

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)

CALIFORNIA 77-0398689
(State of Incorporation) (I.R.S. Employer Identification No.)

3420 CENTRAL EXPRESSWAY
SANTA CLARA, CA 95051
(Address of principal executive offices)

YAHOO! INC. 1995 STOCK PLAN
VIAWEB INC. 1997 STOCK OPTION PLAN
VIAWEB INC. 1996 OPTION AGREEMENTS
(Full title of the Plan)

TIMOTHY KOOGLE
PRESIDENT AND CHIEF EXECUTIVE OFFICER
3420 CENTRAL EXPRESSWAY
SANTA CLARA, CA 95051
408-731-3300

(Name, address and telephone number, including area code, of agent for service)

Copy to:

James L. Brock
Steve Tonsfeldt
Heayoon Woo
Venture Law Group
2800 Sand Hill Road
Menlo Park, California 94025
(650) 854-4488

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Maximum Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
YAHOO! INC. 1995 STOCK PLAN				
Common Stock, \$.00067 par value	2,000,000 Shares (1)	\$103.75 (2)	\$207,500,000 (2)	\$61,213 (2)
VIAWEB INC. 1997 STOCK OPTION PLAN (4)				
Common Stock, \$.00067 par value.	32,977 Shares	\$19.93 (3)	\$657,232 (3)	\$ 194 (3)
VIAWEB INC. 1996 OPTION AGREEMENTS (5)				
Common Stock, \$.00067 par value.	28,149 Shares	\$9.96 (3)	\$280,364 (3)	\$ 83 (3)
TOTAL	2,061,126 Shares		\$208,437,596	\$61,490

- (1) Registrant is registering an aggregate of 2,000,000 shares under its 1995 Stock Plan pursuant to this Registration Statement. This aggregate number represents an increase in the shares reserved for issuance under Registrant's 1995 Stock Plan, which increase was approved by Registrant's shareholders at a meeting held on April 17, 1998. An aggregate of 19,500,000 shares were previously registered for issuance under the 1995 Stock Plan pursuant to previous Forms S-8 filed by Registrant with the Securities and Exchange Commission (the "COMMISSION") on April 17, 1996 (Registration No. 333-3694) and on October 30, 1997 (Registration No. 333-39105).
- (2) Computed in accordance with Rule 457(h) under the Securities Act of 1933, as amended (the "SECURITIES ACT") solely for the purpose of calculating the registration fee. The computation with respect to unissued options is based upon the average high and low sale prices of the Common Stock as reported on the Nasdaq National Market on June 5, 1998.
- (3) Computed in accordance with Rule 457(h) under the Securities Act solely for the purpose of calculating the registration fee. The computation with respect to issued options is based on the weighted average per share exercise price of outstanding options under the referenced Plan, the shares issuable under which are registered hereby.
- (4) Pursuant to the Agreement and Plan of Merger dated as of June 4, 1998, among Registrant, XY Acquisition Corporation and Viaweb Inc. ("VIAWEB"), Registrant assumed, effective as of June 10, 1998, all of the outstanding options to purchase Common Stock of Viaweb under the Viaweb 1997 Stock Option Plan, and such options became exercisable to purchase shares of Registrant's Common Stock, with appropriate adjustments to the number of shares and exercise price of each assumed option.
- (5) Pursuant to the Agreement and Plan of Merger dated as of June 4, 1998, among Registrant, XY acquisition Corporation and Viaweb, Registrant assumed, effective as of June 10, 1998, all of the outstanding options to purchase Common Stock of Viaweb issued prior to adoption of the 1997 Stock Option Plan, and such options became exercisable to purchase shares of Registrant's Common Stock, with appropriate adjustments to the number of shares and exercise price of each assumed option.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents filed by Registrant with the Commission are incorporated by reference:

1. Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 0-26822).
2. Registrant's definitive Proxy Statement dated March 12, 1998, filed in connection with the Registrant's April 17, 1998 Annual Meeting of Shareholders.
3. Registrant's Quarterly Report on Form 10-Q for the quarter ended and March 31, 1998 (File No. 0-26822).
4. Registrant's Current Reports on Form 8-K, filed with the Commission on January 5, 1998, January 15, 1998, June 8, 1998 and June 12, 1998 (File No. 0-26822).
5. The description of Registrant's Common Stock set forth in Registrant's Registration Statement on Form 8-A, filed with the Commission on March 12, 1996 (File No. 0-026822).
6. Registrant's Registration Statements on Form S-8, filed with the Commission on April 17, 1996 (File No. 333-3694) and on October 30, 1997 (File No. 333-39105).

All documents filed by Registrant pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") after the date hereof, and prior to the filing of a post-effective amendment which indicates that all securities offered hereunder have been sold or which deregisters all securities then remaining unsold under this registration statement, shall be deemed to be incorporated by reference herein and to be part hereof from the date of filing of such document. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document which also is incorporated by reference herein) modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part hereof, except as so modified or superseded.

ITEM 4. DESCRIPTION OF SECURITIES

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Certain legal matters with respect to the shares will be passed upon by Venture Law Group, a Professional Corporation, Menlo Park, California. As of the date of this filing, certain attorneys of Venture Law Group beneficially own an aggregate of 1,320 shares of Registrant's Common Stock.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 317 of the California Corporations Code 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 VII of Registrant's Articles of Incorporation and Article VI of Registrant's Bylaws provide for indemnification of Registrant's directors, officers, employees and other agents to the extent and under the circumstances permitted by the California Corporations Code. Registrant has also entered into agreements with its directors and officers that will require Registrant, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors to the fullest extent not prohibited by law.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

ITEM 8. EXHIBITS

Exhibit
Number

- | | |
|------|---|
| 4.1* | Yahoo! Inc. 1995 Stock Plan, as amended |
| 4.2 | Viaweb Inc. 1997 Stock Option Plan and form of Option Agreement thereunder. |
| 4.3 | Forms of Viaweb Inc. 1996 Option Agreements |
| 5.1 | Opinion of Venture Law Group, a Professional Corporation. |
| 23.1 | Consent of Price Waterhouse LLP, Independent Accountants. |
| 23.2 | Consent of Venture Law Group, a Professional Corporation (included in Exhibit 5.1). |
| 24.1 | Powers of Attorney (see p. II-4). |

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* Incorporated by reference from Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996 (File No. 0-26822).

ITEM 9. UNDERTAKINGS

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 to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the 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 this offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the 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.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of Registrant pursuant to the foregoing provisions, or otherwise, Registrant has been advised that in the opinion of the SEC 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 Registrant of expenses incurred or paid by a director, officer or controlling person of 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, 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Registrant, Yahoo! Inc., a corporation organized and existing under the laws of the State of California, certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California, on June 12, 1998.

YAHOO! INC.

By: /s/ TIMOTHY KOOGLE

Timothy Koogle
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Timothy Koogle and Gary Valenzuela, jointly and severally, his attorneys-in-fact and agents, each with the power of substitution and resubstitution, for him and in his name, place or stead, in any and all capacities, to sign any amendments to this Registration Statement on Form S-8, and to file such amendments, together with exhibits and other documents in connection therewith, with the Securities and Exchange Commission, granting to each attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as he might or could do in person, and ratifying and confirming all that the attorneys-in-fact and agents, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date ----
/s/ TIMOTHY KOOGLE ----- Timothy Koogle	President, Chief Executive Officer and Director (Principal Executive Officer)	June 12, 1998
/s/ GARY VALENZUELA ----- Gary Valenzuela	Senior Vice President, Finance and Administration, and Chief Financial Officer (Principal Financial Officer)	June 12, 1998
/s/ JAMES J. NELSON ----- James J. Nelson	Vice President, Finance (Chief Accounting Officer)	June 12, 1998
/s/ ERIC HIPPEAU ----- Eric Hippeau	Director	June 12, 1998
/s/ ARTHUR H. KERN ----- Arthur H. Kern	Director	June 12, 1998
/s/ MICHAEL MORITZ ----- Michael Moritz	Director	June 12, 1998
/s/ JERRY YANG ----- Jerry Yang	Director	June 12, 1998

INDEX TO EXHIBITS

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- 24.1 Powers of Attorney (see p. II-4).

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VIAWEB, INC.
1997 STOCK OPTION PLAN

1. PURPOSE OF THE PLAN.

This stock option plan (the "Plan") is intended to provide a means by which, through the grant of incentive stock options and nonqualified stock options to key employees, officers, directors and advisors, Viaweb, Inc., a Delaware corporation (the "Company"), and its subsidiaries may encourage ownership of the stock of the Company by such persons and induce qualified personnel to enter and remain in the employ of the Company or its subsidiaries and otherwise to provide additional incentive for optionees to promote the success of the Company's business.

2. STOCK SUBJECT TO THE PLAN.

(a) The shares of the \$.01 par Common Stock of the Company ("Common Stock") for which options may be granted under the Plan shall be either authorized but unissued shares or treasury shares. The number of such shares for which options may be granted under the Plan shall not exceed two hundred thousand (200,000) shares of Common Stock, subject to adjustment as provided in Section 13 hereof.

(b) If an option granted hereunder shall expire, terminate or become unexercisable for any reason without having been exercised in full, the unpurchased shares which were subject thereto shall, unless the Plan shall have been terminated, again be available for subsequent option grants under the Plan.

(c) Stock issuable upon exercise of an option granted under the Plan may be subject to such restrictions on transfer, repurchase rights or other restrictions as shall be determined by the Committee, as defined below.

3. ADMINISTRATION OF THE PLAN.

(a) The Plan shall be administered by a committee (the "Committee") appointed by the Company's Board of Directors consisting of two or more members of the Company's Board of Directors.

(b) The Board of Directors may from time to time appoint a member or members of the Committee in substitution for or in addition to the member or members then in office and may fill vacancies on the Committee however caused. The Committee shall choose one of its members as Chairman and shall hold meetings at such times and places as it shall deem advisable. A majority of the members of the Committee shall constitute a quorum and any action may be taken by a majority of those present and voting at any meeting. Any action may also be taken without the necessity of a meeting by a written instrument signed by a majority of the Committee's members. The decision of the Committee as to all questions of interpretation and application of the Plan shall be final, binding and conclusive on all persons. The Committee

shall have the authority to adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any option agreement granted hereunder in the manner and to the extent it shall deem expedient to carry the Plan into effect and shall be the sole and final judge of such expediency. No Committee member shall be liable for any action or determination made in good faith.

4. TYPE OF OPTIONS.

Options granted pursuant to the Plan shall be authorized by action of the Committee and may be designated as either incentive stock options meeting the requirements of Section 422 of the Internal Revenue Code of 1986 (the "Code") (hereinafter sometimes referred to as "ISOs") or non-qualified options which are not intended to meet the requirements of such Section 422 of the Code, the designation to be in the sole discretion of the Committee.

5. ELIGIBILITY.

(a) Options designated as incentive stock options may be granted only to officers who are employees of the Company or any subsidiary corporation (herein called "subsidiary" or "subsidiaries"), as defined in Section 424 of the Code and the Treasury Regulations promulgated thereunder (the "Regulations"), and other employees of the Company or of any subsidiary who are designated as "key employees" by the Committee.

(b) Options designated as non-qualified options may be granted to officers, employees, directors, advisors and representatives of the Company or of any of its subsidiaries.

(c) In determining the eligibility of an individual to be granted an option, as well as in determining the number of shares to be optioned to any individual, the Committee shall take into account the position and responsibilities of the individual being considered, the nature and the value to the Company or its subsidiaries of his or her service and accomplishments, his or her present and potential contribution to the success of the Company or its subsidiaries, and such other factors as the Committee may deem relevant.

(d) No option designated as an incentive stock option shall be granted to any employee of the Company or any subsidiary if such employee owns, immediately prior to the grant of an option, stock representing more than 10% of the total combined voting power of all classes of stock of the Company or a parent or a subsidiary, unless the purchase price for the stock under such option shall be at least 110% of its fair market value at the time such option is granted and the option, by its terms, shall not be exercisable more than five years from the date it is granted. In determining the stock ownership under this paragraph, the provisions of Section 424(d) of the Code shall apply. In determining the fair market value under this paragraph, the provisions of Section 7 hereof shall apply.

6. OPTION AGREEMENT.

Each option shall be evidenced by an option agreement (the "Agreement") duly executed on behalf of the Company and by the optionee to whom such option is granted, which Agreement shall comply with and be subject to the terms and conditions of the Plan. The Agreement shall set forth the number of shares of Common Stock to which it applies, (the "Option Shares") and the conditions and circumstances under which the option may be exercised. The Agreement may contain such other terms, provisions and conditions which are not inconsistent with the Plan as may be determined by the Committee, provided that options designated as incentive stock options shall meet all of the conditions for incentive stock options as defined in Section 422 of the Code. The date of grant of an option shall be as determined by the Committee. More than one option may be granted to an individual.

7. OPTION PRICE.

The option price or prices of shares of the Company's Common Stock for incentive stock options shall be the fair market value of such Common Stock at the time the option is granted as determined in good faith by the Committee in accordance with the Regulations promulgated under Section 422 of the Code. The option price or prices of shares of the Company's Common Stock for non-qualified stock options shall be determined by the Committee.

8. VESTING.

Except as provided elsewhere in this Plan or in the Agreement evidencing the option, options granted under the Plan shall become exercisable as to 25 percent (25%) thereof on each of the first four (4) anniversaries of the date of grant (the "Option Date" set forth in the Option Agreement).

9. MANNER OF PAYMENT; MANNER OF EXERCISE.

(a) Options granted under the Plan may provide for the payment of the exercise price by delivery of (i) cash or a check payable to the order of the Company in an amount equal to the exercise price of such options, (ii) shares of Common Stock of the Company owned by the optionee having a fair market value equal in amount to the exercise price of the options being exercised, or (iii) any combination of (i) and (ii), provided, however, that payment of the exercise price by delivery of shares of Common Stock of the Company owned by such optionee may be made only under such circumstances, if any, and on such terms as may from time to time be established by the Committee. The fair market value of any shares of the Company's Common Stock which may be delivered upon exercise of an option shall be determined by the Committee in accordance with Section 7 hereof.

(b) The Committee may, in its sole discretion, agree on behalf of the Company that the person exercising an option may, at the time of exercise, pay the purchase price on an installment payment basis on the following terms and conditions:

(i) The installments payable, including the installment payable on the date of exercise of the option, shall be the minimum amounts required to be paid by Regulation G of the Board of Governors of the Federal Reserve System as in effect as of the date of exercise (hereinafter "Regulation G"), or such greater amount as may be specified by the officer executing the installment payment agreement on behalf of the Company.

(ii) The person exercising the option shall not be required to pay interest to the Company on the unpaid balance of the purchase price.

(iii) The shares for which the option is exercised shall be issued to and registered in the name of the person exercising the option but shall be endorsed by the person exercising the option in blank (either on the certificate or on a separate stock power) and held by the Company as collateral security for the unpaid balance of the purchase price.

(iv) The person exercising an option shall be entitled, from the date of exercise of such option, to all of the rights of a shareholder, including the right to vote the shares and to receive and retain all dividends paid thereon.

(c) To the extent that the right to purchase shares under an option has accrued and is in effect, options may be exercised in full at one time or in part from time to time, by giving written notice, signed by the person or persons exercising the option, to the Company, stating the number of shares with respect to which the option is being exercised, accompanied by payment for such shares as provided above. Upon such exercise, delivery of a certificate for paid-up non-assessable shares shall be made at the principal office of the Company to the person or persons exercising the option at such time, during ordinary business hours, within thirty (30) days from the date of receipt of the notice by the Company, as shall be designated in such notice, or at such time, place and manner as may be agreed upon by the Company and the person or persons exercising the option.

10. EXERCISE OF OPTIONS.

(a) Each option granted under the Plan shall, subject to Section 11(b) and Section 13 hereof, be exercisable at such time or times and during such period as shall be set forth in the Agreement; provided, however, that no option granted under the Plan shall have a term in excess of ten (10) years from the date of grant.

(b) To the extent that an option to purchase shares is not exercised by an optionee when it becomes initially exercisable, it shall not expire but shall be carried forward and shall be exercisable, on a cumulative basis, until the expiration of the exercise period. No partial exercise may be made for less than full shares of Common Stock.

11. TERM OF OPTIONS; EXERCISABILITY.

(a) TERM.

(i) Each option shall expire not more than ten (10) years from the date of the granting thereof, but shall be subject to earlier termination as herein provided.

(ii) Except as otherwise provided in this Section 11, Section 13(b) or in the Agreement evidencing such option, and subject to Paragraph (b) of this Section 11, an option granted to any employee optionee who ceases for any reason to be an employee of the Company or one of its subsidiaries or a successor entity shall terminate immediately on the date such optionee ceases to be an employee of the Company or one of its subsidiaries or a successor entity, or on the date on which the option expires by its terms, whichever occurs first.

(iii) If such termination of employment is because the optionee has become permanently disabled (within the meaning of Section 22(e)(3) of the Code), such option shall terminate on the last day of the twelfth month from the date such optionee ceases to be an employee, or on the date on which the option expires by its terms, whichever occurs first.

(iv) In the event of the death of any optionee, any option granted to such optionee shall terminate on the last day of the twelfth month from the date of death, or on the date on which the option expires by its terms, whichever occurs first.

(v) Notwithstanding the provisions of Section 11(a)(ii), with respect to a particular option under the Plan, the Committee may permit a recipient to exercise an option after termination of employment.

(b) EXERCISABILITY.

Except as provided herein or as the Committee may otherwise determine is appropriate with respect to a particular option under the Plan, an option granted to an employee optionee who ceases to be an employee of the Company or one of its subsidiaries or a successor entity shall be exercisable only to the extent that the right to purchase shares under such option has accrued and is in effect on the date such optionee ceases to be an employee of the Company or one of its subsidiaries or a successor entity, and such exercise must be made within thirty (30) days following such termination of employment.

12. OPTIONS NOT TRANSFERABLE.

The right of any optionee to exercise any option granted to him or her shall not be assignable or transferable by such optionee otherwise than by will or the laws of descent and distribution, or the rules thereunder, and any such option shall be exercisable during the lifetime of such optionee only by him or her. Any option granted under the Plan shall be null and void and without effect upon the bankruptcy of the optionee to whom the option is granted, or upon any attempted assignment or transfer, except as herein provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition, attachment, divorce, trustee process or similar process, whether legal or equitable, of such option.

13. ADJUSTMENTS.

Upon the occurrence of any of the following events, an optionee's rights with respect to options granted to him hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in the written agreement between the optionee and the Company relating to such option:

(a) STOCK DIVIDENDS AND STOCK SPLITS. If the shares of Common Stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of Common Stock as a stock dividend on its outstanding Common Stock, the number of shares of Common Stock deliverable upon the exercise of options 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 stock dividend.

(b) CONSOLIDATIONS OR MERGERS. If the Company is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Company's assets or otherwise (an "Acquisition"), the Committee or the Board of Directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), shall, as to outstanding options, take one or more of the following actions: (i) make appropriate provision for the continuation of such options by substituting on an equitable basis for the shares then subject to such options the consideration payable with respect to the outstanding shares of Common Stock in connection with the Acquisition; or (ii) make appropriate provision for the continuation of such options by substituting on an equitable basis for the shares then subject to such options any equity securities of the successor corporation; or (iii) upon written notice to the optionees, provide that all options must be exercised, to the extent then exercisable, within a specified number of days of the date of such notice, at the end of which period the options shall terminate; or (iv) terminate all options in exchange for a cash payment equal to the excess of the fair market value of the shares subject to such options (to the extent then exercisable) over the exercise price thereof; or (v) accelerate the date of exercise of such options or of any installment of any such options, to a date or dates earlier than otherwise provided under Section 14 hereof, or (vi) terminate all options in exchange for the right to participate in any stock option or other employee benefit plan of any successor corporation (giving proper credit to any optionee for that portion of any option which has otherwise vested and become exercisable prior to the Acquisition). The foregoing actions are subject in all instances to the approval of the Board of Directors and any accounting considerations for any acquisition which is treated as a "pooling of interests" transaction pursuant to the Accounting Principles Board (APB) Opinion No. 16, if any discretionary action by the Board of Directors would otherwise violate the accounting rules for treatment of the Acquisition as a "pooling of interests" under APB No. 16.

(c) RECAPITALIZATION OR REORGANIZATION. In the event of a recapitalization or reorganization of the Company (other than a transaction described in subparagraph (b) above) pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding shares of Common Stock, an optionee 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 had exercised his option prior to such recapitalization or reorganization.

(d) MODIFICATION OF ISOS. Notwithstanding the foregoing, any adjustments made pursuant to subparagraphs (a), (b) or (c) with respect to ISOs shall be made only after the Committee, after consulting with counsel for the Company, determines whether such adjustments would constitute a "modification" of such ISOs (as that term is defined in Section 424 of the Code) or would cause any adverse tax consequences for the holders of such ISOs. If the Committee determines that such adjustments made with respect to ISOs would constitute a modification of such ISOs, it may refrain from making such adjustments.

(e) DISSOLUTION OR LIQUIDATION. Upon dissolution or liquidation of the Company, all options granted under this Plan shall terminate, but each optionee (if in the case of the holder of an ISO in the employ of the Company or any of its subsidiaries and otherwise associated with the Company or any of its subsidiaries) shall have the right, immediately prior to such dissolution or liquidation, to exercise his or her options to the extent then exercisable.

(f) INSURANCES OF SECURITIES. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to options. No adjustments shall be made for dividends paid in cash or in property other than securities of the Company.

(g) FRACTIONAL SHARES. No fractional shares shall be issued under the Plan and the optionee shall receive from the Company cash in lieu of such fractional shares.

14. ACCELERATION AND VESTING OF OPTIONS FOR BUSINESS COMBINATIONS.

Upon any merger, consolidation, sale of all (or substantially all) of the assets of the Company, or other business combination involving the sale or transfer of all (or substantially all) of the capital stock or assets of the Company in which the Company is not the surviving entity, or, if it is the surviving entity, does not survive as an operating going concern in substantially the same line of business (an "Acquisition"), then the vesting of all options outstanding at the closing date of such transaction shall be accelerated by two (2) years, so that options otherwise exercisable two (2) years after the date of grant shall be exercisable immediately, options otherwise exercisable three (3) years after the date of grant shall be exercisable one (1) year after the date of grant and options otherwise exercisable four (4) years after the date of grant shall be exercisable two (2) years after the date of grant.

15. NO SPECIAL EMPLOYMENT RIGHTS.

Nothing contained in the Plan or in any option granted under the Plan shall confer upon any option holder any right with respect to the continuation of his or her employment by the Company (or any subsidiary) or interfere in any way with the right of the Company (or any subsidiary), subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the rate of compensation of the option holder from the rate of compensation in existence at the time of the grant of an option. Whether an authorized leave of absence, or absence in military or government service, shall constitute termination of employment shall be determined by the Committee at the time.

16. WITHHOLDING.

The Company's obligation to deliver shares upon the exercise of any non-qualified option granted under the Plan shall be subject to the option holder's satisfaction of all applicable Federal, state and local income and employment tax withholding requirements. The Committee and the optionee may agree that the Company shall withhold from delivery shares of Common Stock purchased upon exercise of an option to satisfy the above-mentioned withholding requirements.

17. RESTRICTIONS ON ISSUE OF SHARES.

(a) Notwithstanding the provisions of Section 9, the Company may delay the issuance of shares covered by the exercise of an option and the delivery of a certificate for such shares until one of the following conditions shall be satisfied:

(i) The shares with respect to which such option has been exercised are at the time of the issue of such shares effectively registered or qualified under applicable Federal and state securities acts now in force or as hereafter amended; or

(ii) Counsel for the Company shall have given an opinion, which opinion shall not be unreasonably conditioned or withheld, that such shares are exempt from registration and qualification under applicable Federal and state securities acts now in force or as hereafter amended.

18. PURCHASE FOR INVESTMENT; RIGHTS OF HOLDER ON SUBSEQUENT REGISTRATION.

Unless the shares to be issued upon exercise of an option granted under the Plan have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, the Company shall be under no obligation to issue any shares covered by any option unless the person who exercises such option, in whole or in part, shall give a written representation and undertaking to the Company which is satisfactory in form and scope to counsel for the Company and upon which, in the opinion of such counsel, the Company may reasonably rely, that he or she is acquiring the shares issued pursuant to such exercise of the option for his or her own account as an investment and not with a view to, or for sale in connection with, the distribution of any such shares, and that he or she will make no transfer of the same except in compliance with any rules and regulations in force at the time of such transfer under the Securities Act of 1933, or any other applicable law, and that if shares are issued without such registration, a legend to this effect may be endorsed upon the securities so issued.

19. MODIFICATION OF OUTSTANDING OPTIONS.

The Committee may authorize the amendment of any outstanding option with the consent of the optionee when and subject to such conditions as are deemed to be in the best interests of the Company and in accordance with the purposes of this Plan.

20. APPROVAL OF STOCKHOLDERS.

The Plan shall be subject to approval by the vote of stockholders holding at least a majority of the voting stock of the Company voting in person or by proxy at a duly held stockholders' meeting, or by written consent of the holders of a majority of the voting stock, within twelve (12) months after the adoption of the Plan by the Board of Directors and shall take effect as of the date of adoption by the Board of Directors upon such approval. The Committee may grant options under the Plan prior to such approval, but any such option shall become effective as of the date of grant only upon such approval and, accordingly, no such option may be exercisable prior to such approval.

21. TERMINATION AND AMENDMENT.

Unless sooner terminated as herein provided, the Plan shall terminate ten (10) years from the date upon which the Plan was duly adopted by the Board of Directors of the Company. The Board of Directors may at any time terminate the Plan or make such modification or amendment thereof as it deems advisable; provided, however, that except as provided in this Section 21, the Board of Directors may not, without the approval of the stockholders of the Company obtained in the manner stated in Section 20, increase the maximum number of shares for which options may be granted or change the designation of the class of persons eligible to receive options under the Plan, or make any other change in the Plan which requires stockholder approval under applicable law or regulations. Except as provided in Section 13, without the consent of the optionee, the Committee shall not change the number of shares subject to an option, nor the exercise price thereof, nor extend the term of such option.

22. RESERVATION OF STOCK.

The Company shall at all times during the term of the Plan reserve and keep available such number of shares of stock as will be sufficient to satisfy the requirements of the Plan and shall pay all fees and expenses necessarily incurred by the Company in connection therewith.

23. LIMITATION OF RIGHTS IN THE OPTION SHARES.

An optionee shall not be deemed for any purpose to be a stockholder of the Company with respect to any of the options except to the extent that the option shall have been exercised with respect thereto and, in addition, a certificate shall have been issued theretofore and delivered to the optionee.

24. NOTICES.

Except as otherwise set forth herein, any notice, demand or communication required or permitted to be given under this Agreement shall be (a) in writing, (b) delivered by hand, nationally recognized overnight courier service, facsimile or registered or certified mail, postage prepaid, addressed to a party at the mailing address or facsimile number currently designated by the party in writing and (c) deemed to have been given on the date delivered by hand or sent by facsimile, one business day after deposit with such courier service, and three business days after being deposited in the United States mail.

VIAWEB INC.

OPTION AGREEMENT UNDER 1997 STOCK OPTION PLAN

Viaweb Inc. (the "Company") desires to grant to the Optionee named below an Incentive Stock Option under the Company's 1997 Stock Option Plan (the "Plan"). This Option Agreement is an "Agreement" as required by Section 6 of the Plan and is in all respects subject to the terms and provisions of the Plan, which are hereby incorporated by reference. By executing this Agreement, Optionee acknowledges receipt of a copy of the Plan.

In consideration of the premises, the Company and the Optionee agree as follows:

OPTIONEE

DESCRIPTION AND NUMBER _____ (____) shares
OF OPTION SHARES of the \$.01 par Common Stock of Viaweb Inc.

PURCHASE PRICE PER _____ dollars (\$_____)
SHARE

OPTION DATE

COMMENCEMENT DATE

(For vesting purposes) -----

1. GRANT OF OPTION

The Company hereby grants to the individual named above (the "Optionee") an option (the "Option") to purchase that number of shares set out above (the "Option Shares") at the purchase price per share set out above (the "Purchase Price").

2. TERM OF OPTION

The Option granted under this Option Agreement shall be exercisable as provided in Paragraph 3 hereof, but shall, in all events, expire on the tenth anniversary of the Option Date or at such earlier date as is expressly provided for in this Option Agreement or in the Plan.

3. VESTING OF OPTION SHARES; EXERCISE OF OPTION

- (a) On each of the first four anniversaries of the Commencement Date, the Optionee shall be entitled to purchase a number of Option Shares up to twenty-five percent (25%) of the total number of Option shares under this Option Agreement, plus, in each case, such number of Option shares, if any, which the Optionee was entitled

to, but did not, theretofore purchase. The Option Shares which the Optionee is entitled at any time to purchase are referred to herein as Vested Option Shares.

(b) Notwithstanding subparagraph (a) above, in the event of an Acquisition as defined in Section 14 of the Plan:

(A) If the Optionee is not offered a position with the acquiring company (or the subsidiary or unit of the acquiring company formed by such Acquisition) at a location within a radius of 60 (sixty) miles of the Company's headquarters as it existed on the day before the definitive agreement with respect to the Acquisition, with compensation at least equivalent to the Optionee's compensation on the day before the definitive agreement with respect to the Acquisition, the vesting schedule set forth in subparagraph (a) above shall be accelerated so that all the Option shares which are not then vested shall become Vested Option Shares immediately prior to the closing of the Acquisition; or

(B) If the Optionee is terminated without cause from the foregoing position within one year after the Acquisition, the vesting schedule set forth in subparagraph (a) above shall be accelerated so that all Option Shares which are not then vested shall become vested immediately upon such termination.

(c) For purposes of subparagraph (b) above "cause" shall have the same meaning as "misconduct" in Paragraph 5 hereof, substituting the acquiring company and its Board of Directors in the definition in place of the Company and its Board of Directors.

(d) The Option shall be exercised by delivery to the Company of a form of Exercise of Option substantially in the form annexed hereto as Schedule A, together with payment as provided in paragraph 4 hereof. Delivery shall be made to the Company at: 56 John F. Kennedy Street, Cambridge, MA 02138, or at such other address as the Company shall have designated by notice to the Optionee.

4. PAYMENT

Full payment of the Purchase Price of any Option Shares purchased by the Optionee shall be made at the time of the exercise of the Option. Such Purchase Price shall be paid by certified check or bank cashier's check payable to or to the order of the Company or as otherwise provided under the plan or agreed to by the Company.

5. NO EXERCISE OF OPTION IF EMPLOYMENT TERMINATED FOR MISCONDUCT

If the employment of the Optionee is terminated for "misconduct" this Option shall terminate on the date of such termination of employment and shall thereupon not be exercisable to any extent whatsoever. "Misconduct" is conduct, as determined by the Board of Directors, involving one or more of the following: (i) disloyalty, gross negligence, dishonesty or breach of fiduciary duty to the Company; (ii) the commission of an act of embezzlement, fraud, disloyalty, or deliberate disregard of the rules or policies of the Company which results in loss, damage or injury to the Company, whether directly or indirectly; (iii) the unauthorized disclosure of any trade secret or confidential information of the Company; or (iv) the commission of an act which constitutes unfair competition with the Company or which induces any customer of the Company to break a contract with the Company. In making such determination, the Board of Directors shall act fairly and in utmost good faith and shall give the Employee an opportunity to appear and to be heard at a hearing before the Board of Directors or any Committee and present evidence on his behalf. For the purpose of this Option Agreement, termination of employment shall be deemed to occur when the Optionee has been given notice that his or her employment is terminated.

6. NON-ASSIGNABILITY

The Option, and any interest of the optionee in this Option Agreement, may not be transferred assigned, pledged, hypothecated or otherwise disposed of by the Optionee in any manner whatsoever except in accordance with the terms and conditions expressly set forth herein. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option, or of any interest in this Option Agreement, not in accordance with the express provisions of this Option Agreement, shall be void and of no effect. During the Optionee's lifetime, the Option shall be vested only in the Optionee, and shall be exercisable only by the Optionee. The Option, and the Optionee's interest in this Option Agreement, is not subject, in whole or in part, to execution, attachment, or similar process. Notwithstanding the foregoing, the Option, and any interest of the Optionee in this Option Agreement, may be transferred upon the Optionee's death by will, or by the applicable laws of descent and distribution, and following such transfer, shall inure to the benefit of and be binding upon the legal personal representative of the Optionee, subject to the provisions as to exercise set forth in the Plan. Said legal personal representative shall be deemed to be the Optionee hereunder.

7. RESTRICTIONS ON TRANSFER OF SHARES

Unless the shares to be issued upon exercise of this option granted have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, the Company shall be under no obligation to issue any shares covered by any option unless the Optionee shall give a written representation and undertaking to the Company which is satisfactory in form and scope to counsel for the Company and upon which, in the opinion of such counsel, the Company may reasonably rely, that he is acquiring the shares issued pursuant to such exercise of the Option for his own account as an investment and not with a view to, or for sale in connection with, the distribution of any such shares, and that he will make no transfer of the same except in

compliance with any rules and regulations in force at the time of such transfer under the Securities Act of 1933, or any other applicable law, and that if shares are issued without such registration, a legend to this effect may be endorsed upon the securities so issued.

8. EARLY DISPOSITION

The Optionee agrees to notify the company in writing immediately after the Optionee makes a Disqualifying Disposition of any Common Stock received pursuant to the Exercise of this option. A Disqualifying Disposition is any disposition (including any sale) of such Common Stock before the LATER of (a) two years after the date the Optionee was granted this option or (b) one year after the date the Optionee acquired Common Stock by exercising this Option. If the Optionee has died before such stock is sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter. The Optionee also agrees to provide the Company with any information which it shall request concerning any such disposition. The Optionee acknowledges that he or she will forfeit the favorable income tax treatment otherwise available with respect to the exercise of this incentive stock option if he or she makes a Disqualifying Disposition of the stock received on exercise of this Option. The Optionee is urged to consult with his or her own individual tax and legal advisors as to the impact upon the exercise of this Option as well as a subsequent Disqualifying Disposition.

9. WITHHOLDING TAXES

If the Company in its discretion determines that it is obligated to withhold tax with respect to a Disqualifying Disposition (as defined in Paragraph 8) of Common Stock received by the Optionee on exercise of this option, the Optionee hereby agrees that the Company may withhold from the Optionee's wages the appropriate amount of federal, state, and local withholding taxes attributable to such Disqualifying Disposition. If any portion of this Option is treated as a Non-Qualified Option, the Optionee hereby agrees that the Company may withhold from the Optionee's wages the appropriate amount of federal, state, and local withholding taxes attributable to the exercise of this Option. At the Company's discretion, the amount required to be withheld may be withheld in cash from such wages, paid by Optionee directly, or (with respect to compensation income attributable to the exercise of this Option) in kind from the Common Stock otherwise deliverable to the Optionee on exercise of this Option. The Optionee further agrees that, if the Company does not withhold an amount from the Optionee's wages sufficient to satisfy the Company's withholding obligation, the Optionee will reimburse the Company on demand, in cash, for the amount underwithheld.

10. NOTICE AND DELIVERIES

Except as otherwise set forth herein, any notice, demand, communication or delivery required or permitted to be given under this Agreement shall be (a) in writing, (b) delivered by hand, nationally recognized overnight courier service, facsimile or registered or certified mail, postage prepaid, addressed to a party at its mailing address or facsimile number currently designated by the party in writing and (c) deemed to have been given on the date delivered by hand or sent by facsimile, one business day after deposit with such courier service, and three business days after being deposited in the United States mail.

11. NO RIGHTS AS SHAREHOLDER

The Optionee shall not be, or have any of the rights or privileges of, a shareholder of the Company in respect of any common shares issuable on exercise of the Option, unless and until the Purchase Price for such common shares has been paid or provided for in accordance with Section 9 of the Plan.

12. NO RIGHT TO EMPLOYMENT

This Option Agreement shall not give the Optionee the right to continue to be an employee.

13. GOVERNING LAW

This Option Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without application of provisions as to conflict of law, and shall be treated in all respects as a Delaware contract.

VIAWEB INC.

By:

Authorized Signature

Witness to Optionee's Signature

Optionee

SCHEDULE A

EXERCISE OF OPTION

To: Viaweb Inc.

The undersigned, _____, Optionee, hereby exercises the Option granted to him by Viaweb Inc. (the "Company") under the 1997 Stock Option Plan for the number of Option Shares set forth below:

Number of Option Shares: _____

Total Purchase Price: \$ _____ (\$ _____ x
Number of Option Shares) delivered herewith in the manner
provided for in Paragraph 3 of the Option Agreement.

The Optionee hereby represents and warrants to the Company that the Optionee is acquiring the shares to be issued pursuant to this Exercise of Option for his/her own account, for investment and not with a view to, or for sale in connection with, the distribution thereof within the meaning of the Securities Act of 1933 (the "Securities Act"). The Optionee understands that the shares have not been and will not be registered under the Securities Act and agrees that he/she will make no transfer of the shares except in compliance with any rules and regulations in force at the time of such transfer under the Securities Act or any other applicable law.

Dated: _____

OPTIONEE

PURCHASE PRICE PER
SHARE

1. GRANT OF OPTION

2. TERM OF OPTION

3. PAYMENT

Full payment of the Purchase Price of any Option Shares purchased by the Optionee shall be made at the time of the exercise of the Option. Such Purchase Price shall be paid by certified cheque or bank cashier's check payable to or to the order of the Company or as otherwise agreed by the Company.

4. CORPORATE CHANGES: ACCELERATION

(a) In the event that the outstanding shares of the \$.10 par common stock of the Company are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of any reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, combination of shares, or dividends payable in capital stock, appropriate adjustment shall be made in the number and kind of the Option Shares and as to which outstanding options or portions thereof then unexercised shall be exercisable, to the end that the proportionate interest of the Optionee shall be maintained as before the occurrence of such event; such adjustment in outstanding options shall be made without change in the total price applicable to the unexercised portion of such options and with a corresponding adjustment in the option price per share.

(b) In the case of any sale or conveyance to another entity of all or substantially all of the property and assets of the Company, including a merger, the purchaser(s) of the Company's assets or the surviving entity in the case of a merger may, in his, her or its discretion, deliver to the Optionee the same kind of consideration that is delivered to the holders of common stock of the Company as a result of such sale or conveyance or merger, treating the Option Shares as outstanding for this purpose, less the option price therefor. If this consideration includes stock, the option price subtraction shall be made proportionately from the stock and cash portions of the consideration delivered to the Optionee fairly reflecting the transaction giving rise to the right of the purchaser(s) to buy out the interest of the Optionee. Upon receipt of such consideration by the Optionee, his option shall immediately terminate and be of no further force and effect. The value of the stock or other securities the Optionee would have received if the Option had been exercised shall be determined in good faith by the Board of Directors of the Company.

(c) Upon dissolution or liquidation of the Company, all options granted hereby shall terminate, but the Optionee shall have the right, immediately prior to such dissolution or liquidation, to exercise his option.

5. NON-ASSIGNABILITY

The Option, and any interest of the Optionee in this Option Agreement, may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by the Optionee in any manner whatsoever except in accordance with the terms and conditions expressly set forth herein. Any attempted transfer, assignment, pledge, hypothecation or other

disposition of the Option, or of any interest in this Option Agreement, not in accordance with the express provisions of this Option Agreement, shall be void and of no effect. During the Optionee's lifetime, the Option shall be vested only in the Optionee, and shall be exercisable only by the Optionee. The Option, and the Optionee's interest in this Option Agreement, is not subject, in whole or in part, to execution, attachment, or similar process. Notwithstanding the foregoing, the Option, and any interest of the Optionee in this Option Agreement shall be transferred upon the Optionee's death by will, or by the applicable laws of descent and distribution, and, following such transfer, shall enure to the benefit of and be binding upon the legal personal representative of the Optionee. Said legal personal representative shall be deemed to be the Optionee hereunder.

6. RESTRICTIONS ON TRANSFER OF SHARES

Unless the shares to be issued upon exercise of this Option granted have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, the Company shall be under no obligation to issue any shares covered by any option unless the Optionee shall give a written representation and undertaking to the Company which is satisfactory in form and scope to counsel for the Company and upon which, in the opinion of such counsel, the Company may reasonably rely, that he is acquiring the shares issued pursuant to such exercise of the Option for his own account as an investment and not with view to, or for sale in connection with, the distribution of any such shares, and that he will make no transfer of the same except in compliance with any rules and regulations in force at the time of such transfer under the Securities Act of 1933, or any other applicable law, and that if shares are issued without such registration, a legend to this effect may be endorsed upon the securities so issued.

7. NOTICE AND DELIVERIES

Except as otherwise set forth herein, any notice, demand or communication required or permitted to be given under this Agreement shall be (a) in writing, (b) delivered by hand, nationally recognized overnight courier service, facsimile or registered or certified mail, postage prepaid, addressed to a party at its mailing address or facsimile number currently designated by the party in writing and (c) deemed to have been given on the date delivered by hand or sent by facsimile, one business day after deposit with such courier service, and three business days after being deposited in the United States mail.

8. NO RIGHTS AS SHAREHOLDERS

The Optionee shall not be, or have any of the rights or privileges of, a shareholder of the Company in respect of any common shares issuable on exercise of the Option, unless and until the Purchase Price for such common shares has been paid in full.

9. GOVERNING LAW

This Option Agreement shall be governed by and construed in accordance with the laws of the State of New York, without application of provisions as to conflict of law, and shall be treated in all respects as a New York contract.

VIAWEB, INC.

By:

Authorized Signature

Witness to Optionee's Signature

Optionee

OPTIONEE

October 21, 1996

(a) On the anniversary date of the Option Date in each year subsequent to the Option Date, the Optionee shall be entitled to purchase a number of Option Shares up to one third (1/3) of the total number of Option Shares under this Option Agreement (i.e., 45 shares). In addition, the Optionee may purchase at any time a number of Option Shares up to the number of Option Shares which the Optionee was entitled to, but did not, theretofore purchase.

- (b) Notwithstanding subsection (a), if subsequent to the Option Date and before the fifth anniversary of the Option Date, the Optionee ceases to be an Employee on account of a termination of service with the Company or a subsidiary:
- (i) By reason of termination of service by the Company other than for cause, as defined in the Employment Agreement of the Optionee, the Option may be exercised as to all of the Option Shares that, as of the anniversary of the Option Date next succeeding the termination, the Optionee would be entitled to but did not purchase, which exercise may be made at any time during the two-year period following such anniversary, and after the end of such period the Option shall terminate.
 - (ii) By reason of death, the Option may be exercised as to all of the Option Shares that, as of the anniversary of the Option Date next succeeding the death, the Optionee would have been entitled to but did not purchase, such exercise to be made by the Optionee's legal personal representative at any time up to one hundred eighty (180) days following the date of the Optionee's death, and after the end of such period the Option shall terminate.
 - (iii) By reason of termination of service by the Optionee, or by the Company for cause, as defined in the Employment Agreement of the Optionee, the Option may be exercised, as to all of the Option Shares that as of the date of termination of service the Optionee was entitled to but did not purchase, by the Optionee at any time during the one hundred eighty (180) day period following the date such Optionee ceased to be an Employee, and after the end of such period the Option shall terminate.

4. PAYMENT

Full payment of the Purchase Price of any Option Shares purchased by the Optionee shall be made at the time of the exercise of the Option. Such Purchase Price shall be paid by certified cheque or bank cashier's check payable to or to the order of the Company or as otherwise agreed by the Company.

5. CORPORATE CHANGES; ACCELERATION

- (a) In the event that the outstanding shares of the \$.10 par common stock of the Company are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of any reorganization, merger, consolidation, recapitalization, reclassification, stock split-up, combination of shares, or dividends payable in capital stock, appropriate adjustment shall be made in the number and kind of the Option Shares and as to which outstanding options or portions thereof then unexercised shall be exercisable, to the end that the proportionate interest of the Optionee shall be maintained as before the occurrence of such event; such adjustment in outstanding options shall be made without change in the total price applicable to the unexercised portion of such options and with a corresponding adjustment in the option price per share.
- (b) In the case of any sale or conveyance to another entity of all or substantially all of the property and assets of the Company, including a merger, all options shall become immediately exercisable. The purchaser(s) of the Company's assets or the surviving entity in the case of a merger may, in his, her or its discretion, deliver to the Optionee the same kind of consideration that is delivered to the holders of common stock of the Company as a result of such sale or conveyance or merger, treating the Option Shares as outstanding for this purpose, less the option price therefor. If this consideration includes stock, the option price subtraction shall be made proportionately from the stock and cash portions of the consideration delivered to the Optionee fairly reflecting the transaction giving rise to the right of the purchaser(s) to buy out the interest of the Optionee. Upon receipt of such consideration by the Optionee, his option shall immediately terminate and be of no further force and effect. The value of the stock or other securities the Optionee would have received if the Option had been exercised shall be determined in good faith by the Board of Directors of the Company.
- (c) The Board shall also have the power and right, but not the obligation, to accelerate the exercisability of any options, notwithstanding any limitations in this Option Agreement.
- (d) Upon dissolution or liquidation of the Company, all options granted hereby shall terminate, but the Optionee shall have the right, immediately prior to such dissolution or liquidation, to exercise his option to the extent then exercisable.

6. NON-ASSIGNABILITY

The Option, and any interest of the Optionee in this Option Agreement, may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by the Optionee in any manner whatsoever except in accordance with the terms and conditions expressly set forth herein. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option, or of any interest in this Option Agreement, not in accordance with the express provisions of this Option Agreement, shall be void and of no effect. During the Optionee's lifetime, the Option shall be vested only in the Optionee, and shall be exercisable only by the Optionee. The Option, and the Optionee's interest in this Option Agreement, is not subject, in whole or in part, to execution, attachment, or similar process. Notwithstanding the foregoing, the Option, and any interest of the Optionee in this Option Agreement, shall be transferred upon the Optionee's death by will, or by the applicable laws of descent and distribution, and, following such transfer, shall enure to the benefit of and be binding upon the legal personal representative of the Optionee, subject to the provisions as to exercise set forth in Paragraph 3(b)(ii). Said legal personal representative shall be deemed to be the Optionee hereunder.

7. RESTRICTIONS ON TRANSFER OF SHARES

Unless the shares to be issued upon exercise of this Option granted have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, the Company shall be under no obligation to issue any shares covered by any option unless the Optionee shall give a written representation and undertaking to the Company which is satisfactory in form and scope to counsel for the Company and upon which, in the opinion of such counsel, the Company may reasonably rely, that he is acquiring the shares issued pursuant to such exercise of the Option for his own account as an investment and not with a view to, or for sale in connection with, the distribution of any such shares, and that he will make no transfer of the same except in compliance with any rules and regulations in force at the time of such transfer under the Securities Act of 1933, or any other applicable law, and that if shares are issued without such registration, a legend to this effect may be endorsed upon the securities so issued.

8. NOTICE AND DELIVERIES

Except as otherwise set forth herein, any notice, demand or communication required or permitted to be given under this Agreement shall be (a) in writing, (b) delivered by hand, nationally recognized overnight courier service, facsimile or registered or certified mail, postage prepaid, addressed to a party as its mailing address or facsimile

number currently designated by the party in writing and (c) deemed to have been given on the date delivered by hand or sent by facsimile, one business day after deposit with such courier service, and three business days after being deposited in the United States mail.

9. NO RIGHTS AS SHAREHOLDER

The Optionee shall not be, or have any of the rights or privileges of, a shareholder of the Company in respect of any common shares issuable on exercise of the Option unless and until the Purchase Price for such common shares has been paid in full.

10. NO RIGHT TO EMPLOYMENT

This Option Agreement shall not give the Optionee the right to continue to be an Employee.

11. GOVERNING LAW

This Option Agreement shall be governed by and construed in accordance with the laws of the State of New York, without application of provisions as to conflict of law, and shall be treated in all respects as a New York contract.

VIAWEB, INC.

By: _____
Authorized Signature

Witness to Optionee's Signature

Optionee

OPINION OF COUNSEL

June 12, 1998

Yahoo! Inc.
3420 Central Expressway
Santa Clara, CA 95051

REGISTRATION STATEMENT ON FORM S-8

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-8 (the "REGISTRATION STATEMENT") to be filed by Yahoo! Inc. ("YAHOO!") with the Securities and Exchange Commission (the "COMMISSION") on or about June 12, 1998 in connection with the registration under the Securities Act of 1933, as amended, of (i) a total of 2,000,000 additional shares of Yahoo! Common Stock reserved for issuance or issued under Yahoo!'s 1995 Stock Plan ("YAHOO! PLAN") and (ii) 61,126 shares of Yahoo! Common Stock issued under Yahoo!'s assumed Viaweb Inc. 1997 Stock Option Plan ("VIAWEB PLAN") and Viaweb Inc. 1996 Option Agreements ("Viaweb Agreements"). As Yahoo!'s legal counsel in connection with this transaction, we have examined the proceedings taken and are familiar with the proceedings proposed to be taken by Yahoo! in connection with the sale and issuance of the foregoing shares under the Yahoo! Plan, Viaweb Plan, and Viaweb Agreements, respectively (collectively, the "SHARES").

It is our opinion that upon conclusion of the proceedings being taken or contemplated by us, as Yahoo!'s counsel, to be taken prior to the issuance of the Shares, and upon completion of the proceedings being taken in order to permit such transactions to be carried out in accordance with the securities laws of the various states where required, the Shares when issued and sold in the manner described in the Registration Statement will be legally and validly issued, fully paid and non-assessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name wherever appearing in the Registration Statement, including the Prospectus constituting a part thereof, and in any amendment thereto.

Very truly yours,

VENTURE LAW GROUP
A Professional Corporation

/s/ VENTURE LAW GROUP

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated January 9, 1998, which appears on page 40 of the 1997 Annual Report to Shareholders of Yahoo! Inc., which is incorporated by reference in the Annual Report on Form 10-K of Yahoo! Inc. for the year ended December 31, 1997. We also consent to the incorporation by reference of our report, dated June 2, 1998, except as to Note 8, which is as of June 10, 1998, on the financial statements of Viaweb Inc. (a development stage enterprise) which appears in Item 7(a) of the Current Report on Form 8-K of Yahoo! Inc. dated June 12, 1998.

/s/ PRICE WATERHOUSE LLP

San Jose, California
June 10, 1998