

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM S-8  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Yahoo! Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**77-0398689**  
(I.R.S. Employer  
Identification No.)

701 First Avenue  
Sunnyvale, California 94089  
(Address of Principal Executive Offices) (Zip Code)

**Maktoob.com Inc. (BVI) Share Option Plan 2**  
(Full title of the plan)

**Michael Callahan, Esq.**  
Executive Vice President, General Counsel and Secretary  
Yahoo! Inc.  
701 First Avenue  
Sunnyvale, California 94089  
(Name and address of agent for service)

**(408) 349-3300**  
(Telephone number, including area code, of agent for service)

**COPIES TO:**

**Timothy R. Morse**  
Chief Financial Officer  
Yahoo! Inc.  
701 First Avenue  
Sunnyvale, California 94089

**J. Jay Herron, Esq.**  
O'Melveny & Myers LLP  
610 Newport Center Drive, Suite 1700  
Newport Beach, California 92660

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 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock of Yahoo! Inc. issuable upon exercise of assumed options under the Maktoob.com Inc. (BVI) Share Option Plan 2	63,834 shares (1)(2)	\$ 3.9231 (3)	\$250,428 (3)	\$14

- (1) This Registration Statement covers, in addition to the number of shares of Yahoo! Inc., a Delaware corporation (the "Company" or the "Registrant"), common stock, par value \$0.001 per share (the "Common Stock"), stated above, options and other rights to purchase or acquire the shares of Common Stock covered by this Registration Statement and, pursuant to Rule 416(c) under the Securities Act of 1933, as amended (the "Securities Act"), an additional indeterminate number of shares, options and rights that may be offered or issued pursuant to the Maktoob.com Inc. (BVI) Share Option Plan 2 (the "Maktoob Plan"), as a result of one or more adjustments under the Maktoob Plan to prevent dilution resulting from one or more stock splits, stock dividends or similar transactions.
- (2) Each share of Common Stock is accompanied by a preferred stock purchase right pursuant to the Amended and Restated Rights Agreement, dated as of April 1, 2005, as may be amended from time to time, between the Registrant and EquiServe Trust Company, N.A., as Rights Agent.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) under the Securities Act, based upon the weighted average exercise price of options outstanding under this plan.

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

The documents containing the information specified in Part I of Form S-8 will be sent or given to participants as specified by Securities Act Rule 428(b) (1).

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

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

The following documents of the Company filed with the Securities and Exchange Commission (the "Commission") are incorporated herein by reference (excluding any portions of such documents that have been "furnished" but not "filed" for purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act")):

- (a) The Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2008 filed with the Commission on February 27, 2009, as amended on September 29, 2009 (Commission File No. 000-28018);
- (b) The Company's Quarterly Reports on Form 10-Q for its fiscal quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, filed with the Commission on May 8, 2009, August 7, 2009 and November 6, 2009, respectively (each, Commission File No. 000-28018);
- (c) The Company's Current Reports on Form 8-K filed with the Commission on January 15, 2009 (with respect to Item 5.02 only), February 6, 2009, February 26, 2009, April 21, 2009, as amended June 19, 2009 (with respect to Items 2.05 and 5.02 only), May 4, 2009, May 22, 2009, June 11, 2009 (with respect to Item 5.02 only), June 29, 2009, August 4, 2009, September 2, 2009, September 25, 2009, October 26, 2009 and December 10, 2009 (each, Commission File No. 000-28018);
- (d) The description of the Company's Common Stock contained in its Registration Statement on Form 8-A filed with the Commission on March 12, 1996, as updated by the Company's Current Report on Form 8-K filed with the Commission on August 11, 2000 (each, Commission File No. 000-28018), and any other amendment or report filed for the purpose of updating such description; and
- (e) The description of the Company's preferred stock purchase rights contained in its Registration Statement on Form 8-A filed with the Commission on March 19, 2001, as amended by the Company's Registration Statement on Form 8-A/A filed with the Commission on April 30, 2004 and as updated by the Company's Current Report on form 8-K filed with the Commission on April 4, 2005 (each, Commission File No. 000-28018), and any other amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 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 into this Registration Statement and to be a part

hereof from the date of filing of such documents. Any statement contained herein or in a document, all or a portion of which is incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for 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 such statement so modified or superseded shall not be deemed, except as so modified or amended, to constitute a part of this Registration Statement.

**Item 4. Description of Securities**

Not applicable.

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

Not applicable.

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

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") allows for the indemnification of officers, directors and other corporate agents in terms sufficiently broad to indemnify such persons under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act. Article XII of the Company's amended and restated certificate of incorporation and Article VI of the Company's bylaws authorize indemnification of the Company's directors, officers, employees and other agents to the extent and under the circumstances permitted by the DGCL.

The Company has entered into indemnification agreements with its directors and certain officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers to the fullest extent not prohibited by law.

The Company maintains liability insurance for the benefit of its officers and directors.

The above discussion of the DGCL and of the Company's amended and restated certificate of incorporation, bylaws, and indemnification agreements is not intended to be exhaustive and is qualified in its entirety by such statute, amended and restated certificate of incorporation, bylaws and indemnification agreements.

**Item 7. Exemption from Registration Claimed**

Not applicable.

**Item 8. Exhibits**

See the attached Exhibit Index at page 6, which is incorporated herein by reference

**Item 9. Undertakings**

(a) 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 this 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 this Registration Statement; and

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

*provided however*, that Paragraphs (a)(1)(i) and (a)(1)(ii) of this Section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic 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 this 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.

(b) 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 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this 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.

(h) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, executive officers and controlling persons of the Registrant pursuant to the provisions described in Item 6 above, or otherwise, the Registrant has been advised that in the opinion of the 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.



## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
4.1*	Maktoob.com Inc. (BVI) Share Option Plan 2 (the "Maktoob Plan").
4.2*	Form of Share Option Agreement under the Maktoob Plan.
4.3*	Form of Proposal to Optionholders under the Maktoob Plan to amend options in connection with sale of Maktoob.com Inc. to Yahoo! Inc. (including related form of Acceptance).
5.1*	Opinion of O'Melveny & Myers LLP (opinion of counsel).
23.1*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Deloitte Touche Tohmatsu LLC, Independent Auditors of Yahoo Japan Corporation and Consolidated Subsidiaries.
23.3	Consent of Counsel (included in Exhibit 5.1).
24.1	Power of Attorney (included in this Registration Statement under "Signatures").

\* Filed herewith.

**MAKTOOB.com Inc. (BVI)**  
**SHARE OPTION PLAN 2**

**1. PURPOSE**

This share option plan (the “Plan”) is intended to provide incentives to selected employees, directors and officers (the “Eligible Employees”) of Maktoob.com Inc. BVI (“the Company”) and of any present or future parent or subsidiaries of the Company (collectively, “Related Corporations”) by providing such employees with an option to purchase a specified number of non-voting ordinary shares of par value US\$0.01 each in the Company pursuant to the Company’s Memorandum and Articles of Association in force on the date hereof (the “Shares”) and further subject to the separate share option agreements granted pursuant to this Plan and made between the Company and the relevant Eligible Employees (the “Share Option”). The Company may, as determined by its Board of Directors or any administrative committee, also grant Share Options to employees of Related Corporations and other companies which are connected with the operations of The Company. The Share Options granted pursuant to this Plan are referred to hereafter individually as a “Share Option” and collectively as the “Share Options”. As used herein, the terms “parent” and “subsidiary” mean “Parent Corporation” and “Subsidiary Corporation”, respectively.

**2. ADMINISTRATION OF THE PLAN**

A. **Board or Committee Administration**. The Plan shall be administered by the Board of Directors of the Company (the “Board”). The Board may appoint a Compensation Committee (as the case may be, the “Committee”), consisting of at least the Maktoob.com CEO and two (2) Maktoob.com Board Directors from Abraaj Capital Limited, to administer the Plan and to grant Share Options hereunder, provided such Committee is delegated such powers in accordance with applicable law. (All references in this Plan to the “Committee” shall mean the Board if no such Compensation Committee has been so appointed). If the Company registers any class or series of equity security pursuant to the securities laws of any jurisdiction, the Plan shall be administered in accordance with the applicable provisions set forth in such securities laws.

B. **Authority of Board or Committee**. Subject to the terms of the Plan, the Committee shall have the authority to: (i) determine the employees of the Company and Related Corporations (from among the class of employees eligible under paragraph 3 to whom the Share Options may be granted, and to determine such other persons to whom the Share Options may be granted: (ii) determine the time or times at which the Share Options may be granted: (iii) determine the strike price at which the Shares subject to each Share Option may be purchased, which price shall not be less than the minimum specified in paragraph 6: (iv) determine (subject to paragraph 7) the time or times when each Share Option shall become exercisable and the total duration of the exercise period: (v) determine whether restrictions such as repurchase options are to be imposed on the Shares subject to the Share Options and the nature of any such restrictions: (vi) impose such other terms and conditions with respect to the Share Options not inconsistent with the terms of this Plan and the Company’s Memorandum and Articles of Association in force on the date hereof as it deems necessary or desirable: and (vii) interpret the Plan and prescribe and rescind rules and regulations relating to it.

The interpretation and construction by the Committee of any provisions of the Plan or of any Share Option granted under it shall be final unless otherwise determined by the Board. The Committee may from time to time adopt such rules and regulations for carrying out the Plan as it may deem best. No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Share Option granted under it.

- C. **Committee Actions.** The Committee may select one of its members as its chairman and shall hold meetings at such time and places as it may determine. Acts by a majority of the Committee, acting at a meeting (whether held in person or by teleconference), or acts reduced to or approved in writing by all of the members of the Committee, shall be the valid acts of the Committee. From time to time the Board may increase the size of the Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan, subject to compliance with the Company's Memorandum and Articles of Association in force on the date thereof and paragraph 2A.
- D. **Grant of Share Option to Board Members.** A Share Option may be granted to members of the Board, subject to compliance with the applicable securities laws when required by paragraph 2A. All grants of Share Options to members of the Board shall be made in all respects in accordance with the provisions of this Plan applicable to other eligible persons.

3. **ELIGIBLE EMPLOYEES AND OTHERS**

The Share Option may be granted to any employee of the Company or any Related Corporation. The Committee may take into consideration a recipient's individual circumstances in determining whether to grant a Share Option. Granting a Share Option to any individual or entity shall neither entitle that individual or entity to, nor disqualify him from, participation in any other grant of share options.

4. **NON-VOTING ORDINARY SHARES**

The Shares subject to the Share Option shall be authorised but unissued non-voting ordinary shares of the Company or non-voting ordinary Shares repurchased or redeemed and cancelled by the Company in accordance with the Companies Law of the British Virgin Islands. The aggregate number of Shares which may be issued pursuant to the Plan is up to 891,666 (Eight Hundred Ninety One Thousand, and Six Hundred and Sixty Six) subject to adjustment as provided in paragraph 13. Any such Shares may be issued pursuant to the exercise of the Share Options so long as the aggregate number of Shares so issued does not exceed such number, as adjusted. Until such time as the Company becomes subject to the certain provision of the applicable securities laws with respect to compensation earned under this Plan, if any Share Option granted under the Plan shall expire or terminate for any reason without having been exercised in full or shall cease for any reason to be exercisable in whole or in part or if any Shares issued pursuant to a Share Option have been repurchased by the Company in accordance with the terms of the agreement or instrument pursuant to which the Share Option is granted, then the unpurchased Shares subject to such Share Option and any Shares issued pursuant to a Share Option that have been so repurchased by the Company (or Shares in substitution thereof) shall again be available for grant under the Plan.

5. **GRANTING OF SHARE RIGHTS**

The date of grant of a Share Option under the Plan will be the date specified by the Committee at the time it grants the Share Option.

6. **MINIMUM OPTION PRICE; LIMITATIONS**

The minimum strike price per Share specified in the share option agreement relating to each Share Option granted under the Plan shall be US\$1.40 (One US Dollar and Forty Cents).



7. **OPTION DURATION**

Subject to earlier termination as provided in paragraphs 9 and 10, each Share Option shall expire on the date specified by the Committee and set forth in the executed share option agreement granting such Share Option, provided that the Share Option shall in any event expire not more than seven (7) years from the date of grant.

8. **EXERCISE OF SHARE OPTION**

- A. Subject to the provisions of paragraphs 9 through 13, each Share Option granted under the Plan shall be exercisable as follows: Unless otherwise specified by the Committee or the Board and subject to paragraphs 9 and 10, the Share Options granted to Eligible Employees shall vest as follows:
- (i) 100% on the third anniversary of the Vesting Commencement Date:
- provided the optionholder has remained continuously employed by the Company on or prior to the relevant dates upon which additional Shares become purchasable pursuant to the relevant share option agreement. The "Vesting Commencement Date" means the execution date of any share option agreement. The Board or the Committee may also specify such other conditions precedent as it deems appropriate to the exercise of a Share Option. The Board or the Committee may specify a different date from the actual date of grant to be the date of grant of a Share Option for the purposes of the Plan.
- B. Full Vesting of Installments. Once an installment becomes exercisable it shall remain exercisable until expiration or termination of the Share Option, unless otherwise specified by the Board or the Committee.
- C. Acceleration of Vesting. The Board or the Committee shall have the right to accelerate the vesting of any installment of any Share Option, as set forth in the relevant share option agreement. In addition, the date of exercise of any Share Option shall accelerate and vest immediately prior to the occurrence of an Exit Event provided that the determination by the Board of the point at which an Exit Event occurs shall be conclusive and binding on all parties. As soon as practicable before the date set for the occurrence of the Exit Event (as determined by the Board), the Board shall notify each optionholder of such date and make such arrangements as it considers appropriate to enable optionholders to exercise their options (such exercise being conditional on the occurrence of the Exit Event). Unexercised options shall lapse immediately after the occurrence of the Exit Event. An Exit Event shall mean either (a) the acquisition of a Controlling Interest in the Company by a Buyer, as defined in and pursuant to the Company's relevant articles of the Memorandum and Articles of Association and the Subscription and Shareholders Agreement; or (b) the realization or disposal of substantially all of the assets of the Company by the Company.
- The Company shall have the right to satisfy any Share Option granted under this Plan by making a cash payment equal to the net gain (if any) the optionholder would receive if he were to exercise the Share Option and receive Shares or in such other manner as the Committee may agree.

**9. TERMINATION OF EMPLOYMENT FOR REASONS OTHER THAN DEATH OR DISABILITY, FRAUD OR DISMISSAL FOR CAUSE**

- (a) If an optionholder ceases to be employed by the Company or any Related Corporations, or ceases to be an officer of the Company or any Related Corporations, other than by reason of death or disability, or fraud or dismissal for cause, as defined in paragraph 10, any unvested part of his or her Share Option (as at the date of cessation) shall automatically lapse on the date of such cessation of employment, but as regards the vested part, it may be exercised and shall terminate after the passage of three (3) months from the date of termination of his or her employment, but in no event later than on their expiration date specified in the relevant share option agreement. The optionholder shall have the right, with regard to the Shares the optionholder has previously acquired and/or will acquire pursuant to the exercise of a vested Share Option, and still holds, to either retain the Shares acquired from such exercise, subject to the Company's right to purchase the Shares held by the optionholder at the Fair Market Value (as defined in paragraph 10(B)(i)) at any time (including a Listing) after the date the optionholder ceases to be employed by the Company or any Related Corporations, or at any time prior to a Listing (as defined in the Company's Subscription and Shareholders Agreement), sell the same to the Company at the Fair Market Value to be paid as provided in paragraph 10(B)(ii).

Nothing in the Plan shall be deemed to give any grantee of any Share Option the right to be retained in employment or other service by the Company or any Related Corporation for any period of time. The Board or the Committee may establish such provisions in individual share option agreements as it may deem appropriate with respect to the treatment of the Share Options other than upon the termination of the employment of the holder of the Share Option. No optionholder shall be entitled to any compensation whatsoever by reason of any termination or alteration of rights under the Plan.

**10. DEATH; DISABILITY; FRAUD OR DISMISSAL FOR CAUSE**

- A. Death. If an optionholder ceases to be employed by the Company or any Related Corporations or ceases to be an officer of the Company or any Related Corporations by reason of the optionholder's death all installments of the optionholder's Share Option shall vest immediately and the Share Option may be exercised by the optionholder's legal representative(s), at any time after such date but, subject to paragraph 8D, in no event later than the final expiration date set forth in the relevant share option agreement. The legal representatives of the optionholder shall have the right, with regard to all the Shares that the optionholder has previously acquired and/or which the legal representatives of the optionholder will acquire pursuant to the exercise of a vested Share Option, and still holds, to either retain such Shares acquired from such exercise, subject to the Company's right to purchase the Shares held by the optionholder at the Fair Market Value at any time (including a Listing) upon the death of the optionholder, or at any time prior to a Listing, to sell the same to the Company at the Fair Market Value to be paid as provided in paragraph 10(B)(ii).
- B. Disability. If an optionholder ceases to be employed by the Company or any Related Corporations or ceases to be an officer of the Company or any Related Corporations by reason of his disability (as evidenced to the satisfaction of the Company) all installments of his Share Option shall vest immediately and, the Share Option may be exercised by the optionholder (or his legal representative(s), at any time after such date, subject to paragraph 8D, but in no event later than the final expiration date set forth in the relevant share option agreement. For the purposes of the Plan, the term "disability" shall mean "permanent and total disability". The optionholder (or his legal representatives) shall have the right, with regard to the Shares that the optionholder has previously acquired and/or which his legal representatives will acquire pursuant to this exercise of a vested Share Option, and still holds, to either retain such Shares acquired from such exercise, subject to the Company's right to purchase the Shares held by the optionholder at the Fair Market Value at any time (including a Listing) upon the disability of the optionholder, or at any time prior to a Listing, sell the same to the Company at the Fair Market Value to be paid as provided in paragraph 10(B)(ii).

- (i) For the purposes of paragraphs 9 and 10. "Fair Market Value" shall be determined as of the last business day (the "Valuation Date") for which the prices or quotes, if the Shares are then traded on a national securities exchange, are available immediately prior to the date of cessation of employment and shall mean the higher of (A) the average (on the Valuation Date) of the high and low prices of the Shares on the principal national securities exchange on which the Shares are traded and (B) the average closing price for 5 days preceding the Valuation Date. If the Shares are not publicly traded on the date of cessation of employment, the Fair Market Value shall be deemed to be the fair value on the date of cessation of employment, as determined by the Committee or the Board.
  - (ii) Subject to the exercise by the optionholder of the Share Option pursuant to paragraphs 9 or 10 above, the Company shall fully disburse an amount equal to the Fair Market Value upon the determination of the Fair Market Value as set out above, or agree to cash cancel any vested Share Option which has not been exercised in return for the optionholder receiving the net gain that the optionholder would otherwise obtain from exercising his or her vested Share Option, in immediately available and freely transferable funds to the account of the optionholder or his legal representatives (as applicable) as the Company shall determine, or in such other manner as the Company may otherwise agree.
- C. Fraud or Dismissal for Cause. If an optionholder ceases to be employed by the Company or any Related Corporations or ceases to be an officer of the Company or any Related Corporations by reason of his fraud or by reason of his dismissal from his employment for cause, no vested and unexercised or further installments of the optionholder's Share Option shall be or become exercisable following the date of such cessation of employment, and his Share Option shall terminate immediately. The Company shall have the option (but not the obligation) to purchase any Shares held by the optionholder at the strike price.

#### **11. ASSIGNABILITY**

No Share Option shall be assignable or transferable by the optionholder unless specified in the separate share option agreement and during the lifetime of the grantee each Share Option shall be exercisable only by him or her. No Share Option and no right to exercise any portion thereof, may be assigned or transferred by way of security. Upon any attempt so to assign or create security contrary to the provisions thereof or hereof, such Share Option and such rights and privileges shall immediately become null and void.

#### **12. TERMS AND CONDITIONS OF SHARE RIGHTS**

The Share Options shall be conferred by separate share option agreements (which need not be identical) in such forms as the Committee may from time to time approve. Such instruments shall conform to the terms and conditions set forth in paragraphs 6 through 11 hereof to the extent applicable and may contain such other provisions as the Committee deems advisable which are not inconsistent with this Plan. Without limiting the foregoing, such provisions may include transfer restrictions, rights of refusal, vesting provisions, repurchase rights and drag- along rights with respect to Shares, and such other restrictions as the Committee may deem appropriate. The Board (and, if so authorised, the Committee) may from time to time confer authority and responsibility on one or more of its own members and/or one or more officers of the Company to execute and deliver such separate share option agreements.

### 13. ADJUSTMENTS

Upon the occurrence of any of the following events, an optionholder's rights with respect to a Share Option granted to him or her hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in the written share option agreement between the optionholder and the Company relating to such Share Option.

- A. Share Dividends and Share Splits. Unless anything to the contrary is provided in a separate share option agreement, if the authorised non-voting ordinary Shares in the Company shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any non-voting ordinary Share as a dividend on its issued and outstanding non-voting ordinary Share, the number of Shares deliverable upon the exercise of the Share Option shall be appropriately increased or decreased proportionately, and appropriate adjustments shall be made in the purchase price per Share to reflect such subdivision, combination or dividend.
- B. Consolidations. Mergers or Sales of Assets or Shares. In case of any reclassification, change or conversion of Shares issuable upon any exercise of a Share Option (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any merger of the Company with or into another corporation (other than a merger with another corporation in which the Company is a continuing body corporate and which does not result in any reclassification or change to rights attaching to the Shares issuable upon exercise of the Share Option), or in case of any sale of all or substantially all of the assets of the Company, the Company, or such successor or purchasing corporation, as the case may be, shall execute a new share option agreement with each optionholder (in form and substance satisfactory to each such optionholder) providing that the optionholder shall have the right to exercise such new share option and upon such exercise to receive, in lieu of the Shares which would have been issuable upon any exercise of the Share Option pursuant to his or her particular share option agreement, the kind and amount of shares of stock, other securities, money and property receivable upon such reclassification, change or merger by a holder of the same number of Shares. Such new share option shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this paragraph 13B. The provisions of this sub-paragraph B shall apply mutatis mutandis to successive reclassification, changes, mergers and transfers.
- C. Recapitalisation or Reorganisation. In the event of a reorganisation of the Company (other than a transaction described in sub-paragraph B above) pursuant to which securities of the Company or of another corporation are issued with respect to the issued and outstanding Shares, an optionholder upon exercising an Option shall be entitled to receive for the purchase price paid upon such exercise the securities he would have received if he/she had exercised his/her Share Option prior to such recapitalisation or reorganisation and had been the owner of the Shares receivable upon such exercise at such time.
- D. Issuances of Securities. Except as expressly provided herein, no issuance by the Company of shares of any class other than non-voting ordinary shares, or securities convertible into shares of any class other than non-voting ordinary shares, shall affect, and no adjustment by reason thereof shall be made with respect to the number or price of Shares subject to the Share Option.
- E. Fractional Shares. No fractional Shares shall be issued under the Plan, and the optionholder shall receive from the Company cash in lieu of such fractional Shares a cash payment based upon the strike price then in effect.
- F. Adjustments. Upon the happening of any of the foregoing events described in sub-paragraphs A, B or C above, the class and aggregate number of Shares set forth in paragraph 4 hereof that are subject to the Share Option which previously have been or subsequently may be granted under the Plan shall also be appropriately adjusted to reflect the events described in such

sub-paragraphs. The Committee or the successor Board, as applicable, shall determine the specific adjustments to be made under this paragraph 13 and its determination shall be conclusive. If any person or entity owning Shares issued upon exercise of a Share Option conferred pursuant to a share option agreement receives shares or securities or cash in connection with a corporate transaction described in sub-paragraphs A, B or C above as a result of owning such Shares, except as otherwise provided in sub-paragraph B, such shares or securities or cash shall be subject to all of the conditions and restrictions applicable to the Shares with respect to which such shares or securities or cash were issued, unless otherwise determined by the Committee or the successor Board.

**14. MEANS OF EXERCISING SHARE OPTION**

- A. A Share Option (or full installment thereof), which is limited to those installments of the Share Option which have previously vested, shall be exercised by the holder thereof giving written notice to the Company at its [principal office address]. Such notice shall identify the Share Option (or the full installment thereof) being exercised and specify the number of Shares as to which such Share Option (or the full installment thereof) is being exercised, accompanied by a bankers draft, cheque or wire transfer (or payment by such other means as specified by the Committee or the Board) equal to the then-applicable strike price multiplied by the number of Shares being purchased. The holder of a Share Option shall not have the rights of a shareholder with respect to any Shares until the optionholder's name has been entered upon the Company's register of members. Except as expressly provided above in paragraph 13 with respect to changes in capitalisation and dividends, no adjustment shall be made for dividends or similar rights whose record date falls prior to such date of entry upon the Company's register of members.

**15. TERM AND AMENDMENT OF PLAN**

The Plan shall expire on that date which is ten (10) years from the date of its adoption by the Board (except as to the Share Options outstanding on that date, if any).

The Board may terminate or amend the Plan in any respect at any time, provided that (a) the total number of Shares that may be issued under the Plan may not be increased (except by adjustment pursuant to paragraph 13); (b) the provisions of paragraph 3 regarding eligibility for grants of the Share Options may not be modified; (c) the provisions of paragraph 6 regarding the strike price at which Shares may be offered pursuant to the Share Options may not be modified (except by adjustment pursuant to paragraph 13); and (d) the expiration date of the Plan as set forth in this paragraph 15 may not be extended without (in each case) the prior written approval of the existing optionholders.

**16. AMENDMENT OF RIGHTS**

The Board or Committee may amend, modify or terminate any Share Option including, but not limited to, substituting therefor another Share Option of the same or a different type, changing the date of exercise; provided that, except as otherwise provided in paragraphs 9, 10, and 15, a majority of the optionholder's consent to such action shall be required unless the Board or Committee determines that the action, taking into account any related action, would not materially and adversely affect the optionholder.

**17. APPLICATION OF FUNDS**

The proceeds received by the Company from the exercise of the Share Options granted under the Plan shall be used to satisfy the Company's obligations and to exercise its rights under any option or other agreement.

**18. GOVERNMENTAL REGULATION**

The Company's obligation to issue and allot Shares under this Plan is subject to the approval of any governmental authority required in connection with the authorisation, issuance or sale of such Shares.

**19. WITHHOLDING OF ADDITIONAL INCOME TAXES**

Upon the exercise of a Share Option, the Company, in accordance with tax law or regulations to which the optionholder is subject, may require the holder of the Share Option to pay additional withholding taxes in respect of the amount that is considered compensation forming part of such person's gross income. The Committee in its discretion may make the exercise of a Share Option conditional upon the optionholder's agreement to pay such additional withholding taxes.

**20. GOVERNING LAW; CONSTRUCTION**

The validity and construction of the Plan and the share option agreements shall be governed by the laws of the British Virgin Islands. In construing this Plan, the singular shall include the plural and the masculine gender shall include the feminine and neuter, unless the context otherwise requires.

**Maktoob.com Inc. (BVI)**  
**(the "Company")**

**SHARE OPTION AGREEMENT**

[date]

For value received, the Company hereby grants to [name] and to his/her or its successors (the "Optionholder") the right to subscribe for and purchase from the Company, an exempted company incorporated with limited liability in the British Virgin Islands, subject to its memorandum and articles of association, up to [number of shares in words] (in numerals) fully-paid and non-assessable non-voting ordinary shares (the "Shares") in the Company's authorised but unissued ordinary share capital (the "Ordinary Share Capital"), at a price per Share equal to US 1.4 (the "Strike Price"), such Strike Price and such number of Shares being subject to adjustment upon the occurrence of the contingencies set forth in this Share Option Agreement (the "Share Option").

**1. TERM**

The Share Option conferred pursuant to this Share Option Agreement is exercisable pursuant to the terms hereof, in whole or in part, at any time and from time to time, in accordance to clause 3 and the other clauses of this agreement, 10 years after the date of this Share Option Agreement, unless sooner terminated upon the occurrence of an Exit (the "Expiration Date").

An Exit for the purpose of the Agreement shall be the definition found within the Second Amended and Restated Shareholders Agreement (as amended and restated from time to time) dated 28th December 2007.

**2. EXERCISE OF OPTION**

The Share Option entitles the Optionholder to exercise the right to purchase the Shares in the Ordinary Share Capital, subject to the terms and conditions hereinafter set forth and on the terms set forth in the Company's Memorandum and Articles of Association.

**3. EXERCISE PERIOD OF SHARE OPTION**

- 3.1 Subject to the terms and conditions hereof (in particular Sections 1 and 4 hereof), the Share Option shall become exercisable as follows: the Share Option shall not be exercisable with respect to any of the Shares until the third twelve-month anniversary of the date of this Share Option Agreement (the "Vesting Commencement Date") provided the Option holder has remained continuously employed by the Company on or prior to the relevant dates upon which additional Shares become purchasable pursuant hereunder. Where the Optionholder is a Related Corporation or other company connected with the operations of the Company, the vesting schedule described above, other than references to continuous employment, shall apply.
- 3.2 The Share Option shall accelerate and vest immediately prior to the occurrence of an Exit provided that the determination by the Board of Directors of the Company of the point at which an Exit occurs shall be conclusive and binding on all parties. As soon as practicable before the date set for the occurrence of the Exit (as determined by the Board of Directors of the Company), the Board of Directors of the Company shall notify the Optionholder of such date and make such arrangements as it considers appropriate to enable the Optionholder to exercise the Share Option (such exercise being conditional on the occurrence of the Exit). The Share Option, to the extent unexercised, shall lapse immediately after the occurrence of the Exit.

#### 4. TERMINATION OF SHARE OPTION

Except as provided below in this Section, the Share Option shall terminate and may no longer be exercised if the Optionholder ceases to be employed by the Company or any present or future parent or subsidiaries of the Company (collectively, "Related Corporations"). The Optionholder shall be considered to be employed by the Company or the Related Corporations for all purposes under this Section 4 if the Optionholder is an officer, director or full-time employee of the Company or the Related Corporations or if the Board of Directors of the Company determines that the Optionholder is rendering substantial services as a part-time employee, consultant, contractor or adviser to the Company or the Related Corporations. The Board of Directors of the Company shall have discretion to determine whether the Optionholder has ceased to be employed by the Company or any Related Corporations and the effective date on which such employment terminated (the "Termination Date") and whether the employment is terminated because of the death or disability or fraud or dismissal for cause of the Optionholder.

- (a) Termination Generally. If an Optionholder ceases to be employed by the Company or any Related Corporations, or ceases to be an officer of the Company or any Related Corporations, other than by reason of death or disability, or fraud or dismissal for cause, any unvested part of the Optionholder's Share Option at the Termination Date, shall automatically lapse on such Termination Date, but as regards the vested part, it may be exercised and, subject to Section 3.2, shall terminate after the passage of three (3) months from the Termination Date, but in no event later than the Expiration Date. The Optionholder shall have the right, with regard to the Shares the Optionholder has previously acquired and/or will acquire pursuant to the exercise of a vested Share Option, and still holds, to either retain the Shares acquired from such exercise, subject to the Company's right to purchase the Shares held by the Optionholder at the Fair Market Value (as defined in Section 4(b)(i)) at any time (including a Listing) after the Termination Date, or at any time prior to a Listing (as defined in the Articles of Association of the Company and its Subscription and Shareholders Agreements), sell the same to the Company at the Fair Market Value to be paid as provided in Section 4(b)(ii).
- (b) Death or Disability. If the Optionholder's employment with the Company or any Related Corporations is terminated because of the death or the disability of the Optionholder, all instalments of the Optionholder's Share Option shall vest immediately, and the Share Option, may be exercised by the Optionholder (or by the Optionholder's legal representative) at anytime after such date but, subject to Section 3.2, in no event later than the Expiration Date. The Optionholder, or the legal representatives of the Optionholder shall have the right, with regard to all the Shares that the Optionholder has previously acquired and/or which the legal representatives of the Optionholder will acquire pursuant to the exercise of a vested Share Option, and still holds, to either retain the Shares acquired from such exercise, subject to the Company's right to purchase the Shares held by the Optionholder at the Fair Market Value at any time (including a Listing) after the Termination Date, or at any time prior to a Listing, sell the same to the Company at the Fair Market Value to be paid as provided in Section 4(b)(ii).
- (i) For the purposes of Sections 4(a) and (b), "Fair Market Value" shall be determined as of the last business day (the "Valuation Date") for which the prices or quotes, if the Shares are then traded on a national securities exchange, are available immediately prior to the Termination Date and shall mean the higher of (A) the average (on the Valuation Date) of the high and low prices of the Shares on the principal national securities exchange on which the Shares are traded and (B) the average closing price for 5 days preceding the Valuation Date. If the Shares are not publicly traded on the Termination Date, the Fair Market Value shall be deemed to be the fair value on the Termination Date as determined by any committee administering the Share Option or the Board of Directors of the Company.



- (ii) Subject to the exercise by the Optionholder of the Share Option pursuant to Sections 4(a) or (b), the Company shall fully disburse an amount, equal to the Fair Market Value upon the determination of the Fair Market Value as set out above, or agree to cash cancel any vested Share Option which has not been exercised in return for the optionholder receiving the net gain that the Optionholder would otherwise obtain from exercising his or her or its vested Share Option, in immediately available and freely transferable funds to the account of the Optionholder or his legal representatives (as applicable) as the Company shall determine, or in such other manner as the Company may otherwise agree.
- (c) **Fraud or Dismissal for Cause.** If an Optionholder ceases to be employed by the Company or ceases to be an officer of any Related Corporations by reason of his fraud or by reason of his dismissal from his employment for cause, no vested and unexercised or further instalments of the Optionholder's Share Option shall be, or become, exercisable following such Termination Date and the Optionholder's Share Option shall terminate immediately. The Company shall have the option (but not the obligation) to purchase any Shares held by the Optionholder at the Strike Price.
- (d) **No Right to Employment.** Nothing in this Share Option Agreement shall confer on the Optionholder any right to continue in the employ of, or other relationship with, the Company, any Related Corporation or the Company or limit in any way the right of the Company or any Related Corporation to terminate the Optionholder's employment or other relationship at any time, with or without cause. The Optionholder shall not be entitled to any compensation whatsoever by reason of any termination or alteration of rights under this Share Option Agreement.

5. **METHOD OF EXERCISE: PAYMENT: ISSUANCE OF NEW SHARE OPTION.**

The Share Option conferred pursuant to this Share Option Agreement may be exercised by the Optionholder in respect only of those instalments of the Share Option which have previously vested in whole or in part and from time to time, by the surrender by registered mail or courier of a duly executed notice of exercise form at the Company's address at P.O.Box 830184 Amman, Jordan and by the payment to the Company, by cheque, bankers draft or wire transfer (or payment by such other means as specified by the Company), of an amount equal to the then-applicable Strike Price multiplied by the number of Shares being purchased.

The Company will pass board resolutions to issue the relevant number of Shares and will notify its registered office in the British Virgin Islands in writing of such issue. In the event of any exercise of the rights hereunder, certificates for the Shares so purchased shall be delivered to the holder hereof within 60 days, or as soon as practicable, of receipt of such notice.

6. **SHARES FULLY PAID**

All Shares issuable upon the exercise of the Share Option will, upon issuance by resolution of the Board of Directors of the Company be fully-paid and non-assessable, and free from all taxes, liens and charges with respect to the issue thereof. During the period which the Share Option may be exercised, the Company will at all times have authorised a sufficient number of shares of its Ordinary Share Capital to enable the exercise of this Share Option.

7. **ADJUSTMENT OF STRIKE PRICE AND NUMBER OF SHARES.**

7.1 The number of Shares purchasable upon the exercise of the Share Option and the Strike Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

- (a) **Reclassification or Merger.** In case of any reclassification, change or conversion of Shares issuable upon any exercise of the Share Option (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any merger of the Company with or into another corporation (other than a merger with another corporation in which the Company is a continuing corporation and which does not result in any reclassification or change to rights attaching to the Shares issuable upon exercise of this Share Option), or in case of any sale of all or substantially all of the assets of the Company, the Company, or such successor or purchasing corporation, as the case may be, shall execute a new share option agreement (in form and substance satisfactory to the Optionholder) providing that the Optionholder shall have the right to exercise such new share option and upon such exercise to receive, in lieu of the Shares which would have been issuable upon any exercise of the Share Option pursuant to this Share Option Agreement, the kind and amount of shares of stock, other securities, money and property receivable upon such reclassification, change or merger by a holder of one Share in the Company's Ordinary Share Capital. Such new share option shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 7.1(a). The provisions of this subparagraph (a) shall apply *mutatis mutandis* to successive reclassification, changes, mergers and transfers.
- (b) **Subdivisions or Combination of Shares.** If at any time during the life of this Share Option Agreement, the Company subdivides or combines its Ordinary Share Capital, the Strike Price and the number of Shares issuable upon each exercise of the Share Option shall be proportionately adjusted.
- (c) **No Impairment.** The Company will not, by amendment of its memorandum and articles of association in force at the date hereof, or through any reorganisation, recapitalisation, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 7 and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Share Option against impairment.

7.2 **Notice of Adjustments.** Whenever the Strike Price is adjusted pursuant to the provisions hereof, the Company shall within 60 days, or as soon as practicable, of such adjustment deliver a certificate signed by a director to the Optionholder setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Strike Price after giving effect to such adjustment.

**8. REPRESENTATIONS, WARRANTIES OF THE OPTIONHOLDER**

The Optionholder hereby represents and warrants to, and agrees with, the Company, that:

- (a) Purchase for Own Account. The Shares will be acquired for investment for the Optionholder's own account, not as a nominee or agent;
- (b) Investment Experience. The Optionholder understands that the purchase of the Shares involves substantial risk. The Optionholder has experience as an investor in securities of companies and acknowledges that the Optionholder is able to fend for his or herself or itself, is able to bear the economic risk of investing in the Shares and has such knowledge and experience in financial or business matters that the Optionholder is capable of evaluating the merits and risks of such investment in the Shares and protecting its own interests in connection with this investment;
- (c) No Solicitation. At no time was the Optionholder presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of the Shares; and
- (d) Residence: The Optionholder is not a member of the public in the Cayman Islands.

**9. FRACTIONAL SHARES**

No fractional Shares will be issued in connection with any exercise hereunder, but in lieu of such fractional Shares the Company shall make a cash payment therefor upon the basis of the Strike Price then in effect.

**10. TRANSFERS AND EXCHANGES**

This benefit of this Share Option Agreement shall not be transferable in whole or in part (either outright or by way of security) without the prior written consent of the Company, except transfers by operation of law.

**11. RIGHTS AS SHAREHOLDERS**

The Optionholder shall not be entitled to vote or receive dividends or be deemed the holder of the Shares, nor shall anything contained herein be construed to confer upon the Optionholder any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Share Option shall have been exercised and the Shares issuable upon the exercise hereof shall have been issued and notified to the Company's registered office in the British Virgin Islands, as provided in Section 5.

**12. CONVERSION OF SHARES AFTER EXERCISE OF OPTION**

- 12.1 The Shares in the Company may, at the option of the Company, be converted into preferred shares in the Company. Upon receipt of notice from the Company by the Optionholders, the Company shall have the right to repurchase the Shares (or take such other appropriate action as the Company may determine) in consideration for the transfer of shares in the Company. Each Share in the Company shall be repurchased or otherwise substituted in consideration for the transfer by the Company to the Optionholder of one share in the Company or as otherwise adjusted pursuant to Section 7.1 or such other security in the Company as the option agreement between the Company and the Company shall provide.

12.2 The Company shall also have the right to satisfy any Share Option granted under this Share Option Agreement by making a cash payment equal to the net gain the Optionholder would receive (if any) if the Company were to exercise its option to convert the Shares in the Company into preferred shares in the Company under Section 12.1. to the Optionholders.

**13. MODIFICATION AND WAIVER**

This Share Option Agreement and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

**14. NOTICES**

Any notice, request or other document required or permitted to be given or delivered to the holder hereof or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to each such holder at its address as shown on the books of the Company or to the Company at the address indicated on the signature page of this Share Option Agreement.

**15. BINDING EFFECT ON SUCCESSORS**

This Share Option Agreement shall be binding upon any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Shares issuable upon the exercise of this Share Option shall survive the exercise and termination of this Share Option Agreement and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Optionholder. The Company will, at the time of any exercise of this Share Option, in whole or in part, upon written request of the Optionholder but at the Company's expense, acknowledge in writing its continuing obligation to the Optionholder in respect of any rights to which the Optionholder shall continue to be entitled after such exercise in accordance herewith; provided, that the failure of the Optionholder to make any such request shall not affect the continuing obligation of the Company to the Optionholder in respect of such rights.

**16. DESCRIPTIVE HEADINGS**

The descriptive headings of the several paragraphs of this Share Option Agreement are inserted for convenience only and do not constitute a part of this Share Option Agreement.

**17. GOVERNING LAW**

This Share Option Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the British Virgin Islands.

**18. COUNTERPARTS**

This Share Option Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Share Option Agreement is executed effective as of the date first above written.

for and on behalf of  
**MAKTOOB.COM INC.**

By: \_\_\_\_\_  
Director [name]

OPTIONHOLDER: [name]

Signed: \_\_\_\_\_

Registered Office:

Maktoob.com Inc.  
P.O. Box 830184  
Amman 11183

19 October 2009

To: Optionholders under the Maktoob.com Inc. (BVI) Share Option Plan 2

Dear Optionholder

**Proposal to Optionholders - Sale of Maktoob.com Inc (“Maktoob”) to Yahoo!**

**1. Introduction**

I am pleased to inform you that on 25 August 2009 Yahoo! offered to purchase the entire issued share capital of Maktoob (the “**Transaction**”) pursuant to a share purchase agreement between Yahoo! Netherlands VB, Maktoob.com Inc and others dated 25 August 2009 (the “**SPA**”).

We are writing to set out the proposals being made by Maktoob and Yahoo! to you as an optionholder (the “**Proposal**”) in relation to your options (the “**Share Options**”) under the Maktoob Inc. (BVI) Share Option Plan 2 (the “**Plan**”).

**2. Details of the Proposal**

The Proposal being made to you in respect of your Share Options is in five parts, set out in paragraphs 3, 4, 5, 6 and 7 below. However, to accept the Proposal you must accept all parts of the Proposal.

Details of your current Share Options are set out in Schedule 1 to this letter.

**3. No Acceleration and Deemed Vesting**

Under the terms of the Plan, each Share Option would become exercisable immediately prior to closing (“**Closing**”) of the Transaction.

To the extent that your Share Options are unvested, you agree irrevocably:

- (i) to waive all of your rights to accelerated vesting of each unvested Share Option under the terms of the Plan so that the Share Options do not become exercisable pursuant to Closing;
- (ii) that each Share Option that is unvested at Closing shall be deemed vested (subject to the terms of this Proposal) on a pro rata basis as if vesting was to occur over a 36 month period beginning on the date of grant and the Share Option ceased vesting at the end of the month in which the date of Closing occurs.

You further agree not to exercise any Share Option after the date you accept this Proposal (being the date you sign the Acceptance at Schedule 2).

#### 4. Cash Cancellation

To the extent that your Share Options are vested but unexercised at Closing (including after giving effect to paragraph 3 above) (each Share Option, to the extent so vested, referred to as a “**Vested Option**”), you agree irrevocably:

- (i) to waive all of your rights under and in respect of each Vested Option, thereby agreeing to cancel each Vested Option (the “**Cancellation**”); and
- (ii) to accept a payment in consideration of agreeing to the Cancellation (the “**Cash Cancellation Payment**”).

The Cash Cancellation Payment in respect of each Vested Option will be calculated as follows:

Cash Cancellation Payment =  $A \times B - C$ , where:-

A = the number of shares underlying the Vested Option being cancelled;

B = the Purchase Price Per Share (as that term is defined in the SPA), currently estimated to be approximately \$[—] per share; and

C = the aggregate exercise price that you would have paid on exercise to acquire all of the shares underlying the Vested Option being cancelled.

The Cash Cancellation Payment will be paid to you after deduction of all tax liabilities being income tax, other employment related taxes and/or social security contributions (“**Tax Liability**”) and after deduction of your pro rata portion of the indemnity escrow amount. See paragraph 8 for the mechanism by which the Cash Cancellation Payment will be paid and more information relating to the indemnity escrow deduction.

#### 5. Rollover

To the extent that you have a Share Option that is unvested under the Plan (including after accelerated vesting pursuant to paragraph 3 above) (an “**Unvested Option**”), you agree irrevocably:

- (i) to exchange your Unvested Option for an option to purchase the number of shares of Yahoo! common stock determined as provided below, at the exercise price determined as provided below (a “**New Option**”):
  - (A) the number of shares of Yahoo! common stock to be subject to the New Option shall be equal to the number of shares underlying (as of immediately prior to the Closing) the Unvested Option being exchanged multiplied by the Option Exchange Ratio (set out below); provided that the number of shares of Yahoo! common stock resulting therefrom shall be rounded downward to the nearest whole share of Yahoo! common stock; and
  - (B) the exercise price per share of Yahoo! common stock under the New Option shall be equal to (x) the exercise price per share under the Unvested Option, divided by (y) the Option Exchange Ratio, provided that such exercise price shall be rounded upward to the nearest whole cent.

The “**Option Exchange Ratio**” for the purposes of (A) and (B) above has the same meaning as set out in the SPA but approximately shall mean a number (rounded up to the nearest ten-thousandth) obtained by dividing (a) Estimated Purchase Price Per Share (as that term is defined in the SPA but currently estimated to be \$[—]); and (b) the weighted average of the per share closing price of Yahoo! common stock pursuant to the Transaction;

- (ii) that on and after Closing, you will have no rights whatsoever to or in respect of the Unvested Option;
- (iii) that the New Option shall vest and become exercisable on the third anniversary of the deemed date of grant of the New Option (being the original date of grant of the Unvested Option) and subject to the other terms of the Plan; and
- (iv) except as provided for above, the New Option will be subject to the same terms and conditions as were applicable to the related Unvested Option immediately prior to the Closing.

#### **6. No Rights Regarding Other Businesses**

You understand and agree that, as part of the Transaction, the Company will be distributing, to its existing shareholders, certain assets relating to the Company's current Souq, Tahadi Games, CashU, E-Marketing, Maktoob Kalimat and Araby businesses (the "Other Businesses"), as well as cash and certain rights to receive cash that will be used to fund the Other Businesses after the Transaction (such distributions collectively, the "Spin-Off"). The aggregate value of the Spin-Off will be approximately 25,000,000 USD. You acknowledge and agree that, notwithstanding any language to the contrary in the Plan, holders of Share Options will have no claim or right to participate in, or to otherwise receive any value in respect of, the Spin-Off, in their capacities as such. You hereby irrevocably waive, and agree not to assert or exercise, any and all such claims and rights.

#### **7. Waiver of All Other Claims**

You agree that the details as to your Share Options set out in Schedule 1 to this letter are correct, and that you do not own, or have any other rights to receive securities of the Company or to otherwise receive any proceeds from the Transaction (including any securities or rights to receive any value in respect of the Other Businesses) or any distributions in respect of the Other Businesses, except (i) for outstanding shares of the Company you own on the date hereof and (ii) as may be otherwise agreed in writing on or after the date of your Acceptance by Yahoo! or the successor to the Other Businesses. You hereby irrevocably waive, and agree not to assert or exercise, any and all such claims of ownership and/or rights. You hereby waive any and all rights under the Plan to the extent not consistent with or contemplated by the terms of this document.

#### **ACTION TO BE TAKEN TO ACCEPT THE PROPOSAL**

If you wish to accept the Proposal in respect of all of each Vested and Unvested Option, you should complete and sign the enclosed Acceptance (which is found at Schedule 2) and return it in the pre-paid envelope provided.

**It is important that Yahoo! receives your Acceptance by no later than 5:00pm on 22 October 2009. If Yahoo! does not receive your Acceptance by that time, the Proposal will no longer be available for acceptance by you.** The effect of not responding to the Proposal is set out at paragraph 10.



Please note that your Vested and Unvested Options may lapse earlier due to other circumstances, for example, if you have given notice to terminate your employment. Nothing in this document serves to extend the relevant exercise period or vesting of a Share Option or Unvested Option that has already lapsed or would otherwise lapse (for instance, on cessation of employment).

### **8. The Mechanism for the Cancellation Payment**

Pursuant to the terms of the Transaction, an escrow arrangement has been established to secure the rights of Yahoo! to indemnification and reimbursement under the SPA. Maktoob and Yahoo! have appointed an escrow agent who will be responsible for making the Cash Cancellation Payments.

If you accept the Proposal in relation to your Vested Options, the Cash Cancellation Payment will be paid as follows:

- (i) the gross Cash Cancellation Payment will be paid by Yahoo! to the escrow agent who will receive the Cash Cancellation Payment on your behalf;
- (ii) the escrow agent will deduct your pro rata portion of the indemnity escrow amount (pursuant to the Transaction and in accordance with the Escrow and Paying Agent Agreement, it is estimated that this will represent approximately 10-12% of your Cash Cancellation Payment) and any Tax Liability from the Cash Cancellation Payment and shall pay the net amount to you within 30 days of the date of Closing;<sup>1</sup>
- (iii) if there is any increase in the purchase price pursuant to the Transaction as a result of any adjustments which take place post Closing Yahoo! will pay the gross amount of any underpayment to the escrow agent;
- (iv) the escrow agent will deduct any Tax Liability and shall pay the net amount to you within 5 business days of the final adjustment report (pursuant to the Transaction); and
- (v) approximately 18 months after Closing, pursuant to the terms of the Escrow and Paying Agent Agreement, the escrow agent shall distribute to you any balance remaining of your pro rata indemnity escrow amount (less any Tax Liability). If there are claims still pending in the escrow account at that time, an amount sufficient to pay pending claims will be held back and the escrow agent shall distribute to you any balance remaining of your pro rata indemnity escrow amount (less any Tax Liability) after resolution of those claims.

### **9. The Securityholder Representative**

A Securityholder Representative has been appointed to enter into the Escrow and Paying Agent Agreement on your behalf and take actions required or permitted with respect to your interests and rights relating to the indemnity obligations in the Transaction. Tiger Global PIP

<sup>1</sup> The Proposals for certain optionees have a slightly different paragraph 8(ii) which reads: “the escrow agent will deduct: (i) your pro rata portion of the indemnity escrow amount (pursuant to the Transaction and in accordance with the Escrow and Paying Agent Agreement, it is estimated that this will represent approximately 10-12% of your Cash Cancellation Payment); (ii) any Tax Liability; and (iii) the amount of any loan that was made to you by your employer and which remains outstanding at Closing; from the Cash Cancellation Payment and shall pay the net amount to you within 30 days of the date of Closing;”

Management, LLC has agreed to serve as Securityholder Representative. By completing and signing Schedule 2, you will be agreeing to the appointment of Tiger Global PIP Management, LLC as Securityholder Representative on your behalf, and any replacement Securityholder Representative. The Securityholder Representative may be replaced by the holders of a majority of the Maktoob's Ordinary Shares that were outstanding prior to Closing, assuming exercise of all options.

**10. What happens if you do not accept the Proposal?**

As stated in paragraph 3, under the terms of the Plan each unvested Share Option would become exercisable immediately prior to Closing. However, Maktoob and Yahoo have agreed that the Transaction will not occur unless each optionholder under the Plan signs the Acceptance of the Proposal. Therefore, if you do not accept the Proposal by signing the Acceptance at Schedule 2, Closing of the Transaction will not take place and your unvested Share Options will not become exercisable at this time.

**11. Further information**

If you have any further queries (other than involving tax or financial advice) on this letter, your Share Options or how to accept the Proposal, you should contact Nick Watson of Simmons & Simmons.

**12. Confidentiality**

The Proposal and all matters relating to the sale are confidential. You must not disclose any details other than to an independent professional adviser you consult in relation to the arrangements described in the letter.

Yours faithfully

Yours faithfully

David Windley

Samih Toukan

**Chief Human Resources Officer**

**Chief Executive Officer**

*For and on behalf of Yahoo!*

*For and on behalf of Maktoob*

**Notes:**

- (i) The directors of Yahoo!, accept responsibility for the information contained in this document other than that relating to Maktoob, the directors of Maktoob and the Plan. To the best of the knowledge and belief of the directors of Yahoo! (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (ii) The directors of Maktoob, accept responsibility for the information contained in this document relating to Maktoob, the directors of Maktoob and the Plan. To the best of the knowledge and belief of the directors of Maktoob (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything that is likely to affect the import of such information.
- (iii) Receipt of documents will not be acknowledged. Documents will be dispatched at your risk.
- (iv) Accidental omission to dispatch this document to, or any failure to receive the same by, any person to whom the Proposal is made or should be made shall not invalidate the Proposal in any way.
- (v) The Proposal and Acceptance in respect thereof shall be governed by and construed in accordance with the laws of the British Virgin Islands.
- (vi) All acceptances of the Proposal will be irrevocable.
- (vii) Yahoo! reserves the right to treat acceptances of the Proposal as valid if received at any place or places or in any manner determined by it. Further, Yahoo! reserves the right to treat as valid in whole or in part any acceptance of the Proposal which is not entirely in order. If so, payment of the Cash Cancellation Payment may be deferred until after the acceptance is constituted in a form reasonably acceptable to Yahoo!.

**SCHEDULE 1**  
**Share Options in respect of which this Proposal is being made**

Name of Optionholder	[—]
Number of shares under Share Options deemed vested pursuant to paragraph 3(ii) of the Proposal and being cancelled pursuant to paragraph 4 of the Proposal	[—]
Number of unvested Share Options being exchanged for a New Option pursuant to paragraph 5 of the Proposal	[—]

**SCHEDULE 2**

**ACCEPTANCE**

To: Yahoo!  
701 First Avenue,  
Sunnyvale, CA, USA 94089

Capitalised terms used in this Schedule shall have the meaning attributed to them in the Proposal to Optionholders dated October 19, 2009 (the "Proposal").

I, \_\_\_\_\_ [insert name], residing at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [insert address]

hereby irrevocably agree to accept all of the terms of the Proposal, including:

- A. to waive all of my rights to accelerated vesting of each unvested Share Option under the terms of the Plan so that the Share Options do not become exercisable pursuant to Closing;
- B. that each Share Option that is unvested at Closing shall be deemed vested on a pro rata basis as if vesting was to occur over a 36 month period beginning on the date of grant and the Share Option ceased vesting at the end of the month in which the date of Closing occurs (number of shares under Share Option deemed vested set out in Schedule 1);
- C. not to exercise any Share Option (as set out in Schedule 1) after I sign this Acceptance;
- D. to the extent that I have a Share Option that is vested but unexercised at Closing (including after accelerated vesting pursuant to (ii) above) (each Share Option referred to as a "**Vested Option**"), to waive all of my rights under and in respect of each Vested Option, thereby agreeing to cancel my Vested Option;
- E. to accept a Cash Cancellation Payment calculated pursuant to paragraph 4 of the Proposal in consideration of agreeing to the Cancellation (number of shares under Share Option being cash cancelled set out in Schedule 1), and to have a portion of the Cash Cancellation Payment withheld by the escrow agent to fund an indemnity escrow, as described in paragraph 8 of the Proposal;
- F. to accept the appointment of Tiger Global PIP Management, LLC as Securityholder Representative, and any replacement Securityholder Representative as described in paragraph 9 of the Proposal;

G. to accept the Proposal in respect of my Unvested Option set out in the Proposal and detailed below:

**Details of the original option (referred to as the “Unvested Option”)**

Date of Grant:	—
Description of shares under Unvested Option (“ <b>Old Shares</b> ”):	Ordinary shares of Maktoob.com, Inc.
Number of Old Shares under Unvested Option immediately before the date of Closing:	—

**Details of replacement option (referred to as the (“New Option”))**

Date of Grant:	date of Closing
Deemed Date of Grant:	date of grant of Unvested Option
Description of shares under New Option (“ <b>New Shares</b> ”):	Common stock of Yahoo!, Inc.
Number of New Shares under New Option:	To be notified after Closing, calculated in accordance with Clause 5 of this Letter
Price at which each New Share can be purchased on exercise of the New Option	To be notified after Closing, calculated in accordance with Clause 5 of this Letter
Details of Vesting:	the New Option shall vest and become exercisable on the third anniversary of the deemed date of grant of the New Option (being the original date of grant of the Unvested Option) and subject to the other terms of the Plan.
Vesting Commencement Date:	date of grant of the Unvested Option

H. that once Yahoo! has paid the Cash Cancellation Payment to the escrow agent neither Yahoo! nor Maktoob (nor any other group company of Yahoo! or Maktoob) shall have any further liability to me in respect of the Cash Cancellation Payment or the Share Options that have been cancelled in consideration of the Cash Cancellation Payment; and

I. to indemnify and keep indemnified Yahoo!, Maktoob and all group companies of Yahoo! and Maktoob from and against any liability for or obligation to pay any Tax Liability that is attributable to the Cash Cancellation Payment or Rollover pursuant to the Proposal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

[O'Melveny &amp; Myers LLP Letterhead]

December 17, 2009

Yahoo! Inc.  
701 First Avenue  
Sunnyvale, California 94089

Re: *Registration of Securities of Yahoo! Inc.*

Ladies and Gentlemen:

In connection with the registration of up to an additional 63,834 shares of Common Stock of Yahoo! Inc., a Delaware corporation (the "Company"), par value \$0.001 per share (the "Shares"), and additional preferred stock purchase rights pursuant to the Amended and Restated Rights Agreement, dated as of April 1, 2005, between the Company and EquiServe Trust Company, N.A., as Rights Agent (the "Rights"), under the Securities Act of 1933, as amended, pursuant to a Registration Statement on Form S-8 (the "Registration Statement"), filed with the Securities and Exchange Commission on or about the date hereof, such Shares and related Rights to be issued or delivered pursuant to the Maktoob.com Inc. (BVI) Share Option Plan 2 (the "Maktoob Plan"), you have requested our opinion set forth below.

In our capacity as counsel, we have examined originals or copies of those corporate and other records of the Company that we considered appropriate.

On the basis of such examination and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

- (1) the Shares and related Rights have been duly authorized by all necessary corporate action on the part of the Company;
- (2) when issued in accordance with such authorization, the provisions of the Maktoob Plan, and relevant agreements duly authorized by and in accordance with the terms of the Maktoob Plan, and upon payment for and delivery of the Shares as contemplated in accordance with the Maktoob Plan and either (a) the countersigning of the certificate or certificates representing the Shares by a duly authorized signatory of the registrar for the Company's Common Stock, or (b) the book-entry of the Shares by the transfer agent for the Company's Common Stock in the name of The Depository Trust Company or its nominee, the Shares will be validly issued, fully paid and non-assessable; and
- (3) when issued in accordance with such authorization, the provisions of the Maktoob Plan, and relevant agreements duly authorized by and in accordance with the terms of the Maktoob Plan, the Rights that accompany such shares of Common Stock will be validly issued.

We consent to your filing this opinion as an exhibit to the Registration Statement.

Respectfully submitted,

*/s/ O'Melveny & Myers LLP*

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated February 27, 2009 relating to the consolidated financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appears in Yahoo! Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008.

*/s/ PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
San Jose, California  
December 18, 2009



**CONSENT OF INDEPENDENT AUDITORS**

We consent to the incorporation by reference in this Registration Statement on Form S-8 of Yahoo! Inc. of our report dated September 25, 2009 relating to the consolidated financial statements of Yahoo Japan Corporation and Consolidated Subsidiaries as of March 31, 2009 and 2008, and for the years then ended (which report expresses an unqualified opinion and includes explanatory paragraphs relating to: 1) the differences between accounting principles generally accepted in Japan and accounting principles generally accepted in the United States of America; 2) change in the accounting treatment for traffic acquisition cost and commission paid to sales agents; and 3) translation of Japanese Yen amounts into U.S. dollars), appearing in Amendment No. 1 to the Annual Report on Form 10-K of Yahoo! Inc. for the year ended December 31, 2008.

*/s/ Deloitte Touche Tohmatsu LLC*

Tokyo, Japan  
December 16, 2009