#### **Opening**

Introductory Remarks

#### **Approval of 2017 statutory accounts; discharge of Directors**

1. To approve the extension of the term for the preparation of the 2017 statutory annual accounts of Yandex N.V. (the “**Company**”). **(Decision)**
2. To approve the annual statutory accounts of the Company for the 2017 financial year (prepared in accordance with IFRS in accordance with the Dutch Corporate Governance Code). **(Decision)**
3. To discharge the members of the Board of Directors from their liability towards the Company in respect of the management of the Company during the 2017 financial year. **(Decision)**

#### **Re-appointment and appointment of directors**

4. To re-appoint John Boynton to serve as a non-executive member of the Board of Directors, for a three-year term. **(Decision)**
5. To re-appoint Esther Dyson to serve as a non-executive member of the Board of Directors, for a three-year term. **(Decision)**
6. To appoint Ilya A. Strebulaev to serve as a non-executive member of the Board of Directors, for a three-year term. **(Decision)**

#### **Cancellation of shares**

7. To cancel 6,980,076 outstanding Class C shares, all held by the Company. **(Decision)**

### **Appointment of Auditor**

8. To appoint JSC KPMG, an independent registered public accounting firm and the Russian affiliate of KPMG International, as auditors of the Company's consolidated financial statements for the 2018 financial year (to be prepared under U.S. GAAP), and KPMG Accountants N.V., its Dutch affiliate, as external auditors of the Company's statutory annual accounts for the 2018 financial year (to be prepared under IFRS).  
**(Decision)**

### **General designations and authorizations of the Board of Directors**

9. To designate the Board of Directors as the competent body to issue from time to time ordinary shares up to 20% of the issued share capital and preference shares up to the authorized share capital of the Company for a period of five years from the date of the Annual General Meeting. **(Decision)**
10. To designate the Board of Directors as the competent body to exclude pre-emptive rights of the existing shareholders in respect of the issue of ordinary shares and preference shares for a period of five years from the date of the Annual General Meeting. **(Decision)**
11. To authorize the Board of Directors for a period of 18 months to repurchase shares in the capital of the Company up to a maximum of 20% of the issued share capital from time to time, in the case of Class A shares, against a purchase price equal to the market price on the Nasdaq Global Select Market of the Class A shares at the time of repurchase. **(Decision)**

### **Other business**

Any other business.

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## Explanatory Notes to the Agenda

### *Opening*

The Chief Executive Officer will look back on 2017, including the Group's financial performance, and will look ahead, explaining the strategy and plans of Yandex for 2018.

- 1-3. Extension of the term for the preparation of the 2017 Annual Statutory Accounts of Yandex N.V.; approval of 2017 Annual Statutory Accounts of Yandex N.V.; discharge of the members of the Board of Directors from their liability towards the Company for management during the 2017 financial year*

These agenda items include proposals to extend the term for the preparation of and to adopt the 2017 Statutory Accounts, as well as to discharge the members of the Board of Directors, in accordance with Dutch law, from liability towards the Company for the performance of their duties in 2017. With respect to the extension of the term for the preparation of the 2017 Annual Statutory Accounts, under Dutch law, the statutory annual accounts must be prepared within five months of the end of the financial year. Due to coordination issues with the Company's auditors, the 2017 statutory annual accounts had not been finalized by May 31, 2018 as required but only by June 5, 2018. The proposed discharge of the members of the Board of Directors only covers matters that are known to the Company at the 2018 AGM when the resolution to discharge is adopted. Copies of the 2017 Statutory Accounts are available for inspection by shareholders at the registered office of the Company, and can also be obtained from Investor Relations, tel +7 495 739-7000 or by email: askir@yandex-team.ru.

- 4. Re-appointment of John Boynton as a non-executive member of the Board of Directors*

It is proposed to re-appoint John Boynton as a non-executive member of the Board of Directors of the Company for a three-year term with effect from June 28, 2018 and running until the annual general meeting to be held in 2021.

Mr. Boynton has been a non-executive director since 2000 and has served as Chairman since 2016. Mr. Boynton is the president of Firehouse Capital Inc., a privately held investment company with investments in a variety of early stage companies. He also serves on the boards of several non-profit organizations. Mr. Boynton served as a founder and managing director of Wilson Alan LLC from 2001 through 2006, as vice president of corporate strategy and development at Forrester Research from 1997 to 2001, as a strategy consultant with Mercer Management Consulting from 1995 to 1997, and as co-founder and president of CompTek International from 1990 to 1995. Mr. Boynton graduated from Harvard College. The Board of Directors is pleased that Mr. Boynton is available to continue to serve as a member of the Board of Directors.

- 5. Re-appointment of Esther Dyson as a non-executive member of the Board of Directors*

It is proposed to re-appoint Esther Dyson as a non-executive member of the Board of Directors of the Company for a three-year term with effect from June 28, 2018 and running until the annual general meeting to be held in 2021.

Ms. Dyson has been a non-executive director since 2006. Ms. Dyson is the executive founder of Way to Wellville, a US non-profit dedicated to the production of health and the demonstration of its financial feasibility through a five-community project. Ms. Dyson is an active investor and board member in a variety of IT, health care and aerospace start-ups, and also sits on the board of Luxoft, another IT company of Russian origin. She started her career as a fact-checker for Forbes Magazine, and then spent five years as a securities analyst on Wall Street. At New Court Securities, Ms. Dyson comprised the sell-side research department, and worked on the initial public offering of Federal Express, among others. At Oppenheimer & Co., she followed the nascent software and personal computer markets. From 1982 to 2004, as the owner of EDventure Holdings, she edited its newsletter Release 1.0 and ran its annual PC Forum conference. She sold EDventure to CNET in 2004, and reclaimed the name when she left CNET at the beginning of 2007. In addition to Yandex and Luxoft, her Russian interests have included advisory board seats with both IBS Group and SUP/LiveJournal, and investments in the technology companies Epam, Ostrovok, Medesk, Fairwaves, TerraLink, UCMS and Zingaya. In the U.S., she sits on the boards of 23andMe, Wellpass and others. She was an early investor in Flickr and del.icio.us (sold to Yahoo!), Medstory and Powerset (sold to Microsoft), Brightmail (sold to Symantec), Postini (sold to Google), Square Trade and Apiary, among others. She is the author of “Release 2.0: A design for living in the digital age” (1997), which has been translated into 18 languages. She earned a B.A. in economics from Harvard University, and speaks Russian. The Board of Directors is pleased that Ms. Dyson is available to continue to serve as a member of the Board of Directors.

6. *Appointment of Ilya A. Strebulaev as a non-executive member of the Board of Directors*

It is proposed to appoint Ilya A. Strebulaev as a non-executive member of the Board of Directors of the Company for a three-year term with effect from June 28, 2018 and running until the annual general meeting to be held in 2021.

Mr. Strebulaev has been on the faculty at the Graduate School of Business, Stanford University since 2004 and currently is the David S. Lobel Professor of Private Equity and a tenured Professor of Finance. He has also been a Research Associate at the National Bureau of Economic Research since 2010. He graduated from the London Business School with a doctorate in Finance. He also holds degrees from Lomonosov Moscow State University (B.Sc. Economics) and the New Economic School, Moscow (M.A. Economics). The Board of Directors is pleased that Ilya Strebulaev is available to serve as a member of the Board of Directors and believe that in addition to his qualification in Finance, he will bring to the Board his expertise in the global technology industry, as well as his experience in corporate innovation and leadership.

7. *Cancellation of outstanding Class C shares*

The Company has issued Class C shares from time to time solely for technical purposes, to facilitate the conversion of its Class B shares into Class A shares. The Company’s Class C shares were held by a Conversion Foundation managed by members of the Board of Directors,

have been transferred for no consideration to the Company for the purpose of cancellation, and will be cancelled following the AGM.

8. *Appointment of the external auditor of the Company*

In accordance with Dutch law, the external auditor of the Company is appointed at the AGM. The Audit Committee has advised the Board of Directors to propose at the AGM the appointment of JSC KPMG, an independent registered public accounting firm and the Russian affiliate of KPMG International, as auditors of the Company's consolidated financial statements for the 2018 financial year (to be prepared under U.S. GAAP), and KPMG Accountants N.V., its Dutch affiliate, as external auditors of the Company's statutory annual accounts for the 2018 financial year (to be prepared under IFRS).

9-11. *General authorization of the Board of Directors to (i) issue ordinary shares and preference shares; (ii) exclude pre-emptive rights; and (iii) acquire shares in the Company*

The proposals to authorize the Board of Directors (i) to issue ordinary shares in an amount up to 20% of the issued share capital from time to time and preference shares in an amount up to the authorized share capital from time to time of the Company, and (ii) to exclude the pre-emptive rights of shareholders in respect of such issuances are intended to give the Board of Directors flexibility in financing the Company in the most efficient manner. In addition, enabling the Board of Directors to authorize the issue of a class of preference shares in such a manner as to dilute the interest of any potential acquirer is intended to make a takeover of the Company more difficult or less attractive. Under Dutch law, such preference shares may be issued to a protective foundation which may provide a block against any potential takeover. Furthermore, such authorizations give the Board of Directors flexibility in the context of acquisitions and mergers.

The proposal to authorize the Board of Directors to repurchase shares in the capital of the Company, up to a maximum of 20% of the issued share capital from time to time, in the case of Class A shares, against a purchase price equal to the market price on the Nasdaq Global Select Market of the Class A shares at the time of repurchase, is intended to, among other things, enable the Company to flexibly manage its capital structure in light of market conditions and the Company's financial position.

The Board of Directors have authorized a repurchase of up to \$100 million worth of Class A shares of the Company under the authorization previously granted by annual general meeting of shareholders on May 25, 2017. Such shares may be repurchased from time to time in open market transactions. The timing and amount of share repurchases will depend on a variety of factors, including market conditions. The Company intends to make all repurchases in compliance with applicable regulatory guidelines and to administer the program in accordance with applicable laws, including Rule 10b-18 under the Securities Exchange Act of 1934. The company intends to enter into a repurchase plan under Rule 10b5-1 under the Exchange Act in respect of the shares to be repurchased under such program. The repurchase program is effective for up to twelve months.

Adoption of these proposals at the AGM replaces the current authorizations of the Board of Directors in respect of these matters, which were granted at the Annual General Meeting of Shareholders on May 25, 2017.

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