

MICROSOFT CORP  
Form DEFA14A  
October 30, 2009

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. \_\_)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Microsoft Corporation**

---

(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

Edgar Filing: MICROSOFT CORP - Form DEFA14A

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

Microsoft on the Issues

## Responding to Shareholder Concerns on Executive Compensation

Posted by **J. Ritchie**

Corporate Vice President of Compensation, Benefits, and Performance Management

Microsoft has long believed that effective corporate governance should include regular, constructive conversations with our shareholders and other stakeholders. This ongoing dialogue has led to many positive changes in our corporate governance framework, such as our decision to hold [an advisory vote on executive compensation \(also referred to as Say-on-Pay\)](#) at our annual meeting next month, and every third year after that.

Since filing our [2009 proxy statement](#) in September, we've had a number of discussions about our executive compensation program and other governance matters. By and large, we have received consistent and broad support for the integrity and reasonableness of our approach to executive compensation.

We've also received constructive input on areas that certain stakeholders feel we could improve upon. One topic that arose this year is the relocation benefits we offered to several executive officers who moved their homes and families after accepting a job with Microsoft. In a few instances in recent years the company agreed to accept some risk on the re-sale of an executive officer's former home, but the collapse of the housing market led to unanticipated costs for Microsoft.

While we believe these agreements were fundamentally fair to both Microsoft and the executives when they were made, in response to the feedback we've received we are changing our policy so that if an executive officer voluntarily leaves Microsoft within two years of joining the company, we can recover amounts paid for relocation assistance. There may be circumstances where we have a longer recovery period. Our previous policy was to require reimbursement of relocation assistance only if the executive left Microsoft within one year.

Relocation assistance is an important tool to be competitive for talent and we recognize the need to be responsible stewards of the company's assets. We appreciate the input that contributed to our thinking in this area and look forward to continuing this dialogue.

I invite you to leave a comment on this blog below.