

YANDEX N.V.

Insider Trading Policy

(Effective as of May 23, 2011)

1. BACKGROUND AND PURPOSE

The US federal securities laws prohibit any member of the Board of Directors (a “Director”) or employee of Yandex N.V. (together with its subsidiaries, the “Company”) from purchasing or selling Company securities on the basis of material nonpublic information concerning the Company, or from disclosing material nonpublic information to others who might trade on the basis of that information. In addition, the Dutch Financial Supervision Act prohibits such practices to the extent a person is in the Netherlands when engaging in the prohibited actions. These laws impose severe sanctions on individuals who violate them. In addition, the SEC has the authority to impose large fines on the Company and on the Company’s Directors, senior management and controlling shareholders if the Company’s employees engage in insider trading and the Company has failed to take appropriate steps to prevent it (so-called “controlling person” liability).

This insider trading policy is being adopted in light of these legal requirements, and with the goal of helping:

- prevent inadvertent violations of the insider trading laws;
- avoid even the appearance of impropriety on the part of those employed by, or associated with, the Company;
- protect the Company from controlling person liability; and
- protect the reputation of the Company, its Directors and its employees.

2. PROHIBITIONS RELATING TO TRANSACTIONS IN THE COMPANY’S SECURITIES

2.1 Covered Persons. This Section 2 applies to:

- all Directors;
- all employees;
- all family members of Directors and employees who share the same address as, or are financially dependent on, the Director or employee and any other person (other than an unrelated person who is not financially dependent on the Director or employee and on whom the Director or employee is not financially dependent) who shares the same address as the Director or employee; and

- all corporations, partnerships, trusts or other entities controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities.

2.2 Prohibition on Trading While Aware of Material Nonpublic Information.

(a) Except as provided in Section 4, no person or entity covered by Section 2 may:

- Purchase or sell any securities of the Company while he or she is aware of any material nonpublic information concerning the Company or recommend to another person that they do so;
- disclose to any other person any material nonpublic information concerning the Company if it is reasonably foreseeable that such person may misuse that information, such as to purchase or sell Company securities;
- purchase or sell any securities of another company while he or she is aware of any material nonpublic information concerning such other company which he or she learned in the course of his or her service as a Director or employee of the Company or recommend to another person that they do so; or
- disclose to any other person any material nonpublic information concerning another company which he or she learned in the course of his or her service as a Director or employee of the Company if it is reasonably foreseeable that such person may misuse that information, such as to purchase or sell securities of such other company.

(b) If a person ceases to be a Director or employee of the Company at a time when he or she is aware of material nonpublic information concerning the Company, the prohibition on purchases or sales of Company securities in Section 2.2(a) shall continue to apply to such person until that information has become public or is no longer material.

2.3 Prohibition on Pledges. No person or entity covered by this Section 2 may purchase Company securities on margin, borrow against Company securities held in a margin account, or pledge Company securities as collateral for a loan. However, an exception may be granted where a person wishes to pledge Company securities as collateral for a loan and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the Chief Financial Officer.

2.4 Prohibition on Short Sales and Derivative Transactions. No person or entity covered by this Section 2 may engage in any of the following types of transactions:

- short sales of Company securities, including short sales “against the box”; or
- purchases or sales of puts, calls or other derivative securities based on the Company’s securities.

3. **ADDITIONAL PROHIBITIONS APPLICABLE TO DIRECTORS, SENIOR OFFICERS AND DESIGNATED EMPLOYEES**

3.1 Covered Persons. This Section 3 applies to:

- all Directors;
- all employees of the Company with the following positions or, in the future, with positions with different titles that carry with them substantially similar responsibilities as those set out below (collectively, “Senior Officers”):
 - Chief Executive Officer
 - Chief Technology Officer
 - Chief Financial Officer
 - Chief Accounting and Administrative Officer
 - Chief Editor
 - Chief Sales and Business Development Officer
 - Chief Product Officer
 - Chief System Operations Officer
 - Head of Development Department
 - Head of Administrative Department
 - Head of Advertising Technologies Group
 - Business Development Director
 - General Director of Yandex.Money
 - Sales Director
- such other employees as are designated from time to time by the Board of Directors, the Chief Executive Officer or the Chief Financial Officer as being subject to this Section 3 (the “Designated Employees”);
- all family members of Directors, Senior Officers and Designated Employees who share the same address as, or are financially dependent on, the Director, Senior Officer or Designated Employee and any other person (other than an unrelated person who is not financially dependent on the Director, Senior Officer or Designated Employee and on whom the Director, Senior Officer or Designated Employee is not financially dependent) who shares the same address as the Director, Senior Officer or Designated Employee; and

- all corporations, partnerships, trusts or other entities controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities.

3.2 Blackout Periods.

(a) Except as provided in Section 4, no person or entity covered by this Section 3 may purchase or sell any securities of the Company during the period beginning two weeks prior to the end of each fiscal quarter and ending upon the completion of the second full trading day after the public announcement of earnings for such quarter (a “regular blackout period”).

(b) The Company may from time to time notify Directors, Senior Officers and other specified employees that an additional blackout period (a “corporate news blackout period”) is in effect in view of significant events or developments involving the Company. In such event, except as provided in Section 4, no such individual may purchase or sell any securities of the Company during such corporate news blackout period or inform any third party that a corporate news blackout period is in effect. (In this policy, regular blackout periods and corporate news blackout periods are each referred to as a “blackout period.”)

3.3 Notice of Trades; Filing Requirements.

(a) Advance Notice. No person or entity covered by this Section 3 may purchase or sell or otherwise acquire or dispose of securities of the Company, other than in a transaction permitted under Section 4(a), unless he, she or it notifies the Chief Financial Officer prior to such transaction.

(b) Notification Procedures. The notifications required by Section 3.3(a) may be oral or in writing (including by e-mail) and should include the identity of the covered person, the type of transaction (for example, an open market purchase, a privately negotiated sale, an option exercise, etc.), the date or proposed date of the transaction and the number of shares involved. For purposes of Section 3.3, a purchase, sale or other acquisition or disposition shall be deemed to occur at the time the person becomes irrevocably committed to it (for example, in the case of an open market purchase or sale, this occurs when the trade is executed, not when it settles).

(c) Dutch Filing Requirements. All persons covered by this Section 3 must give written notice to the Netherlands Authority for the Financial Markets (the “AFM”), by means of a standard form that can be found on the Company’s intranet, of any acquisition or disposition of securities of the Company (or any derivatives thereof). The AFM must be notified within five days following the relevant transaction date. Under certain circumstances, notification may be postponed until the date the value of the transactions amounts to €5,000 or more per calendar year. Non-compliance with the notification obligations under the Dutch securities laws can lead to criminal fines, administrative fines, imprisonment or other sanctions. The AFM keeps a public registry of and publishes all notifications made pursuant to Dutch securities laws.

4. EXCEPTIONS

(a) The prohibitions in Sections 2.2(a) and 3.2 on purchases and sales of Company securities do not apply to:

- exercises of share options or other equity awards that would otherwise expire or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations, in each case in a manner permitted by the applicable equity award agreement; provided, however, that the securities so acquired may not be sold (either outright or in connection with a “cashless” exercise transaction through a broker) while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to Section 3, during a blackout period (as defined in Section 3.2(b));
- acquisitions or dispositions of Company ordinary shares under any future Company sponsored pension plan which are made pursuant to standing instructions not entered into or modified while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to Section 3, during a blackout period;
- other purchases of securities from the Company or sales of securities to the Company;
- bona fide gifts, unless the person making the gift has reason to believe that the recipient intends to sell the securities while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to Section 3, during a blackout period; and
- purchases or sales made pursuant to a binding contract, written plan or specific instruction (a “trading plan”) which is adopted and operated in compliance with Rule 10b5-1; provided such trading plan: (1) is in writing; (2) was submitted to the Company for review by the Company prior to its adoption; and (3) was not adopted while the employee or Director was aware of material nonpublic information or, in the case of someone who is subject to Section 3, during a blackout period.

(b) Nothing in this policy is intended to limit the ability of a venture capital partnership or other similar entity with which a Director is affiliated to distribute Company securities to its partners, members or other similar persons. It is the responsibility of each affected Director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances and applicable securities laws.

5. PENALTIES FOR VIOLATION

Violation of any of the foregoing rules is grounds for disciplinary action by the Company, including termination of employment.

6. COMPANY ASSISTANCE AND EDUCATION

The Company shall take reasonable steps designed to ensure that all Directors and employees of the Company are educated about, and periodically reminded of, the US federal and Dutch securities law restrictions and Company policies regarding insider trading.

7. LIMITATION ON LIABILITY

None of the Company, the Chief Financial Officer or the Company's other employees will have any liability for any delay in reviewing a trading plan submitted for review pursuant to Section 4(a) or for any refusal to permit a pledge pursuant to Section 2.3. Notwithstanding any review of a trading plan pursuant to Section 4(a) or receipt of an advance notice pursuant to Section 3.3(a), none of the Company, the Chief Financial Officer or the Company's other employees assumes any liability for the consequences of such trading plan or transaction to the person engaging in or adopting such trading plan or transaction.