

EXHIBIT B

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VIA E-MAIL AND FEDERAL EXPRESS

Robert B. Weiser
The Weiser Law Firm
22 Cassatt Ave.
Berwyn, PA 19312

Re: Shareholder Demand by Kim Barovic

Dear Mr. Weiser:

I write in reference to the March 22, 2013 shareholder demand sent to the Board of Directors of Microsoft Corporation on behalf of your client, Kim Barovic. As you know, Fenwick & West LLP is counsel to the Board committee, consisting of directors Stephen Luczo and Dina Dublon, that was appointed to investigate the allegations in your client's shareholder demand.

The Committee has completed its investigation, and the Committee has presented its recommendation to the Board of Directors. After considering the Committee's recommendation, the Board voted to reject your client's shareholder demand. For your reference, I enclose a copy of the resolution adopted by the Board concerning your client's demand.

Please feel free to contact me if you have any further questions about this matter.

Sincerely,

FENWICK & WEST LLP



Susan S. Muck

Encl.

**RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTING THE CONCLUSIONS AND RECOMMENDATIONS
OF THE DEMAND REVIEW COMMITTEE**

WHEREAS, the Board of Directors of Microsoft Corporation (the “**Company**”) received letters dated March 21, 2013, March 22, 2013, and April 17, 2013 from attorneys purportedly acting on behalf of Stephen DiPhilipo, Kim Barovic, and Randee Bernstein, respectively, purported stockholders of the Company (the “**Demand Letters**”), demanding that the Board of Directors conduct an investigation and thereafter initiate legal action on behalf of the Company against persons who allegedly engaged in the misconduct described in the Demand Letters;

WHEREAS, the issues described in the Demand Letters relate to the Company’s failure to comply fully with its obligations under a set of binding commitments that Microsoft gave to the European Commission in December 2009 (the “**Commitments**”) to deliver a “Browser Choice Screen” to certain personal computers in the European Economic Area, and to the €561 million fine imposed on the Company by the European Commission in March 2013;

WHEREAS, on May 10, 2013, the Board of Directors appointed a committee of the Board of Directors (the “**Demand Review Committee**”), consisting of independent directors Stephen J. Luczo and Dina Dublon, to review, investigate, and make a recommendation to the Board of Directors as to what actions, if any, are necessary or appropriate and in the best interests of the Company and its stockholders in light of the Demand Letters, in accordance with Washington law, including whether to assert the claims made in the Demand Letters or any other claims concerning related subject matters, and, if so, how;

WHEREAS, the Board of Directors determined that the members of the Demand Review Committee are disinterested directors for purposes of reviewing and investigating the allegations contained in the Demand Letters;

WHEREAS, the Demand Review Committee retained experienced independent counsel from the law firm of Fenwick & West LLP to assist the Committee in investigating the allegations contained in the Demand Letters;

WHEREAS, the Demand Review Committee investigated the allegations contained in the Demand Letters, and, specifically, the Demand Review Committee:

- i. Reviewed and analyzed the European Commission’s March 2013 Decision and Findings;
- ii. Reviewed and analyzed the September 4, 2012 Report of Dechert LLP on Microsoft’s Failure to Deliver the Browser Choice Screen to Windows 7 Service Pack 1 Personal Computers in Europe (the “**Dechert Report**”);
- iii. Reviewed and analyzed the key documents identified by Dechert and relied on in the Dechert Report;
- iv. Reviewed over 10,000 additional documents;
- v. Conducted relevant witness interviews;

- vi. Analyzed the Company's internal controls and reporting structure relating to antitrust compliance, both before and after July 2012;
- vii. Researched and analyzed the standards of conduct for, and legal standards for imposing liability on, corporate officers and directors under Washington law;
- viii. Reviewed and analyzed relevant corporate and governance documents, including the Company's Articles of Incorporation, Bylaws, Corporate Governance Guidelines, Standards of Business Conduct, minutes from meetings of the Company's Board of Directors, Antitrust Compliance Committee, and Regulatory and Public Policy Committee, and relevant press releases and SEC filings;
- ix. Considered the Company's indemnification obligations to current and former officers and directors, as well as the Company's self-insured status; and
- x. Invited counsel for Stephen DiPhilipo, Kim Barovic, and Randee Bernstein to meet with counsel for the Demand Review Committee and to provide any information they believed that the Demand Review Committee should consider;

WHEREAS, the Demand Review Committee documented its conclusions and recommendations and presented its conclusions and recommendations to the Board of Directors;

WHEREAS, the Demand Review Committee, after careful deliberation and consideration of all of the information available to it, and in the good faith exercise of its business judgment and having considered the best interests of the Company and its stockholders, has concluded that it is not in the Company's best interests to pursue any claims based on the allegations contained in the Demand Letters because, among other reasons, the relevant facts do not support any viable claim for breach of fiduciary duty, the Company would not succeed in recovering damages from any of the individuals named in the Demand Letters or from any other individuals, the Company would not receive any meaningful non-monetary benefits as a result of pursuing claims based on the allegations contained in the Demand Letters, the Company undertook and adopted significant remedial measures before it received any of the Demand Letters, and pursuing litigation based on the Demand Letters would result in substantial expense to the Company; and

WHEREAS, the Demand Review Committee has therefore recommended that the Board of Directors vote to reject the Demand Letters;

NOW, THEREFORE, in view of the foregoing, and after careful deliberation and discussion of all the information made available to the Board of Directors regarding the matters raised by the Demand Letters, and in the good faith exercise of its business judgment, the following resolution is adopted by the Board of Directors:

RESOLVED, that the investigation undertaken by the Demand Review Committee was reasonable, thorough, and undertaken in good faith with the assistance of experienced independent counsel, and that the inquiry was sufficient to allow members of the Board of Directors to reasonably rely on the Demand Review Committee's findings and conclusions in determining what response to the Demand Letters is in the best interests of the Company;

FURTHER RESOLVED, that based on the Demand Review Committee's thorough investigation and review of the applicable facts and law and the Demand Review Committee's recommendations to the Board of Directors, the Board of Directors concludes that the allegations contained in the Demand Letters do not give rise to legally viable claims against any of the Company's current or former officers or directors, that the Company would not succeed in recovering damages from any of the individuals named in the Demand Letters or from any other individuals, that the Company would not receive any meaningful non-monetary benefits as a result of pursuing claims based on the allegations contained in the Demand Letters, that the Company undertook and adopted significant remedial measures before it received any of the Demand Letters, and that pursuing litigation based on the Demand Letters would result in substantial expense to the Company; and

FURTHER RESOLVED, that the Board of Directors rejects the Demand Letters, declines to take any of the actions requested by the Demand Letters, and declines to permit any of Stephen DiPhilipo, Kim Barovic, or Randee Bernstein to initiate or pursue any litigation on the Company's behalf relating to any of the allegations contained in the Demand Letters or to any other matter.