



March 29, 2013

Via Federal Express and Email (zhao@h-china.org)

Mr. Jing Zhao
160 Maidenhair Ct.
San Ramon, CA 94582

Re: Yahoo! Inc.

Dear Mr. Zhao:

In accordance with Rule 14a-8 promulgated by the U.S. Securities and Exchange Commission, I am transmitting to you with this letter a copy of the opposition statement of Yahoo! Inc. (the "Company") to the shareholder proposal you submitted to the Company titled "Social Responsibility Report" (the "Proposal").

The Company will include the enclosed opposition statement, together with the Proposal and accompanying supporting statement, in its proxy statement and form of proxy for its 2013 Annual Meeting of Shareholders.

Very truly yours,

Stephen Carlson
Legal Director

Enclosure



SHAREHOLDER PROPOSAL

Mr. Jing Zhao, 160 Maidenhair Ct., San Ramon, CA, 94582, has represented that he owns 200 shares of the Company's common stock and has given notice of his intention to present a proposal at the annual meeting. The proposal and the proponent's supporting statement appear below in italics.

The Board opposes adoption of the proposal and asks shareholders to review the Board's response, which follows the proposal and the proponent's supporting statement. The proposal contains certain assertions about Yahoo! that we believe are incorrect. The Company has not attempted in its response to the proposal to refute these inaccuracies. We do note, however, that the proponent is the apparent author of the index and ranking that he references in the proposal as being from an "independent" think tank.

The Board recommends that you vote "AGAINST" the shareholder proposal.

Shareholder Proposal

SOCIAL RESPONSIBILITY REPORT

Whereas, extensive information has come to light since 2005 in media coverage, Congress hearings, and court proceedings concerning our company's policy and practice of social responsibility, including human rights violations;

Whereas, these concerns have placed our company to be subjected to legal actions and financial penalties, have affected our company's governance and performance (seven CEOs since 2007, stock values down near half from 2007), and have placed the reputation, assets and business of our company at risk (for example, the independent think tank US-Japan-China Comparative Policy Research Institute issued Corporate Social Responsibility Index at <http://cpri.tripod.com/cpr2012/csri.pdf> ranking our company "F" — the lowest among 33 surveyed large international companies);

Whereas, our company's core display and digital media business deal with social issues widely, deeply, daily and globally, and most socially responsible large international companies issue Corporate Social Responsibility report annually;

Therefore, be it resolved that our company should review, study and publish an annual Corporate Social Responsibility (focusing on human rights) report from 2013.

Board of Directors Statement AGAINST Shareholder Proposal

Yahoo! is working proactively to advance numerous initiatives and policies aimed at protecting human rights and advancing the fundamental principles of freedom of expression and privacy globally. Yahoo! believes that the proposal that it publish an annual Corporate Social Responsibility Report focusing on human rights is unwarranted and unnecessary in light of the initiatives and actions, outlined below, that are already being taken and shared publicly by Yahoo!.

In 2008, in recognition that Yahoo!'s business, products, technology and operating footprint increasingly intersect with freedom of expression and privacy issues around the world, Yahoo! launched the Yahoo! Business & Human Rights Program. Guided by our commitment to human rights, this program brings together a core team of senior professionals from across Yahoo! to integrate the consideration of human rights and free expression issues into Yahoo!'s business decision-making and to

continue its centralized leadership on global strategy, industry initiatives, and internal and external stakeholder engagement. Yahoo!'s Business & Human Rights Program maintains a website and blog at <http://humanrights.yahoo.com> that provides stockholders and other interested parties with detailed information concerning Yahoo!'s initiatives and other activities to protect human rights and to promote free expression and privacy on the Internet. The Board believes that the extensive information published on the Business & Human Rights Program website provides significant transparency concerning Yahoo!'s human rights activities.

As further described on Yahoo!'s Business & Human Rights Program website at <http://humanrights.yahoo.com>, specific examples of Yahoo!'s initiatives include the following:

Through Yahoo!'s founding leadership role in the Global Network Initiative, Yahoo! is working to translate the principles of freedom of expression and privacy into practical standards for use in the Company's business. Yahoo! is committed to being a leader in the efforts to protect and advance those rights through thoughtful, responsible business decisions and processes, and rigorous application of the laws that protect those rights. The GNI resulted from a collaborative, multi-year effort involving an international group of information and communications technology ("ICT") companies, human rights organizations, academics, investors and technology leaders. GNI members are committed to protecting freedom of expression and privacy, partnering with others to ensure collective governance and accountability throughout the world. The GNI has produced principles that provide direction and guidance to ICT companies in protecting and advancing freedom of expression and privacy across the globe when they encounter laws and policies that interfere with these fundamental human rights. These principles include, among many things, rigorous review of government demands on companies and the development of paths for individual and collective responses and advocacy in the face of threats to freedom of expression and privacy.

Yahoo! has adopted policies and procedures to implement GNI principles and, along with other participating companies, agreed to undergo an annual assessment by an independent third party on the policies and procedures Yahoo! has implemented to support GNI's principles. The first annual assessment, which began in 2011 and continued into 2012, was the first ever assessment of corporate policies and procedures addressing freedom of expression and privacy rights in the ICT industry. The results of this assessment, conducted by KPMG AG, are available in the About Us section of Yahoo!'s Business & Human Rights Program website and blog at <http://humanrights.yahoo.com>. GNI's Phase III assessment, to be done in 2013, will examine specific cases, determine Yahoo!'s compliance and identify how the policies and procedures adopted by Yahoo! work in practice. GNI will, in its annual report to be published in 2013, announce Yahoo!'s results to the public.

Yahoo! has publicly committed to conducting human rights impact assessments in order to understand the human rights implications of the Company's business decisions. One important component of Yahoo!'s Business & Human Rights Program is the preparation of human rights impact assessments (HRIA) of new business opportunities. The HRIA is the starting point for Yahoo!'s ongoing review of the human rights landscape and of Yahoo!'s business plans when entering new markets or launching new products, and the HRIA informs Yahoo!'s strategies to protect and promote its users' rights to freedom of expression and privacy.

Yahoo! engages in internal and external stakeholder engagement by hosting annual business and human rights summits and other events. Yahoo! recognizes its responsibility to promote free expression and privacy and that it has an opportunity to use its platform to foster an exchange of ideas about how companies, governments, non-governmental organizations, responsible investors, users and other stakeholders can work together to address the complex issues that lie at the intersection of technology and human rights. In 2009, 2010 and 2011, the Yahoo! Business & Human Rights Program hosted a Business

& Human Rights Summit. The summit held in May 2011 focused on raising awareness about freedom of expression online and the challenges to this fundamental right. In addition, in 2012, the Yahoo! Business & Human Rights Program held a series of regional events focused on how women are using social media, digital media, technology and the Internet to support positive change in the world.

Given that Yahoo! publishes extensively on its Business & Human Rights Program's website about its initiatives and actions to protect human rights and promote freedom of expression and privacy on the Internet, including the initiatives and actions outlined above, and given Yahoo!'s participation in a rigorous third-party assessment, the results of which will be announced publicly, the Board believes the adoption of the proposal is unwarranted and unnecessary.

Required Vote

The affirmative vote of the holders of a majority of the shares of common stock present, in person or represented by proxy, and entitled to vote on the proposal is required to approve this proposal.

Recommendation of the Board of Directors

FOR THE FOREGOING REASONS, THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "AGAINST" THIS PROPOSAL. PROXIES RECEIVED BY THE COMPANY WILL BE VOTED "AGAINST" THIS PROPOSAL UNLESS YOU SPECIFY OTHERWISE IN THE PROXY.