


Meeting Date:	Thu, 24 Jun 2010 10:00	Type:	AGM	Issue date:	Tue, 15 Jun 2010
Meeting Location:	Doubletree Hotel, 2050 Gateway Place, San Jose, California, USA				
Current Indices:	S&P500				
Sector:	Computer programming, data processing, and other computer related				

Company Overview

Yahoo! Inc., is a global Internet brand and one of the most visited Internet destinations worldwide. The Company was incorporated in 1995 having been founded in 1994 by David Filo and Jerry Yang, while they were graduate students at Stanford University.

Many of Yahoo's services are free to its users and it is estimated to have 500 million different service user accounts. The Company now provides online properties and services ("Yahoo! Properties" or our "Owned and Operated sites") to users and, to advertisers, a range of marketing services designed to reach and connect with users of its Owned and Operated sites, as well as with Internet users beyond Yahoo! Properties, through a distribution network of third-party entities that have integrated the Company's advertising offerings into their Websites, or their other offerings. Its offerings fall into three categories: Integrated Consumer Experiences; Applications (Communications and Communities); Search; and Media Products and Solutions. Revenue is generated from advertising services and by providing marketing services to businesses across the majority of its online properties and by establishing paying relationships with its users for premium services.

Yahoo! provides services in more than 25 languages and in more than 50 countries, regions, and territories. As of December 31, 2009, the Company had approximately 13,900 full-time employees.

PROPOSALS	ADVICE
1.01 Re-elect Carol Bartz President and Chief Executive Officer.	For
1.02 Re-elect Roy J. Bostock Non-Executive Chairman. Independent by company, independent by PIRC. Previously raised concerns relating to his independence appear now to have been resolved.	For
1.03 Elect Patti S. Hart Non-Executive Director. Independent by company, independent by PIRC.	For
1.04 Re-elect Eric Hippeau Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view.	Oppose
1.05 Re-elect Susan M. James Newly appointed Non-Executive Director. Independent by company, independent by PIRC.	For
1.06 Re-elect Vyomesh Joshi Non-Executive Director. Independent by company, independent by PIRC.	For
1.07 Re-elect Arthur H. Kern Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view. Furthermore, whilst we recognise that the Company's CEO has changed recently and that the former CEO's salary	Oppose

was extremely low, as Chairman of the Compensation Committee, we nevertheless consider him responsible for authorizing the sudden and extreme increase in CEO salary.

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|--|----------------|
| 1.08 Elect Brad D. Smith
Non-Executive Director. Independent by company, independent by PIRC. | For |
| 1.09 Re-elect Gary L. Wilson
Non-Executive Director. Independent by company, not independent by PIRC as we note that a undisclosed discretionary charitable contribution of advertising was made by the Company to a non-profit entity with which Mr. Wilson is affiliated. There is insufficient independent representation on the Board in our view. | Oppose |
| 1.10 Re-elect Jerry Yang
Executive Director. Chief Yahoo. | For |
| 2 Approval of Amendments to the 1996 Directors' Stock Plan
The Board is seeking shareholder approval of a number of amendments to the 1996 Directors' Stock Plan (the Plan). Specifically, the Board is seeking to prohibit the practice of awarding shares to Non-Executive Directors as options (making such awards instead as restricted stock units, or RSUs), and to extend the Plan's expiry date from 1 April 2015 to 1 September 2019. The number of RSUs that would be awarded under the Plan would be determined by dividing \$220,000 by the per-share closing price of the Company's common stock on the date of grant. Over the last six months, the company's stock has traded at around \$16 so this figure would equate to 13,750 shares per director or 110,000 in total per year (equivalent to less than .01% of outstanding share capital). Presently, 4,681,289 shares remain available for issuance under the Plan.

PIRC has concerns over how the Plan is administered, but notes that the award has been fixed at a low level and that the Plan is almost self operating. We note though that dividend equivalents would be made available to recipients before RSUs vest which we do not support.

For the reasons laid out above, we recommend an abstain vote. | Abstain |
| 3 Re-appoint the auditors
PricewaterhouseCoopers LLP proposed. The non-audit fees were approximately 29% of audit and audit-related fees during the year under review. Non-audit fees over a three-year period were approximately 19% of audit and audit-related fees. PIRC has concerns that this level of non-audit fees creates a potential for conflict of interest on the part of the independent auditor. We therefore recommend a vote to abstain on this proposal. | Abstain |
| 4 Shareholder Proposal: Executive compensation advisory vote
Proposed by: Michael Loeb

The proponent has requested that the Board should "adopt a policy that provides shareholders the opportunity at each annual shareholder meeting to vote on an advisory resolution, proposed by management, to ratify the compensation of the named executive officers ("NEOs") set forth in the proxy statement's Summary Compensation Table (the "SCT") and the accompanying narrative disclosure of material factors provided to understand the SCT (but not the Compensation Discussion and Analysis). The proposal submitted to stockholders should make clear that the vote is non-binding and would not affect any compensation paid or awarded to any NEO."

PIRC supports the ability of shareholders to have a vote on the company's compensation policies and practices. Our preference would be for an annual vote on executive compensation to cover the SCT and the full Compensation Discussion and Analysis section. However, since the request represents a step towards better governance, we recommend a vote for the proposal. | For |

* = *Special Resolution*

GOVERNANCE

Directors

- There is no Lead/Presiding Director. Chairman Roy J. Bostock presides at meetings held in Executive Session.
- There is insufficient independent representation on the Board in our view.

Remuneration

- The Company has achieved: a below market average level of disclosure; a below market average balance of rewards; and a market best practice approach to contracts with executives.

Audit and reporting

- The non-audit fees were approximately 29% of audit and audit-related fees during the year under review. Non-audit fees over a three-year period were approximately 19% of audit and audit-related fees.

Share capital and shareholder relations

- The Company has blank cheque preferred stock which we do not support as it can be used as an anti-takeover mechanism or to entrench under-performing management.
- The company has a shareholder rights plan in place, which is triggered upon the acquisition of 15% of the company's equity.

1 DIRECTORS

1.1 Board of Directors

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. *A = audit committee, R = remuneration committee, N = nomination committee, C = CSR or Ethics Committee, * = committee chairman.*

Board changes during year (after previous AGM):

Departures: Non-Executive Directors Ronald W. Burkle, John H. Chapple and Frank J. Biondi will step down from the Board at the 2010 annual meeting. Non-Executive Directors Carl Icahn and Maggie Wilderotter resigned from the Board on 23 October and 31 December 2009 respectively.

Arrivals: Non-Executive Director Susan M. James was elected to the Board, effective 11 January 2010. Patti S. Hart and Brad D. Smith will seek appointment to the Board as Non-Executive Directors at the 2010 Annual Meeting.

Carol Bartz				Chief Executive	
Age:	61	Date Appointed:	2009	Term Expires:	Committees: None
Other Positions:	National Medals of Science and Technology Foundation [Dir], Cisco Systems, Inc. [SID], ex-Autodesk, Inc. [Ch, Pres, CEO], ex-Sun Microsystems, Inc. [VP - Worldwide Field Operations], ex-BEA Systems, Inc. [Dir], ex-Intel Corp. [Dir], ex-NetApp, Inc. [Dir]				
Comment:	President and Chief Executive Officer.				

Roy J. Bostock				Chairman (Non Executive)	
Age:	69	Date Appointed:	2003	Term Expires:	Committees: R, N*
Other Positions:	Delta Air Lines, Inc. [VCh], Sealedge Investments, LLC [Principal], Morgan Stanley [Dir], The Partnership for a Drug-Free America [Dir, ex-Ch], ex-Northwest Airlines Corporation [Ch], ex-Committee for Economic Development [Ch], ex-BCom3 Group, Inc. [Ch], ex-The MacManus Group, Inc. (and its predecessor D'Arcy Masius Benton & Bowles, Inc.) [Ch, CEO]				
Comment:	Independent by company, independent by PIRC. Previously raised concerns relating to his independence appear now to have been resolved.				

Patti S. Hart				Non-Executive Director	
Age:	54	Date Appointed:	2010	Term Expires:	Committees: None
Other Positions:	International Game Technology [Pres, CEO], ex-Pinnacle Systems, Inc. [Ch, CEO], ex-Excite@Home, Inc. [Ch, CEO], ex-Korn/Ferry International, Inc. [Dir], ex-Lin TV Corporation [Dir], ex-Plantronics, Inc. [Dir], ex-Spansion LLC [Dir]				
Comment:	Independent by company, independent by PIRC.				

Eric Hippeau				Non-Executive Director	
Age:	58	Date Appointed:	1996	Term Expires:	Committees: N
Other Positions:	Starwood Hotels and Resorts Worldwide, Inc. [Dir], HuffingtonPost.com, Inc. [CEO], SOFTBANK Capital [Special Partner, ex-Managing Partner], ex-Ziff-Davis, Inc. [Ch, CEO], ex-International Data Group [Various Positions], ex-Odimo Inc. [Dir]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years. In addition, as Special Partner of SOFTBANK Capital, Mr. Hippeau benefits from an investment made by the Company in a venture capital fund that his firm manages.				



Susan M. James				Non-Executive Director	
Age:	64	Date Appointed:	2010	Term Expires:	Committees: A*
Other Positions:	Applied Materials, Inc. [Dir], Coherent, Inc. [Dir], Tri-Valley Animal Rescue [Dir], ex-Ernst & Young LLP [Partner, Consultant]				
Comment:	Independent by company, independent by PIRC.				

Vyomesh Joshi				Non-Executive Director	
Age:	56	Date Appointed:	2005	Term Expires:	Committees: A
Other Positions:	Hewlett-Packard Co. [Exec VP - Imaging and Printing], ex-Phogenix Imaging LLC [Ch]				
Comment:	Independent by company, independent by PIRC.				

Arthur H. Kern				Non-Executive Director	
Age:	63	Date Appointed:	1996	Term Expires:	Committees: R*, N
Other Positions:	"several media and marketing companies" [Investor], American Media Management, Inc. [co-Founder, CEO], UCSF Foundation [Dir], Tiburon Peninsula Foudnation [Dir], Prostate Cancer Foundation [Dir], Environmental Defense Fund [Trustee, VCh], ex-Digitas, Inc. [Dir]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years.				

Brad D. Smith				Non-Executive Director	
Age:	45	Date Appointed:	2010	Term Expires:	Committees: None
Other Positions:	Intuit Inc. [Pres, CEO], ex-ADP [Snr VP - Marketing and Business Development]				
Comment:	Independent by company, independent by PIRC.				

Gary L. Wilson				Non-Executive Director	
Age:	70	Date Appointed:	2001	Term Expires:	Committees: A
Other Positions:	CB Richard Ellis Group, Inc. [Dir], Millennium Promise [Dir], University of Southern California [Overseer - Keck School of Medicine], Duke University [Trustee Emeritus], Manhattan Pacific Partners [General Partner], Private Investor, ex-Northwest Airlines Corporation [Ch], ex-The Walt Disney Company [Exec VP, CFO], ex-Marriott Corp. [Exec VP, CFO]				
Comment:	Independent by company, not independent by PIRC as we note that a undisclosed discretionary charitable contribution of advertising was made by the Company to a non-profit entity with which Mr. Wilson is affiliated.				

Jerry Yang		Executive Director			
Age:	41	Date Appointed:	1995	Term Expires:	Committees: None
Other Positions:	Cisco Systems, Inc. [Dir], Yahoo Japan Corporation [Dir], Alibaba Group Holding Limited [Dir], Stanford University [Trustee], Asian Pacific Fund [Dir]				
Comment:	Chief Yahoo. Founder and former CEO of company. He owns 3.54% of the Company's outstanding common stock.				

1.2 Board Composition (after AGM)

Directors	Number	% of board
Executive Directors	2	20.00
Independent NEDs	5	50.00
'Connected' NEDs	3	30.00
Other	0	0.00
Total	10	100.00

1.3 Board Committees (after AGM)

	Number of members	% indp Co. View	% indp PIRC View	Meetings last year
Whole Board	10	80.00	50.00	12.00
Audit	3	100.00	66.67	8.00
Remuneration	2	100.00	50.00	13.00
Nomination	3	100.00	33.33	5.00

Number of NED-only meetings in year: n/d

1. At the conclusion of the forthcoming AGM the board will be comprised of 2 executive officers and 8 non-executive directors.
2. We consider 5 of the 8 non-executive directors to be independent.
3. The Audit Committee is comprised of 3 members, 2 of whom are considered independent by PIRC.
4. The Compensation Committee is comprised of 2 members, 1 of whom are considered independent by PIRC.
5. The Nomination Committee is comprised of 3 members, 1 of whom is considered independent by PIRC.

1.4 Board Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's Shareholder Voting Guidelines. n/d = Not Disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: DIRECTORS	ANALYSIS
<p>A. There should be a clear division of responsibilities at the head of the company</p> <ul style="list-style-type: none"> a) There is a separate chairman and chief executive b) The chairman has not previously been chief executive c) There is a lead director who is considered independent by PIRC d) The lead director has a formal power to add items to the agenda of full board meetings 	<p>Yes</p> <p>Yes</p> <p>No</p> <p>n/a</p>
<p>B. The board should contain sufficient numbers of independent non-executives</p> <ul style="list-style-type: none"> e) At least 50% of the board are independent by PIRC guidelines f) At least two thirds of the board are independent by PIRC guidelines 	<p>Yes</p> <p>No</p>
<p>C. All directors should be accountable to shareholders by facing regular re-election</p> <ul style="list-style-type: none"> g) All directors are required to seek regular re-election h) All directors face election every year 	<p>Yes</p> <p>Yes</p>

1.5 Board Analysis

Comments on principle A	There is no Lead/Presiding Director. Chairman Roy J. Bostock presides at meetings held in Executive Session.
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2 COMPENSATION

2.1 Compensation Comparison

Comparative Analysis	2009		2008		2007
		% change		% change	
CEO Compensation (USD)	47,229,273.00	4,722,927,200.00	1.00	0.00	1.00
Diluted EPS (USD)	0.42		0.29		0.47
Earnings before tax (USD)m	547.22		95.80		849.42

2.2 Compensation Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's Shareholder Voting Guidelines. It is based on disclosure in the report and accounts. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: COMPENSATION	ANALYSIS
Executive remuneration should be determined by a formal and independent procedure	
1.1 Compensation committee is comprised of wholly independent directors.	No
1.2 There is no evidence that executives can unduly influence the process by which the Compensation Committee determines their pay and performance.	Yes
There should be full and transparent disclosure of compensation policies	
2.1 Peer groups used for the purpose of pay comparison are fully disclosed.	Yes
2.2 Specific performance targets that determine the award of annual bonuses are disclosed.	No
2.3 Specific performance targets that determine the award of other performance-based awards are disclosed.	No
2.4 Shareholders can determine the pension entitlement of each NEO as of the end of the last fiscal year. "Other than our 401(k) plan, the Company does not provide any pensions or other retirement benefits for our executive officers, nor does it generally provide perquisites."	Yes
The Committee should establish compensation policies in accordance with best practice.	
3.1 The Compensation Committee's statement on how total compensation levels are determined makes reference to the company's comparative performance.	No
3.2 Pay elsewhere in the Company is considered in determining executive pay.	No
There should be a reasonable balance between reward and performance for annual bonus awards	
4.1 Performance targets attached to the annual bonus are considered challenging by	n/d

4.1	PIRC guidelines.	n/a
4.2	The achievement of performance targets is the sole determinant of award.	No
4.3	Non-financial performance measures influence the award of annual bonuses.	No
4.4	Variations in the performance criteria used since the previous year are adequately explained.	n/a

There should be a reasonable balance between reward and performance for long-term compensation.

5.1	A minimum three-year performance period precedes the vesting of stock options or SARs. "Stock options function as a retention incentive for our executives as they generally vest in installments over a period of four years after the date of grant."	No
5.2	A minimum three-year performance period precedes the vesting of share awards or cash equivalents. "The performance-based restricted stock unit awards are generally scheduled to vest over a three-year period, with the vesting in each case being contingent on the Company's achievement of performance goals established by the Compensation Committee and on the executive's continued employment with the Company through the third-anniversary of the grant date."	Yes
5.3	There are performance targets attached to stock options or SARs, other than share price appreciation, which are considered challenging by PIRC guidelines.	No
5.4	Performance targets attached to share awards or cash equivalents are considered challenging by PIRC guidelines.	n/d
5.5	Performance measures attached to long-term incentives do not duplicate those attached to other incentive awards.	No

Contracts policy should balance potential costs to the company with executives' interests.

6.1	Severance pay agreements are disclosed for each NEO.	No
6.2	Disclosed severance and change-in-control awards are either restricted to 3 times base salary and target bonus, or have been approved by shareholders.	Yes
6.3	Change-in-control payments will only be made if an executive is dismissed without cause or resigns for good reason.	Yes
6.4	Contracts define good reason in an appropriate manner.	n/d
6.5	Accelerated vesting of long-term incentives is not automatically triggered by a change-in-control.	No
6.6	Does the company have a compensation recoupment 'claw-back' policy in place?	Yes

2.3 Compensation Analysis

Disclosure Rating: D

Comments on disclosure rating There is insufficient information to determine the specific financial and non-financial performance targets used for awarding future bonuses.

Reward Balance Rating: D

Comments on Incentive reward balance rating There is insufficient information to assess the extent to which performance targets attached to the annual bonus awards and the long-term incentive awards are challenging.

Contracts Rating: B

Comments on contracts rating There is potential for excessive payments in the event of a change in control.

Overall Remuneration Rating:DDB

Comments on overall remuneration rating The Company has achieved: a below market average level of disclosure; a below market average balance of rewards; and a market best practice approach to contracts with executives.

AUDIT AND REPORTING

3.1 Auditor's Remuneration

Auditors: PricewaterhouseCoopers LLP

Date appointed: 01 February 1996

\$m	2009	2008	2007
Statutory audit fee	7.50	8.60	8.00
Non-audit work undertaken by the auditors - PIRC category 1			
Audit-related, mandatory or regulatory	0.40	0.30	0.20
Tax compliance			
Other non-audit work undertaken by the auditors - PIRC category 2			
Other tax services	2.30	1.20	1.30
Acquisition-related			
Other services	0.00	0.00	0.00
Total non-audit fees (ex. category 1 work)	2.30	1.20	1.30
Total PIRC category 2 non-audit as percent of the audit fees	29.11%	13.48%	15.85%
Average over 3 years	19.20%		

3.2 Audit and Reporting Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: AUDIT	ANALYSIS
A. The auditors should be independent of the company and management	
a) No directors have a significant connection with the auditors	Yes
b) Audit firm is subject to regular fixed-term rotation	No
B. Non-audit fees should be disclosed and should not potentially affect independence	
c) An adequate breakdown of the nature of non-audit fees is provided	No
d) Level of non-audit fees do not raise independence concerns	No
C. Independent audit committee demonstrates accountability and expertise	
e) A fully independent audit committee exists comprising at least three members	No
f) Audit committee includes at least one member with significant financial experience	Yes
g) The audit committee report on its activities complies with PIRC guidelines	No
h) Audit committee's policy on awarding non-audit work is fully described	No

3.3 Audit and Reporting Analysis

Comments on principle B The non-audit fees were approximately 29% of audit and audit-related fees during the year under review. Non-audit fees over a three-year period were

approximately 19% of audit and audit-related fees.

4 SHARE CAPITAL AND SHAREHOLDER RELATIONS

4.1 Share Structure

Type	Nominal Currency	Issued (millions)	Authorised (millions)	Par value
Ordinary shares	USD	1,600.22	5,000.00	0.00
Limited voting ord shares	USD			
Non-voting ord shares	USD			
Preference shares	USD	0.00	10.00	0.00

Significant changes in issued capital:

4.2 Disclosed Shareholdings (at 01 April 2010)

Directors' interests	9.71%
Capital Research Global Investors	10.77%
Capital World Investors	6.36%
The Growth Fund of America, Inc.	5.77%
David Filo	5.73%
BlackRock Inc.	5.1%
Jerry Yang	3.54%

4.3 Share Capital and Shareholder Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: SHAREHOLDERS	ANALYSIS
A. Shareholders have an opportunity to vote on dividend policy	
a) Declared dividend or policy is put to the vote	No
B. Shareholders should have adequate information and access to all directors	
b) Sufficient biographical information on all directors is disclosed	Yes
c) Justification for new director appointments is provided	Yes
d) Meetings between NEDs and shareholders are reported	No
C. All ordinary shares should have equal rights	
e) Each ordinary share has equal voting rights	Yes
f) There is no controlling shareholder	Yes
g) No persons have the right to designate directors to the board	Yes
D. Voting Systems	
h) What type of voting system does the company use?	Plurality Plus
i) There is no cumulative voting system	Yes

D. Share Structures

j) The company does not have a shareholder rights plan	No
k) The rights under the plan are distributed to all shareholders on an equitable basis	Yes
l) Holding figure at which the rights are triggered	15.00%
m) The rights are redeemable by shareholders within an acceptable term following their distribution	No
n) The current and future directors of the company can redeem the rights at any time following their distribution	Yes
o) The company does not have blank check preferred stock	No
p) Voting rights for issued shares the same on all types of resolution	Yes

4.4 Share Capital and Shareholder Relations Analysis

Comments on principle D

The Company has blank cheque preferred stock which we do not support as it can be used as an anti-takeover mechanism or to entrench under-performing management.

The company has a shareholder rights plan in place, which is triggered upon the acquisition of 15% of the company's equity.

5 FINANCIAL PERFORMANCE

	2009	2008	2007
Year End	31 December	31 December	31 December
Earnings per share (\$)	0.43	0.31	0.49
Dividend per ordinary share (\$)	0.00	0.00	0.00

6 ADVISORS AND COMPANY CONTACT

Company Address	701 First Avenue, Sunnyvale, CA, USA, 94089
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Pensions & Investment Research Consultants Limited
6th Floor
9 Prescott Street
London E1 8AZ

Tel: 020 7247 2323
Fax: 020 7247 2457
Email: info@pirc.co.uk
<http://www.pirc.co.uk>

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