

EMEA DC Meeting Statement 17 June 2022

regarding the Restructuring Credit Event in relation to Yandex N.V.

Issue number 2022061002

1. INTRODUCTION

1.1 The EMEA DC met on 16 June 2022 to discuss whether a Restructuring Credit Event had occurred in respect of Yandex N.V. (the **Reference Entity**).

1.2 The EMEA DC resolved that, for the purposes of 2014 Transactions:

- (i) a Restructuring Credit Event has occurred with respect to the Reference Entity;
- (ii) the date of the Restructuring Credit Event was 6 June 2022; and
- (iii) the date on which the DC Secretary first effectively received both a request to convene the DC and Publicly Available Information that satisfies the requirements of Section 2.1(b) of the DC Rules for the Failure to Pay Credit Event (i.e. the Credit Event Resolution Request Date) was, in relation to 2014 Transactions, 13 June 2022.¹

1.3 Capitalised terms used but not defined in this statement relating to:

- (i) credit derivatives have the meanings given to them in the 2018 ISDA Credit Derivatives Determinations Committees Rules (September 28, 2018 Version) (as amended on January 27, 2020, March 30, 2020 and October 2, 2020) (the **DC Rules**) or the 2014 Definitions (as defined in the DC Rules), as applicable; or
- (ii) the USD 1,250,000,000 0.75% Convertible Notes due 2025 (ISIN: XS2126193379) (the **Notes**) have the meaning given to them in the Terms and Conditions of the Notes.

2. BACKGROUND

2.1 The EMEA DC noted that according to press releases of the Reference Entity,² a delisting event occurred on 4 March 2022 with respect to the shares of the Reference Entity as a result of the suspension of trading in such shares on the NASDAQ Global Select Market for a period of 5 dealing days. In accordance with Condition 7(e) of the Terms and Conditions of Notes, this triggered a sixty day put window during which noteholders could exercise a redemption right to have their notes redeemed on 27 May 2022. The Reference Entity had previously stated on 3 March 2022 that it did not have sufficient resources to redeem the Notes in full.³ The Reference Entity subsequently entered into various agreements to amend the terms of the Notes to delay the put window.⁴

2.2 On 10 June 2022, the Reference Entity announced that the terms of the Notes had been amended and indicative terms agreed with a steering committee of noteholders for the purchase by the

¹ Note that the DC Question was submitted after 4pm on 10 June 2022 so was effective on 13 June 2022.

² Available here: <https://ir.yandex/press-releases?year=2022&id=03-07-2022> and here: <https://ir-docs.s3.yandex.net/bonds/Delisting%20Event%20Notice.pdf>

³ Available here: <https://ir.yandex/press-releases?year=2022&id=03-03-2022>

⁴ See: <https://ir.yandex/press-releases?year=2022&id=2022-04-29>, <https://ir-docs.s3.yandex.net/bonds/Notice%20to%20Noteholders%20of%20Modifications%20to%20Conditions%20of%20Notes.pdf> and <https://ir.yandex/press-releases?year=2022&id=2022-06-01>. Note that as the DC Question raised relates to the 10 June announcement, the EMEA DC considered only the 6 June amendment for the purposes of the determination referred to in paragraph 3 of this meeting statement.

Reference Entity and its subsidiary of Notes from participating noteholders for cash and shares.⁵ The amendment was effected by way of a third supplemental trust deed dated and taking effect on 6 June 2022.

- 2.3 The announcement on 10 June stated that as a result of the amendment, *inter alia*:
- (a) the indicative terms of the purchase provide for a purchase price of USD 140,000 in cash and 957 Reference Entity Class A shares for each USD 200,000 in principal amount of Notes purchased (the **Purchase Price**);
 - (b) if prior to 30 June 2022, the Reference Entity or its subsidiaries have purchased economic interests in, and/or cancelled or redeemed, 75% or more in principal amount of the Notes originally issued, then final maturity date of the Notes will be changed to 30 July 2022 (or such later date as agreed between the Reference Entity and a simple majority of noteholders), on which date the Notes would become due and payable at a redemption price equal to the Purchase Price;
 - (c) a new call option has been added giving the Reference Entity the right to redeem all but not some only of the Notes at the Purchase Price during the period beginning on the date that the Reference Entity or its subsidiaries have purchased economic interests in, and/or cancelled or redeemed an aggregate principal amount of, 75% or more of the Notes originally issued and ending on 29 July 2022 (or such other period as agreed between the Reference Entity and a simple majority of noteholders); and
 - (d) the put window had been amended such that it runs (a) if prior to 30 June 2022 the Reference Entity or its subsidiaries have purchased economic interests in, and/or cancelled or redeemed an aggregate principal amount of, 75% or more of the Notes originally issued, from 1 August 2022 to 15 August 2022; or (b) in all other cases, from 16 July 2022 to 29 July 2022 (or such other period as agreed between the Reference Entity and a simple majority of noteholders).

3. DETERMINATION

- 3.1 The EMEA DC determined that the Notes satisfied the Obligation Characteristics applicable to Standard Emerging European Corporate CDS.
- 3.2 Turning to whether a Credit Event had occurred, the EMEA DC considered the effect of the elements highlighted above from the 10 June announcement in the context of Section 4.7(a)(ii) and (iii) of the 2014 Definitions.
- 3.3 According to the Delisting Event Notice,⁶ (i) the Delisting Event in respect of the shares of the Reference Entity occurred on 4 March 2022; (ii) the Delisting Event Period for serving a put exercise notice (i.e. the put window) was 9 March to 9 May inclusive; and (iii) the Put Date (being the redemption date) was 27 May 2022.
- 3.4 The Delisting Event Period was deferred by extraordinary resolution on each of:
- (a) 3 May 2022, such that the Delisting Event Period would run from 3 May to 7 June 2022;⁷

⁵ Available here: <https://ir.yandex/press-releases?year=2022&id=2022-06-10>

⁶ See: <https://ir-docs.s3.yandex.net/bonds/Delisting%20Event%20Notice.pdf>

⁷ See: <https://ir-docs.s3.yandex.net/bonds/Notice%20to%20Noteholders%20of%20Modifications%20to%20Conditions%20of%20Notes.pdf>

- (b) 31 May 2022, such that the Delisting Event Period would run from 8 June to 6 July 2022;⁸ and
- (c) 6 June 2022, such that the Delisting Event Period would run as set out in paragraph 2.3(d) above.⁹
- 3.5 In each case, the deferral of the Delisting Event Period meant that the Put Date was also deferred, since the definition of Put Date under the Terms and Conditions is the fourteenth New York business day after the expiry of the Delisting Event Period.¹⁰
- 3.6 The condition for holders of the Notes to exercise the put right had been satisfied and each of these amendments had the effect of deferring the date for payment of principal and interest by delaying the Delisting Event Period and related Put Date and the EMEA DC determined that such deferral was a postponement of the date for payment of interest and principal under Section 4.7(a)(iii) of the 2014 Definitions. The EMEA DC further considered that the other necessary elements of Section 4.7 were satisfied, including the credit deterioration requirement.
- 3.7 The EMEA DC noted that the DC Question related to the third deferral. The EMEA DC determined that the requirements of Section 4.7(a)(iii) of the 2014 Definitions were satisfied in respect of the third amendment such that a Restructuring Credit Event had occurred on 6 June 2022.
- 3.8 Having concluded that Section 4.7(a)(iii) applied, it was not necessary to reach a view on whether the amendment to the principal payment obligations also constituted a Restructuring Credit Event.

4. SETTLEMENT

- 4.1 As the Relevant Transaction 300/5 Criteria were not satisfied in respect of 2014 Transactions in respect of the Reference Entity, the EMEA DC determined whether or not an Auction should be held to settle 2014 Transactions in respect of the Reference Entity.
- 4.2 The EMEA DC determined that no Auction will be held to settle 2014 Transactions relating to the Reference Entity and accordingly no Transaction Auction Settlement Terms will be published. 17 June 2022 (being the date the decision was announced by the DC Secretary) is the “No Auction Announcement Date” for the purposes of Section 6.11 of the 2014 Definitions.

⁸ See: <https://ir.yandex/press-releases?year=2022&id=2022-06-01>

⁹ See: <https://ir-docs.s3.yandex.net/bonds/Notice%20of%20Modifications%20to%20Conditions%20of%20Notes%20-%208%20June%202022.pdf>

¹⁰ As such, the original Delisting Event Notice specifies the Put Date as 27 May 2022, and the 4 May Notice to Noteholders specifies the Put Date as 28 June 2022 in connection with the first deferral. There is nothing in the documents reviewed by the EMEA DC to indicate that definition has been altered by the subsequent amendments.