

# YANDEX N.V.

## **FORM S-8** (Securities Registration: Employee Benefit Plan)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-8**

**REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933**

**YANDEX N.V.**

(Exact Name of Registrant as Specified in Its Charter)

**Netherlands**  
(State or Other Jurisdiction of Incorporation or  
Organization)

N/A  
(I.R.S. Employer Identification  
No.)

**Schiphol Boulevard 165**  
**Schiphol 1118 BG, The Netherlands**  
(Address of Principal Executive Offices)

N/A  
(Zip Code)

**2016 Equity Incentive Plan**  
(Full Title of the Plans)

**Yandex Inc.**  
**38R Merrimac Street, Suite 201**  
**Newburyport, MA 01950**  
(Name and Address of Agent For Service)

**1-617-398-7870**  
(Telephone Number, Including Area Code, of Agent For Service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

Name of Plan	Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
2016 Equity Incentive Plan	Class A ordinary shares	20,564,225 shares	\$ 22.35(2)	\$ 459,661,848.31(2)	\$ 46,287.95
<b>TOTAL</b>	Class A ordinary shares	20,564,225 shares	—	—	\$ 46,287.95

- (1) In accordance with Rule 416 under the Securities Act of 1933, as amended, this registration statement shall be deemed to cover any additional securities that may from time to time be offered or issued to prevent dilution resulting from share splits, share dividends or similar transactions.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and 457(h) of the Securities Act of 1933, as amended, and based upon the average of the high and low prices of the Registrant's Class A ordinary shares as reported on the Nasdaq Global Select Market on August 23, 2016.

**PART I**  
**INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

**Item 1. Plan Information.**

The information required by Item 1 is included in documents sent or given to participants in the plan covered by this registration statement pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act").

**Item 2. Registrant Information and Employee Plan Annual Information.**

The written statement required by Item 2 is included in documents sent or given to participants in the plans covered by this registration statement pursuant to Rule 428(b)(1) of the Securities Act.

**PART II**  
**INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

**Item 3. Incorporation of Documents by Reference.**

The registrant is subject to the informational and reporting requirements of Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") applicable to foreign private issuers, and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). The following documents, which are on file with the Commission, are incorporated in this registration statement by reference:

- (a) The registrant's latest annual report filed pursuant to Section 13(a) or 15(d) of the Exchange Act or the latest prospectus filed pursuant to Rule 424(b) under the Securities Act that contains audited financial statements for the registrant's latest fiscal year for which such statements have been filed.
- (b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the document referred to in (a) above.
- (c) The description of the securities contained in the registrant's registration statement on Form 8-A filed under the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be part hereof from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

**Item 4. Description of Securities.**

Not applicable.

**Item 5. Interests of Named Experts and Counsel.**

Van Doorne, N.V. has opined as to the legality of the securities being offered by this registration statement.

**Item 6. Indemnification of Directors and Officers.**

Although Dutch law does not expressly provide for the indemnification of officers and directors, the concept of indemnification of directors of a company for liabilities arising from their actions as members of the board is, in principle, accepted in the Netherlands. The registrant's articles of association provide for indemnification of executive and non-executive directors and senior management by the company to the fullest extent permitted by Dutch law against liabilities, expenses and amounts paid in settlement relating to claims, actions, suits or proceedings to which a director or member of senior management becomes a party as a result of his or her position.

In addition, the registrant maintains insurance on behalf of its directors and executive officers insuring them against any liability asserted against them in their capacities as directors or officers or arising out of such status.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

The Exhibit Index immediately preceding the exhibits is incorporated herein by reference.

**Item 9. Undertakings.**

1. Item 512(a) of Regulation S-K. The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however*, that paragraphs (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. Item 512(b) of Regulation S-K. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3. Item 512(h) of Regulation S-K. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, on August 25, 2016.

YANDEX N.V.

By: /S/ ARKADY VOLOZH  
Arkady Volozh  
Chief Executive Officer

## POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and members of the board of directors of Yandex N.V., hereby severally constitute and appoint Arkady Volozh, Alexander Shulgin and Gregory Abovsky, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the registration statement on Form S-8 filed herewith and any and all subsequent amendments to said registration statement, and generally to do all such things in our names and on our behalf in our capacities as officers and directors to enable Yandex N.V. to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said registration statement and any and all amendments thereto.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/S/ ARKADY VOLOZH</u> Arkady Volozh	Executive Director and Chief Executive Officer	August 25, 2016
<u>/S/ JOHN BOYNTON</u> John Boynton	Chairman and Non-Executive Director	August 16, 2016
<u>/S/ ESTHER DYSON</u> Esther Dyson	Non-Executive Director	August 12, 2016
<u>/S/ ELENA IVASHENTSEVA</u> Elena Ivashentseva	Non-Executive Director	August 15, 2016
<u>/S/ ROGIER RIJNJA</u> Rogier Rijnja	Non-Executive Director	August 16, 2016
<u>/S/ ALEXANDER VOLOSHIN</u> Alexander Voloshin	Non-Executive Director	August 15, 2016
<u>/S/ HERMAN GREF</u> Herman Gref	Non-Executive Director	August 17, 2016
<u>/S/ CHARLES RYAN</u> Charles Ryan	Non-Executive Director	August 15, 2016
<u>/S/ GREGORY ABOVSKY</u> Gregory Abovsky	Chief Financial Officer	August 25, 2016
<u>/S/ EKATERINA YANOVSKAYA</u> Ekaterina Yanovskaya	Chief Accounting Officer	August 25, 2016
YANDEX INC.	Authorized Representative in the United States	August 13, 2016
By: <u>/S/ PRESTON CAREY</u>		

Name: Preston Carey  
Title: Vice President

## INDEX TO EXHIBITS

Number	Description	Notes
4.1	Articles of Association	Incorporated by reference to Exhibit No. 1.2 to the annual report on Form 20-F (file no. 001-35173)
5.1	Opinion of Van Doorne, N.V., counsel to the Registrant	Filed herewith
23.1	Consent of Van Doorne, N.V. (included in Exhibit No. 5.1)	—
23.2	Consent of ZAO Deloitte & Touche CIS, Independent Registered Public Accounting Firm	Filed herewith
24	Power of attorney (included on the signature pages of this registration statement)	—
99.1	2016 Equity Incentive Plan	Filed herewith

Jachthavenweg 121  
1081 KM Amsterdam  
P.O. Box 75265  
1070 AG Amsterdam  
The Netherlands

Yandex N.V.  
Schiphol Boulevard 165  
1118 BG Schiphol  
The Netherlands

T +31 20 6789 123  
F +31 20 6789 589

*Date* 25 August 2016  
*Your ref.* -  
*Our ref.* 40.00.1684  
*Subject* Yandex N.V. 2016 Equity Incentive Plan

Dear Sirs,

We, Van Doorne N.V., have acted as special legal advisers to Yandex N.V. (the “**Company**”) on certain matters of Dutch law in connection with a registration statement on Form S-8 to be filed with the U.S. Securities and Exchange Commission (the “**Registration Statement**”) relating to an aggregate of 20,564,225 Class A Ordinary Shares with a nominal value of EUR 0.01 each in the capital of the Company (the “**Company Shares**”) issuable under the Company’s 2016 Equity Incentive Plan (the “**Plan**”). The Plan provides for the grant of (i) options to acquire Company Shares (the “**Options**”), (ii) awards consisting of share appreciation rights in respect of Company Shares (the “**SARs**”) and (iii) awards to acquire restricted Company Shares (the “**Restricted Shares**”) or to receive Company Shares (the “**Restricted Share Units**”) and together with the Restricted Shares, the “**Restricted Share Awards**”).

Capitalised terms defined in the Plan have, unless expressly defined otherwise in this legal opinion, the same meaning in this legal opinion, including the schedule hereto (the “**Schedule**”). The Schedule forms an integral part of this legal opinion and a reference to this legal opinion includes a reference to the Schedule.

For the purpose of this legal opinion we have examined and relied on the documents listed in the Schedule (the “**Documents**”) and such other documents as we in our absolute discretion have deemed relevant.

In connection with our examination and in giving the opinions expressed below we have assumed:

- a) the genuineness of the signatures on the Documents, the authenticity and completeness of the Documents submitted to us as originals, the conformity to the original documents of any Documents
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submitted to us as drafts, (electronic or hard) copies or translations and the authenticity and completeness of the original documents;

- b) that (i) the Board of Directors of the Company has resolved to grant Options in respect of the relevant Company Shares, (ii) the Company and the optionees have entered into Notices of Grant for Options in respect of the relevant Company Shares, (iii) the Options in respect of the relevant Company Shares are exercisable at the time of their exercise, (iv) the optionees at the time of any given exercise have issued Notices of Exercise for Options in respect of the relevant Company Shares, (v) following any given exercise the relevant Company Shares will have been issued by the Company to and accepted by the optionees and (vi) for each Company Share issued in connection with the exercise of an Option a consideration will be paid to the Company with a value at least equal to the nominal amount thereof and any premium agreed upon;
- c) that (i) the Board of Directors of the Company has resolved to grant Awards for SARs in respect of the relevant Company Shares, (ii) the Company and the Participants have entered into Notices of SAR for Awards in respect of the relevant Company Shares (iii) the Awards in respect of the SARs are exercisable at the time of their exercise, (iv) the Participants at the time of any given exercise have issued Notices of Exercise for Awards in respect of the SARs and (v) following any given exercise the relevant Company Shares to be issued in respect of that exercise will have been issued by the Company to and accepted by the Participants;
- d) that (i) the Board of Directors of the Company has resolved to grant Awards for Restricted Share Awards in respect of the relevant Company Shares and (ii) all conditions in respect of Restricted Share Awards shall have been complied with;
- e) that the Extract, and the factual confirmations contained in the Shareholders Resolutions, accurately and completely reflect the matters purported to be evidenced thereby;
- f) that the Board at the time of the grant of Options, SARs or Restricted Share Awards in respect of the Company Shares shall have been designated as the competent authority (i) to issue shares in the capital of the Company and (ii) to exclude the pre-emptive rights ( *voorkeursrecht* ) of other shareholders;
- g) that the Board has excluded the pre-emptive rights of other shareholders in respect of any Company Shares to be issued under the Plan to Participants other than Participants that are employees of the Company or its subsidiaries;
- h) that the authorised share capital ( *maatschappelijk kapitaal* ) of the Company allows for the issue of the Company Shares from time to time;
- i) that the issue of the Company Shares will not require the Company to publish a prospectus or equivalent document under the provisions of Chapter 5.1 of the Dutch Financial Supervision Act ( *Wet op het financieel toezicht* ); and

j) that any foreign law which may apply with respect to any of the Documents or the transactions contemplated thereby does not affect this legal opinion.

This legal opinion is given only with respect to Dutch law in force as at the date hereof and as applied and generally interpreted on the basis of case-law published on the date hereof. We do not assume any obligation to advise you (or any other person entitled to rely on this legal opinion) of subsequent changes in Dutch law or in the interpretation thereof.

Based on and subject to the foregoing and subject to the qualifications set out below and matters of fact, documents or events not disclosed to us, we express the following opinion:

1 Upon the issue of the Company Shares and upon payment in full of a consideration with a value at least equal to the nominal amount thereof, the Company Shares will have been validly issued and fully-paid and will be non-assessable.

The opinion expressed above is subject to the following qualifications:

(A) The term “non-assessable” as used in this legal opinion means that the holder of a share will not by reason of merely being such holder, be subject to assessment of calls by the Company or its creditors for further payment on such share.

(B) No opinion is expressed in respect of Participating Subsidiary Shares.

This legal opinion is strictly limited to the matters stated herein and is not to be read as extending by implication to any other matters in connection with the Documents or otherwise. This legal opinion is given subject to, and may only be relied upon on, the express condition that (i) Van Doorne N.V. is the exclusive party issuing this legal opinion, (ii) in respect of Dutch legal concepts, which are expressed in this legal opinion in English terms, the original Dutch terms shall prevail and (iii) this legal opinion shall be governed by, and construed in accordance with, Dutch law .

This legal opinion is strictly limited to the matters stated herein and may not be read by implication as extending to matters not specifically referred to and may only be relied upon in connection with transactions contemplated by the Registration Statement. We hereby consent to the filing of this legal opinion in connection with the Registration Statement. In giving such consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933 or the rules and regulations promulgated thereunder.

Yours faithfully,  
**Van Doorne N.V.**

/s/ S.A.J. van Rossum  
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S.A.J. van Rossum

## SCHEDULE

- 1 a copy of the Plan;
- 2 a copy of the Yandex N.V. General Guidelines for Compensation of the Board of Directors, amended as of 27 May 2016;
- 3 a copy of the Minutes of the General Meeting of Shareholders of the Company, held on 27 May 2016 (together the “ **Shareholders Resolutions** ”);
- 4 a copy of the Articles of Association of the Company as amended on 1 June 2016 (the “ **Articles of Association** ”);
- 5 an extract in respect of the Dutch Company from the Commercial Register ( *Handelsregister* ), dated 25 August 2016 (the “ **Extract** ”); and
- 6 a copy of the Registration Statement.

\* \* \*

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our reports dated March 21, 2016 relating to the consolidated financial statements of Yandex N.V. and subsidiaries (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in the Annual Report on Form 20-F of the Company for the year ended December 31, 2015.

/s/ Deloitte & Touche

Moscow, Russia  
August 25, 2016

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## YANDEX N.V.

2016 EQUITY INCENTIVE PLAN1. Introduction.

(a) This 2016 Equity Incentive Plan (the “Plan”) of Yandex N.V. (the “Company”) is effective as of May 26, 2016 (the “Plan Effective Date”), subject to the approval of the shareholders of the Company.

(b) The Plan provides for the grant of options, share appreciation rights, restricted shares, restricted share units and other equity-based awards (the “Awards”) covering shares of the Company and/or one or more of its subsidiaries to persons who provide services to the Company or its subsidiaries.

(c) The Plan serves as the successor to the Yandex N.V. Fourth Amended and Restated Equity Incentive Plan (the “Predecessor Plan”), and no further share-based awards shall be made under the Predecessor Plan on or after the date on which the shareholders of the Company approve the Plan. All awards made under the Predecessor Plan shall continue to be governed solely by the terms of the documents evidencing such awards.

(d) Capitalized terms used herein have the meanings given to them in Section 17 ( *Definitions* ).

2. Purpose.

The purpose of this Plan is to advance the interests of the Company’s shareholders by enhancing the ability of the Company and its subsidiaries (together, the “Group”) to attract, retain and motivate persons who are expected to make important contributions to the Group and/or to specific subsidiaries of the Company that are functioning as business units of the Group. This Plan allows the Company to provide such persons with equity ownership opportunities and incentives that are intended to better align the interests of such persons with those of the Company’s shareholders and/or the performance of the Group or its specific business units.

3. Eligibility.

(a) All employees, officers, advisors and consultants of the Group and members of the Board of Directors (the “Board”) of the Company and the board of directors of a subsidiary (the “Eligible Participants”) are eligible to receive Awards under the Plan. Each person who receives an Award under the Plan is called a “Participant”. A Participant shall be deemed to be an Eligible Participant with respect to a Participating Subsidiary so long as the Participant remains an employee, officer, member of the board of directors, advisor and/or consultant of such Participating Subsidiary.

(b) Each Eligible Participant shall be eligible to receive one or more Awards covering Class A shares of the Company (the “Company Shares”). In addition, an Eligible Participant

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who is an employee, officer, member of the board of directors, advisor and/or consultant of a Participating Subsidiary shall be eligible to receive an Award covering ordinary shares of such Participating Subsidiary.

4. Administration of Plan.

The Plan will be administered by the Board or, if so resolved by the Board, the Compensation Committee thereof (the Board or the Compensation Committee, as the case may be, is referred to herein as the “Administrator”). The Board shall have the authority to grant Awards, including determining the type and number of Shares and the Purchase Price or Measurement Price in respect thereof. Either the Board or the Compensation Committee, acting as Administrator, shall have the authority to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it deems advisable. The Administrator may construe and interpret the terms of the Plan and any Awards granted under the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect. Either the Board or the Compensation Committee, acting as Administrator, may approve the amendment of any Award in accordance with the terms of this Plan and such Award, provided, however, that any amendment that increases the number of Shares under such Award or changes the Purchase Price or Measurement Price in respect thereof shall require the approval of the Board. All decisions by the Administrator shall be made in its sole discretion, and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

5. Number of Shares Available for Awards.

(a) Company Shares. Subject to the provisions of this Section 5 and to adjustment under Section 13 (*Adjustments for Changes in Shares and Certain Other Events*), the maximum number of Company Shares which may be issued in the aggregate under the Plan and the Predecessor Plan shall not exceed fifteen percent (15%) of the aggregate number of Company Shares issued and outstanding from time to time .

(b) Participating Subsidiary Shares. Subject to the provisions of this Section 5 and to adjustment under Section 13 (*Adjustments for Changes in Shares and Certain Other Events*), the maximum number of Participating Subsidiary Shares of any Participating Subsidiary which may be subject to Awards over the term of the Plan shall be determined by the Board but shall in no event exceed twenty percent (20%) of the aggregate number of such Participating Subsidiary Shares issued and outstanding from time to time.

(c) Share Counting. Shares subject to outstanding Awards shall be available for subsequent issuance under the Plan to the extent those Awards expire, terminate or are cancelled for any reason prior to the issuance of the underlying Shares. Unvested Shares issued under the Plan and subsequently forfeited to or repurchased by the Group, at a price per share not greater than the Purchase Price paid per share, shall be added back to the number of Shares reserved for issuance under the Plan and shall accordingly be available for reissuance through one or more subsequent Awards under the Plan. Should the exercise price of an Option be paid through the withholding of a portion of the otherwise issuable Shares, then the authorized Share reserve shall be reduced by the gross number of shares for which that option is exercised. Upon the exercise

of any SAR, the Share reserve shall be reduced by the gross number of Shares for which the SAR is exercised.

(d) Subject to adjustment under Section 13, the maximum number of Company Shares which may be issued under the Plan pursuant to Incentive Stock Options shall not exceed 10,000,000 shares.

6. Share Options.

(a) General. The Board may grant an option to acquire Company Shares or Participating Subsidiary Shares (“Options”). The Board may determine the type and number of Shares to be covered by each Option (the “Option Shares”) and the exercise price per Share of each Option (the “Exercise Price”), and the Administrator may determine the other conditions and limitations applicable to the exercise of each Option, in each case as it considers necessary or advisable. Each Option shall be evidenced by a Notice of Option Grant in a form approved by the Administrator (which may be in electronic form) (a “Notice of Grant”). Each Notice of Grant may contain terms and conditions in addition to, or which modify, those set forth in the Plan.

(b) Exercise Price. The Exercise Price per Share of an Option shall be the Fair Market Value (as defined below) of the Share as of the date of grant; provided that if the Administrator approves the grant of an Option effective as of a future date, the Exercise Price shall not be less than the Fair Market Value as of such future date.

(c) Vesting Schedule. Each Option shall vest at such time or times, during such period and for such number of Shares as shall be determined by the Administrator. Unless otherwise provided by the Administrator in a particular Notice of Grant or by Section 10 (*Accelerated Vesting*), Options shall vest in installments over four (4) years, with four-sixteenths (4/16) of the Option Shares vesting on the last day of the 12th full calendar month following the date of grant, and an additional one-sixteenth (1/16) of the Option Shares vesting on the last day of each third full calendar month thereafter, until all such Option Shares are fully vested and exercisable. The Option shall only vest on a vesting date if the Participant continues to be an Eligible Participant of the Group on that vesting date; provided, however, that an Option covering Participating Subsidiary Shares shall only vest on a vesting date if the Participant continues to be an Eligible Participant with respect to that Participating Subsidiary on that vesting date. The right of exercise shall be cumulative, so that if the Option is not exercised to the maximum extent possible upon any exercise, it shall continue to be exercisable, in whole or in part, with respect to all vested Shares not so purchased until expiration of the Option term.

(d) Incentive Stock Options.

(1) An Option covering Company Shares that the Administrator intends to be an “incentive stock option” (an “Incentive Stock Option”) as defined in Section 422 of the United States Internal Revenue Code of 1986, as amended (the “Code”), may only be granted to employees of Company or any of its current or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code.

(2) If any employee to whom an Incentive Stock Option is granted is a 10% Shareholder, then (i) the Exercise Price per Share shall not be less than one hundred ten percent (110%) of the Fair Market Value per Company Share on the Option grant date and (ii) the Option term shall not exceed five (5) years measured from the Option grant date.

(3) The aggregate Fair Market Value of the Company Shares (determined as of the respective date or dates of grant) for which one or more Options granted to any employee under the Plan (or any other option plan of the Company or any parent or subsidiary) may for the first time become exercisable as Incentive Stock Options during any one (1) calendar year shall not exceed the sum of One Hundred Thousand U.S. Dollars (U.S.\$100,000). To the extent the employee holds two (2) or more such options which become exercisable for the first time in the same calendar year, the foregoing limitation on the exercisability of such options as Incentive Stock Options shall be applied on the basis of the order in which such options are granted, except to the extent otherwise provided under applicable law or regulation.

(4) The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option.

7. Share Appreciation Rights.

(a) General. The Board may grant Awards consisting of share appreciation rights (“SARs”) entitling the holder, upon exercise, to receive a number of Company Shares or Participating Subsidiary Shares determined by reference to the appreciation, from and after the date of grant, in the Fair Market Value of a Company Share or a Participating Subsidiary Share over the Measurement Price established pursuant to Section 7(b). The date as of which such appreciation is determined shall be the date on which the Company receives a duly executed Notice of Exercise (which may be in electronic form) (or, in the case of SARs with respect to Company Shares, if the stock exchange on which the Company Shares are then listed is not open for trading on such day, the last trading day prior to such date). The Board may determine the number of SARs to be covered by each such Award and the Measurement Price in respect thereof, and the Administrator may determine the other conditions and limitations applicable to the exercise of each such Award, in each case as it considers necessary or advisable. Each such Award shall be evidenced by a Notice of SAR in a form approved by the Administrator (which may be in electronic form) (a “Notice of SAR”). Each Notice of SAR may contain terms and conditions in addition to, or which modify, those set forth in the Plan.

(b) Measurement Price. The Board shall establish the measurement price of each SAR (the “Measurement Price”) and specify it in the applicable Notice of SAR. The Measurement Price shall not be less than 100% of the Fair Market Value per Company Share or Participating Subsidiary Share, as applicable, as of the date the SAR is granted; provided that if the Board approves the grant of a SAR effective as of a future date, the Measurement Price shall be not less than 100% of the Fair Market Value per Company Share or Participating Subsidiary Shares, as applicable, as of such future date.

(c) Vesting Schedule. Unless otherwise provided by the Administrator in a particular Notice of SAR or by Section 10 (*Accelerated Vesting*), SAR Awards shall vest in installments

over four (4) years, with four-sixteenths (4/16) of such SARs vesting on the last day of the 12th full calendar month following the date of grant, and an additional one-sixteenth (1/16) of such SARs vesting on the last day of each third full calendar month thereafter, until all such SARs are fully vested and exercisable. The SARs shall only vest if the Participant continues to be an Eligible Participant at the time of each vesting date. The right of exercise shall be cumulative, so that if the SAR Award is not exercised to the maximum extent possible upon any exercise, it shall continue to be exercisable, in whole or in part, with respect to all vested SARs not so exercised.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Administrator (a “Notice of Exercise”), together with any other documents required by the Administrator.

8. Restricted Shares; Restricted Share Units.

(a) General. The Board may grant Awards entitling recipients to acquire restricted Company Shares or Participating Subsidiary Shares (“Restricted Shares”), subject to forfeiture or the right of the Company or the Participating Subsidiary, as applicable, to repurchase from the recipient all or part of such Restricted Shares at their issue price or other stated or formula price in the event that conditions specified by the Administrator in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. The Board may also grant Awards entitling the recipient to receive Company Shares, Participating Subsidiary Shares or cash to be delivered at the time such Award vests or is exercised (“Restricted Share Units”) (Restricted Shares and Restricted Share Units are each referred to herein as a “Restricted Share Award”).

(b) Terms and Conditions for All Restricted Share Awards. The Administrator shall determine the terms and conditions of a Restricted Share Award, including the conditions for vesting and repurchase (or forfeiture), and the Board shall determine the issue price thereof.

(c) Additional Provisions Relating to Restricted Shares; Dividends. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, shares or property) declared and paid by the Company with respect to Restricted Shares (“Accrued Dividends”) shall be paid to the Participant only if and when such Restricted Shares become free from the restrictions on transferability and forfeitability that apply to such Shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to shareholders or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying Restricted Shares.

(d) Additional Provisions Relating to Restricted Share Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions and/or satisfaction of any exercise requirements (i.e., settlement) with respect to each Restricted Share Unit, the Participant shall be entitled to receive from the Company one Company Share or one Participating Subsidiary Share, as applicable, subject to the Award or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one Company

Share or one Participating Subsidiary Share, as applicable, subject to the Award on the vesting or lapse date. The Administrator may, in its discretion, provide that settlement of Restricted Share Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Share Units.

(3) Dividend Equivalents. The Award agreement for Restricted Share Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding Company Shares or Participating Subsidiary Shares, as applicable (“Dividend Equivalents”). Dividend Equivalents may be paid currently or credited to an account for the Participant, may be settled in cash and/or Company Shares or Participating Subsidiary Shares, as applicable, and may be subject to the same restrictions on transfer and forfeitability as the Restricted Share Units with respect to which paid, in each case to the extent provided in the Award agreement.

9. Exercise of Awards.

(a) Duration of Awards.

(1) Term. Subject to the terms of the Plan, Options and SARs may be exercised by the Participant within the period of ten (10) years from the date of grant (the “Term of Exercise”) subject to earlier termination upon the Participant’s ceasing to be an Eligible Participant.

(2) Cessation as Eligible Participant. Except as provided in Section 9(a)(3) and Section 12 ( *Cancellation of Awards* ) below, upon ceasing to be an Eligible Participant the Participant will have ninety (90) days to exercise the Option or SAR, as applicable, provided that such Award shall be exercisable only to the extent that the Award was exercisable by the Participant on the date the Participant ceased to be such an Eligible Participant. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the Term of Exercise, the Option or SAR shall terminate and cease to be outstanding.

(3) Exercise upon Death or Disability of Participant. If a Participant dies or becomes Disabled (as defined below) prior to the expiration of the Term of Exercise for an Award, such Award shall be exercisable within the period of nine (9) months from the date of such death or disability, by the Participant or by the person to whom the Award is transferred by will or laws of descent and distribution, as the case may be; provided that the Award shall be exercisable only to the extent that such Award was exercisable by the Participant on the date of his or her death or disability.

(4) Administrator Discretion. The Administrator shall have the discretion, exercisable either at the time an Award is granted or at any time while the Award remains outstanding, to:

(A) extend the period of time for which the Award is to remain exercisable following the Participant’s ceasing to be an Eligible Participant, becoming disabled

or death from the limited exercise period otherwise in effect for that Award to such greater period of time as the Administrator shall deem appropriate, but in no event beyond the expiration of the Term of Exercise;

(B) include an automatic extension provision whereby the specified post-service exercise period in effect for any Award shall automatically be extended by an additional period of time equal in duration to any interval within the specified post-service exercise period during which the exercise of that Award or the immediate sale of the Shares acquired under such Award could not be effected in compliance with applicable securities laws, but in no event shall such an extension result in the continuation of such Award beyond the Term of Exercise of that Award; and/or

(C) permit the Award to be exercised, during the applicable post-service exercise period, not only with respect to the number of vested Shares for which such Award is exercisable at the time of the Participant's ceasing to be an Eligible Participant or death but also with respect to one or more additional installments in which the Participant would have vested had the Participant continued to be an Eligible Participant.

(b) Exercise Procedure: Issuance of Shares.

(1) Awards may be exercised by delivery to the Company of a written notice of exercise (which may be in electronic form) (the "Notice of Exercise") by the Participant (or his or her authorized representative), in the form of notice (including electronic notice) approved by the Administrator, together with payment (if any) in full as specified herein for the number of Shares for which the Award is exercised.

(2) Company Shares issuable to the Participant pursuant to exercise of an Award shall be issued by the Company, by way of a written document or notarial deed as required by Dutch law or the Articles of Association of the Company, as soon as practicable following exercise. Shares of a Participating Subsidiary due upon exercise of an Award covering shares of such Participating Subsidiary shall be (at the election of the Administrator) transferred by the Company or issued by such Participating Subsidiary as soon as practicable following exercise.

(3) The Company (or any Participating Subsidiary) will not be obligated to issue (or transfer, as the case may be) any Shares pursuant to the Plan until (i) all conditions of the applicable Award have been met to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance of such Shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations, and (iv) in the case of an Award in respect of Participating Subsidiary Shares, the Participant has become a party to any shareholders agreement then in effect in respect of such Participating Subsidiary.

(4) All exercises of Awards and issuances or transfers of Shares pursuant thereto shall be subject to any necessary consents of the authorities in The Netherlands, the

Russian Federation, the jurisdiction of the Participating Subsidiary (where applicable) or elsewhere under statutes or regulations then in force and it shall be the responsibility of the Participant to comply with any requirements to be fulfilled in order to obtain or obviate the necessity for any such consent.

(c) Repurchase Right with respect to Participating Subsidiary Shares. In the event that (i) a Participant to whom an Option covering Participating Subsidiary Shares has been granted ceases to be an Eligible Participant with respect to such Participating Subsidiary (whether as a result of cessation of service, death or becoming Disabled) and (ii) such Participant exercises his or her Option during the limited period provided by Section 9 to the extent vested on ceasing to be an Eligible Participant, the Company shall have the right, in its sole discretion, to settle or caused to be settled such exercise with a payment in cash or Company Shares (in lieu of Participating Subsidiary Shares). For each vested Participating Subsidiary Share covered by such Option exercise, the Fair Market Value of the Company Shares issued or the cash payment delivered shall be equal to the difference between (x) the Fair Market Value per Participating Subsidiary Share subject to the Option less (y) the Exercise Price payable per Share.

10. Accelerated Vesting.

If a Participant ceases to be an Eligible Participant within nine (9) months following the consummation of a Change of Control of the Company either (a) because of termination by the Participant for Good Reason or (b) because of termination by the Group (or any successor) for any reason other than for Cause, the Award(s) held by such Participant following such Change in Control (including any awards granted in substitution thereof) shall become fully vested and immediately exercisable.

11. Payment Upon Exercise.

Shares purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(a) in cash or wire transfer to the order of the Company;

(b) if the Shares (or depositary shares representing such Shares) are then traded on the Nasdaq Stock Market, the New York Stock Exchange, the London Stock Exchange, MICEX, the Moscow Stock Exchange (or any successor to any such exchange) (an “Internationally Recognized Stock Exchange”), by (A) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price due and any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price due and any required tax withholding, or

(c) in the case of Options to purchase Company Shares, by having the Company withhold, from the Shares otherwise issuable upon exercise of the Option, a number of Shares having a Fair Market Value equal to the aggregate Exercise Price.

12. Cancellation of Awards.

If (A) the Participant's relationship with the Group (or a Participating Subsidiary, as the case may be) is terminated for Cause, (B) the Participant's relationship with the Group (or a Participating Subsidiary, as the case may be) terminates for any reason and the Participant thereafter assists a competitor of the Group (or of a Participating Subsidiary, as the case may be) in any way within one (1) year of such termination or (C) the Participant discloses confidential information about the Group's (or a Participating Subsidiary's, as the case may be) business or harms the Group's (or a Participating Subsidiary's, as the case may be) reputation or public image by disparagement, then all outstanding Awards of such Participant (to the extent then still outstanding) shall immediately terminate and the Awards shall be cancelled with the Participant having no further rights with respect to the Award.

13. Adjustments for Changes in Shares and Certain Other Events.

(a) Changes in Capitalization. In the event of any share split, reverse share split, share dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Shares other than an ordinary cash dividend, (i) the number and class of securities available under this Plan and (ii) the number and class of securities and Purchase Price or Measurement Price per Share of each affected outstanding Award (if applicable) shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board.

(b) Change of Control. In connection with a Change of Control of the Company, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Shares on such terms as the Board determines: (i) provide that Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that the Participant's unexercised or unvested Awards will terminate immediately prior to the consummation of such Change of Control unless exercised by the Participant within a specified period following the date of such notice, (iii) provide that Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part, prior to or upon such Change of Control, (iv) in the event of a Change of Control under the terms of which holders of Shares will receive upon consummation thereof a cash payment for each share surrendered in the Change of Control (the "Acquisition Price"), make or provide for a cash payment to a Participant equal to the excess, if any, of (A) the Acquisition Price times the number of Shares subject to the Participant's Awards (to the extent the Exercise Price does not exceed the Acquisition Price) over (B) the aggregate Exercise Price or Measurement Price, as the case may be (if any), of all such Awards and any applicable tax withholdings, in exchange for the termination of such Awards with any such cash payment subject to any escrow, holdback, earn-out or similar provision arrangement in the Change of Control to the same extent and in the same manner as such provisions apply to a holder of Shares, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the Exercise Price or Measurement Price thereof (if applicable) and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 13(b),

the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

For purposes of clause 13(b)(i) above, an Award (other than a Restricted Share Award) shall be considered assumed if, following consummation of the Change of Control, the Award confers the right to acquire, for each Share subject to the Award immediately prior to the consummation of the Change of Control, the consideration (whether cash, securities or other property) received as a result of the Change of Control by holders of Shares for each Share held immediately prior to the consummation of the Change of Control (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if the consideration received as a result of the Change of Control is not solely shares of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Awards to consist solely of shares of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in value (as determined by the Board) to the per Share consideration received by holders of outstanding Shares as a result of the Change of Control.

(c) Consequences of a Change of Control on Restricted Shares. Upon the occurrence of a Change of Control other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Shares shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Shares were converted into or exchanged for pursuant to such Change of Control in the same manner and to the same extent as they applied to such Restricted Shares; provided, however, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Shares or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Change of Control involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Shares or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Shares then outstanding shall automatically be deemed terminated or satisfied.

14. General Provisions Applicable to Awards.

(a) Transferability of Awards and Restrictions on Shares.

(1) Except as the Administrator may otherwise provide in a Notice of Grant or in any other agreement between a Participant and the Company, and other than a transfer pursuant to the Participant's will or the laws of descent and distribution, the Participant shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise, any Award or any interest therein.

(2) Except as the Administrator may otherwise provide in a Notice of Grant or in any other agreement between a Participant and the Company, Shares acquired upon exercise of an Award may be transferred only (i) if the Shares (or depository shares representing such Shares) are publicly traded on a recognized international stock exchange and there are no other

restrictions on the sale of Shares or (ii) fifty percent (50%) or more of the voting power of the Shares are sold to a third-party buyer in one or a series of related transactions, in which case the Participant shall have the right to participate in such sale pro-rata with the other shareholders of the Company if such third-party buyer elects to offer to purchase such Shares. Any transfer of Shares pursuant to clause (ii) above shall be executed by way of a notarial deed if so required. Participating Subsidiary Shares acquired upon exercise of an Award shall be subject to such restrictions on transfer as may be provided in the applicable Notice of Grant or any shareholders agreement then in effect in respect of such Participating Subsidiary.

(3) The Administrator may require that a Participant (or any successor in interest) execute a shareholders agreement, with such terms as the Administrator deems appropriate, with respect to any Shares of a Participating Subsidiary issued to the Participant pursuant to the Plan .

(b) Fractional Shares. In no event shall fractional shares be issued upon exercise of any Award. Any fractional entitlement upon an exercise shall be rounded down to the nearest number of whole Shares, and such fractional entitlement shall lapse and shall not be carried forward to any subsequent exercise.

(c) Discretion. The terms of each Award need not be identical, and the Administrator need not treat Participants uniformly. The Administrator may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions.

(d) Withholding. The fiscal and social security consequences (both employer (where applicable) and employee) arising from accepting the grant of an Award or exercising, vesting or delivery of Shares under an Award shall be borne by the Participant. Where in relation to Awards granted, the Group is liable, or in accordance with current practice is believed to be liable, under any statute or regulation or is otherwise to account to any revenue or other authority for sums in respect of any tax or social security liability of the Participant, then it may impose such conditions upon the exercise of the Award as are necessary to ensure that it is able to meet such liabilities, including if necessary a condition that no exercise, vesting or delivery of Shares under any Award may take place unless the Group has been provided by the Participant with cash funds sufficient to meet any withholding requirement in any jurisdiction. As an alternative to the Participant providing such cash funds, he or she may enter into arrangements acceptable to the Administrator to secure that such cash funds are available (whether by authorizing the sale of some or all of the Shares underlying such Award on his/her behalf and the payment to the Group of the relevant amount of the proceeds of the sale, or otherwise).

(e) Amendment of Awards.

(1) The Administrator may amend, modify or terminate any Award, including, but not limited to, substituting therefor another Award of the same or a different type, or changing the date of exercise or realization; provided, however, that any amendment that increases the number of Shares under such Award or changes the Purchase Price or Measurement Price in respect thereof shall require the approval of the Board. The Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into

account any related action, would not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 13 ( *Adjustments for Changes in Shares and Certain Other Events* ).

(2) The Board may amend any Option or SAR granted under the Plan to provide an Exercise Price or Measurement Price (if any) per Share that is lower than the then-current Exercise Price or Measurement Price per Share of such Award. The Board may also cancel any outstanding award (whether or not granted under the Plan) and either (i) grant in substitution therefor new Options or SARs under the Plan covering the same or a different number of Shares and having an Exercise Price or Measurement Price per Share lower than the then-current Exercise Price or Measurement Price per Share of the cancelled Award or (ii) pay consideration in lieu thereof in cash or in equity securities of the Company or a Participating Subsidiary.

15. Forfeiture of Gain.

In the event that a Participant materially breaches the non-competition or non-solicitation provisions of an applicable Award or any other agreement with the Group (or a Participating Subsidiary, as the case may be), the Participant shall pay to the Company, by way of liquidated damages, an amount (in cash or Shares) equal to the Aggregate Gain under the Award. For purposes hereof, "Aggregate Gain" shall mean the total value received by the Participant under such Award(s), pursuant to one or more exercises thereunder (if applicable), calculated as (x) in the case of Company Shares, the closing price of one Share on the Nasdaq Global Select Market on the date or dates of each exercise or issuance thereunder, less the applicable Exercise Price or Measurement Price (if any), multiplied by the number of Shares acquired, without regard to any subsequent market price decrease or increase, or (y) in the case of Participating Subsidiary Shares, the fair market value of such Shares as determined in good faith by the Board, less the applicable Exercise Price, multiplied by the number of Shares acquired, without regard to any subsequent market price decrease or increase.

16. Definitions.

For purposes of this Plan, the following terms shall have the following definitions:

- (a) "Accrued Dividends" shall have the meaning ascribed to the term in Section 8(c).
- (b) "Acquisition Price" shall have the meaning ascribed to the term in Section 13(b).
- (c) "Administrator" shall have the meaning ascribed to the term in Section 4.
- (d) "Aggregate Gain" shall have the meaning ascribed to the term in Section 15.
- (e) "Awards" shall have the meaning ascribed to the term in Section 1(b).
- (f) "Board" shall have the meaning ascribed to the term in Section 3(a).
- (g) "Cause" shall mean (a) an act of fraud, embezzlement or theft by the Participant; (b) intentional wrongful damage by the Participant to the property or business of the Group;

(c) intentional wrongful disclosure by the Participant of secret processes or confidential information of the Group; or (d) intentional failure or refusal of the Participant to comply with the conditions of any employment, consulting or advisory agreement with a Group company, unless such failure or refusal to comply is required by applicable law.

(h) “Change of Control” with respect to the Company shall mean (a) the acquisition (other than by the Company and other than through a public offering) by any person, entity or group (excluding, for this purpose, the Company or its subsidiaries, or any employee benefit plan of the Company or its subsidiaries which acquires beneficial ownership of voting securities of the Company) of the beneficial ownership of at least 50% of the voting power of the Company’s then-outstanding voting securities; (b) the approval by the shareholders of the Company of a reorganization, merger or consolidation as a result of which the shareholders of the Company immediately prior to such event do not, immediately thereafter, own more than fifty percent (50%) of the combined voting power of the reorganized, merged or consolidated Company’s then-outstanding voting securities; (c) a liquidation or dissolution of the Company (other than pursuant to the Bankruptcy Act ( *Faillissementswet* )); or (d) the sale of all or substantially all of the assets of the Company. A sale or other transfer by an existing shareholder of any of the shares in the Company to a person or entity that is part of the same group of which the shareholder is part, or a sale or other transfer by an existing shareholder of any of its shares in the Company to another existing shareholder, shall not constitute a Change of Control.

(i) “Code” shall have the meaning ascribed to the term in Section 6(d)(1).

(j) “Company” shall have the meaning ascribed to the term in Section 1(a).

(k) “Company Shares” shall have the meaning ascribed to the term in Section 3(b).

(l) “Disabled” shall mean having a physical or mental infirmity that impairs the Participant’s ability to perform his or her duties for the Group for a period of one hundred eighty (180) consecutive days, and “date of disability” shall be the earlier of the 180th day of such disability or such date as may be agreed by the Participant and the Administrator.

(m) “Dividend Equivalents” shall have the meaning ascribed to the term in Section 8(d)(3).

(n) “Eligible Participants” shall have the meaning ascribed to the term in Section 3(a).

(o) “Exercise Price” shall have the meaning ascribed to the term in Section 6(a).

(p) “Fair Market Value” per Company Share shall mean (A) at any time when the Company Shares (or depositary shares representing such Shares) are not publicly traded on an internationally recognized stock exchange, the price per Share most recently determined by the Board, in its sole discretion, to be the fair market value thereof, which determination shall be made at least once every six calendar months; and (B) at any time when the Shares (or depositary shares representing such Shares) are publicly traded on an internationally recognized stock exchange, (i) in the case of RSUs, the closing price per Share (as adjusted to account for the ratio of Shares to such depositary shares, if necessary) on the date of such determination; and (ii) in

the case of Options and Share Appreciation Rights, the average closing price per Share (as adjusted to account for the ratio of Shares to such depository shares, if necessary) on the 20 trading days immediately following the date of determination.

(q) “Fair Market Value” per Participating Subsidiary Share shall be determined from time to time by the Board (following consultation with an independent valuation expert).

(r) “Good Reason” shall mean, except to the extent provided otherwise by the Administrator in an applicable Award, the occurrence of any of the following circumstances (unless expressly consented to in writing by the Participant or corrected within thirty (30) days of notice to the Company that the Participant intends to terminate his or her relationship with the Group for Good Reason as a result thereof): (a) a reduction in (i) the Participant’s annual target gross compensation, (ii) the percentage of the Participant’s target compensation that is fixed or (iii) the Participant’s employee benefits as in effect on the date of the Change of Control (but excluding any reduction resulting merely from currency exchange fluctuations); (b) a requirement that the Participant be based full-time at a Group office more than eighty (80) kilometers from the Group office at which the Participant is principally engaged immediately prior to the date of the Change of Control; (c) a material reduction in the position, duties or responsibilities of the Participant as in effect on the date of the Change of Control; or (d) the failure by the Group to pay the Participant any portion of his or her current compensation within seven (7) days of the date such compensation is due or any portion of his or her compensation under any deferred compensation program of the Group within thirty (30) days of the date such compensation is due.

(s) “Group” shall have the meaning ascribed to the term in Section 2.

(t) “Incentive Stock Option” shall have the meaning ascribed to the term in Section 6(d)(1).

(u) “Internationally Recognized Stock Exchange” shall have the meaning ascribed to the term in Section 11(b).

(v) “Notice of Exercise” shall have the meaning ascribed to the term in Section 9(b)(1).

(w) “Notice of Grant” shall have the meaning ascribed to the term in Section 6(a).

(x) “Notice of SAR” shall have the meaning ascribed to the term in Section 7(a).

(y) “Options” shall have the meaning ascribed to the term in Section 6(a).

(z) “Option Shares” shall have the meaning ascribed to the term in Section 6(a).

(aa) “Participant” shall have the meaning ascribed to the term in Section 3(a).

(bb) “Participating Subsidiary” shall mean a direct or indirect subsidiary of the Company whose service providers are eligible to receive Awards under the Plan covering shares of such subsidiary, as determined from time to time by the Board. At the Plan Effective Date,

the Participating Subsidiaries are Yandex Auto.ru AG and Yandex.Taxi B.V, and additional Participating Subsidiaries may be designated by the Board from time to time at the Board's discretion.

- (cc) "Participating Subsidiary Shares" with respect to a Participating Subsidiary shall mean ordinary shares of that Participating Subsidiary.
- (dd) "Plan" shall have the meaning ascribed to the term in Section 1(a).
- (ee) "Plan Effective Date" shall have the meaning ascribed to the term in Section 1(a).
- (ff) "Predecessor Plan" shall have the meaning ascribed to the term in Section 1(c).
- (gg) "Purchase Price" shall mean the purchase price payable for the Award.
- (hh) "Restricted Share Award" shall have the meaning ascribed to the term in Section 8(a).
- (ii) "Restricted Shares" shall have the meaning ascribed to the term in Section 8(a).
- (jj) "Restricted Share Units" shall have the meaning ascribed to the term in Section 8(a).
- (kk) "SARs" shall have the meaning ascribed to the term in Section 7(a).
- (ll) "Shares" shall mean a Company Share or a Participating Subsidiary Share, as applicable.
- (mm) "10% Shareholder" shall mean the owner of share (as determined under Code Section 424(d)) possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company (or any parent or subsidiary).
- (nn) "Term of Exercise" shall have the meaning ascribed to the term in Section 9(a)(1).

17. Miscellaneous.

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Group or any Participating Subsidiary, as the case may be. The Company expressly reserves its right (or the right of a Participating Subsidiary) at any time to dismiss or otherwise terminate its (or such Participating Subsidiary's) relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award. For the avoidance of doubt, in the event that the employment of any Eligible Participant is transferred from one Group company to another Group company, such transfer shall not affect such employee's status as an Eligible Participant hereunder, and the vesting of any Award shall be unaffected by such transfer; provided, however, that if an Eligible Participant is transferred from a Participating Subsidiary to

another Group company, he or she shall cease to be an Eligible Participant in respect of such Participating Subsidiary.

(b) No Rights As Shareholder. Subject to the provisions of the applicable Award, no Participant or designated beneficiary of a Participant shall have any rights as a shareholder with respect to any Shares to be distributed with respect to an Award until becoming the record holder of such Shares.

(c) Suspension of Vesting During Leave. Except to the extent otherwise required by applicable law, in the event that a Participant who is a Group employee takes maternity, paternity or unpaid leave from employment with the Group for more than 90 consecutive days, the vesting of such Participant's Award(s) hereunder shall be suspended during the period of such leave, and shall recommence when such Eligible Participant resumes active employment with the Group. The Administrator shall have sole discretion to determine the measurement of any such period.

(d) Term of Plan.

(1) The Plan was adopted on May 26, 2016, subject to the subsequent approval of the shareholders of the Company. No Award shall be granted under the Plan after May 26, 2026, but Awards previously granted may extend beyond that date and be governed by the provisions of the Plan.

(2) Prior to May 26, 2026, the Board may at any time resolve to terminate the Plan and that no further Awards will be granted under the Plan, but Awards previously granted may extend beyond that date and be governed by the provisions of the Plan.

(e) Amendment of Plan. Subject to any shareholder approval requirements under the rules of any stock exchange that are applicable to the Company at any time, the Board may amend or suspend the Plan or any portion thereof at any time. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 17(e) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment does not materially and adversely affect the rights of Participants under the Plan.

(f) Authorization of Sub-Plans. The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities or tax laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to this Plan containing (i) such limitations on the Board's or the Compensation Committee's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(g) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of The Netherlands, without giving effect to the conflicts of law principles thereof.

(h) Disputes. All disputes arising in connection with the provisions of this Plan shall be settled in accordance with the arbitration rules of the Netherlands Arbitration Institute (Nederlands Arbitrage Instituut). The arbitral tribunal shall be composed of three (3) arbitrators. The place of arbitration shall be Amsterdam, The Netherlands. The arbitral proceedings shall be conducted in the English language. The arbitral tribunal shall decide according to the rules of law.

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