

EXHIBIT A



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March 22, 2013

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William H. Gates III
Chairman of the Board of Directors
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Re: Shareholder Demand Pursuant to Washington Law

Dear Mr. Gates:

The undersigned firms represent Kim Barovic (the "Stockholder"), a current stockholder of Microsoft Corporation ("Microsoft" or the "Company"). Pursuant to Washington law, we write on behalf of the Stockholder to demand that the Company's Board of Directors (the "Board") take action to remedy breaches of fiduciary duties by certain current and/or former directors and executive officers of the Company, including yourself ("Gates"), Steve Ballmer ("Ballmer"), Dina Dublon ("Dublon"), Maria M. Klawe ("Klawe"), Stephen J. Luczo ("Luczo"), David F. Marquardt ("Marquardt"), Charles H. Noski ("Noski"), Helmut Panke ("Panke"), John W. Thompson ("Thompson"), Peter Klein ("Klein"), Andrew Lees ("Lees"), Eric Rudder ("Rudder"), Brad Smith ("Smith") and B. Kevin Turner ("Turner"). Collectively, the foregoing executive officers and/or directors of the Company will be referred to herein as "Management."

As you are aware, by reason of their positions as officers and/or directors of Microsoft and because of their ability to control the business and corporate affairs of Microsoft, members of Management owed and owe Microsoft and its shareholders the fiduciary obligations of good faith, loyalty, and due care. Management was and is required to use its utmost ability to control and manage Microsoft in a fair, just, and honest manner in compliance with all applicable federal, state, and local laws, rules, and regulations. Similarly, Management was and is required to remain informed as to how the Company conducts its business and affairs, and upon notice or information of imprudent, illegal, or unsound conditions, policies, or practices, make reasonable inquiry in connection therewith, and take steps to correct such conditions, policies, or practices, and, if necessary, make such disclosures as necessary to comply with all applicable laws. The Stockholder believes that Management has violated these core fiduciary duty principles from at least 2011 through the present (the "Relevant Period"), causing Microsoft to suffer damages.

I. FACTUAL BACKGROUND

A. Background of the Company and its European Troubles

According to its public filings, Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

Microsoft has had troubles with officials in the European Union (“EU”) since at least 1998, largely for anticompetitive behavior. For instance, in that year, European regulators began to probe Microsoft with respect to the inclusion of its media player with the Windows operating system (“Windows”), and for the use of confidential coding to favor the Microsoft desktop and server software. All of this was said to stifle Microsoft’s competition. Although Management caused Microsoft to fight the charges, Microsoft’s arguments were dismissed in 2004 (and then again on appeal in 2007). In or about October 2007, Management caused Microsoft to abandon its efforts to overturn the ruling, and caused Microsoft to pay the equivalent of about \$2.4 billion in fines and penalties.

Meanwhile, EU officials were probing the Company regarding additional antitrust violations with respect to the inclusion of Internet Explorer (and only Internet Explorer) with Windows. On December 16, 2009, EU regulators dropped the antitrust case against Microsoft after Management caused the Company to agree to offer consumers a choice of rival Web browsers with Windows (the “Settlement”). The Settlement was a five-year deal, whereby European Windows users would be given a choice of 11 competing web browsers, including those made by Apple, Google and Mozilla. Under the terms of the Settlement, by mid-March 2010, Microsoft was to send ballot screens via automatic software updates to 100 million users of Windows XP, Vista and Windows 7 in Europe who had set Internet Explorer as their main browser. Further, Microsoft was to send the ballot screens to purchasers of new Windows-based computers (estimated to be 30 million a year). European users of Windows would be given a “choice screen,” which would allow them to easily switch from Internet Explorer to other Web browsers. By stipulating to the Settlement under Management’s direction, Microsoft avoided paying a fine to EU officials.

On December 16, 2009, Management issued a press release regarding the Settlement, which contained a statement by Brad Smith, the Company’s Senior Vice President and General Counsel. This press release set forth, in relevant part:

We are pleased with today’s decision by the European Commission, which approves a final resolution of several longstanding competition law issues in Europe. We look forward to building on the dialogue and trust that has been established between Microsoft and the Commission and to extending our industry leadership on interoperability.

Today’s resolution follows years of intensive examination by the European Commission of competition in computer software. The measures approved today reflect multiple rounds of input from industry participants relating to competition in Web browser software and interoperability between various Microsoft products and competing products.

The Web browser measures cover the inclusion of Internet Explorer in Windows for users in Europe—specifically the region known as the European Economic Area, which includes 30 nations. *Under today’s resolution, Microsoft commits that PC manufacturers and users will continue to be able to install any browser on top of Windows, to make any browser the default browser on new PCs, and to turn access to Internet Explorer on or off. In addition, Microsoft will send a “browser choice” screen to Windows users who are running Internet Explorer as their default browser. This browser choice screen will present a list of browsers, making it easy for users to install any one of them. It will be provided both to users of new computers and to the installed base of Windows XP, Windows Vista, and Windows 7 computers in Europe where Internet Explorer is set as the default browser.*

The second measure is a “public undertaking” that covers interoperability with Microsoft’s products—the way our high-share products work with non-Microsoft technologies. This applies to an important set of Microsoft’s products—our Windows, Windows Server, Office, Exchange, and SharePoint products. We believe it represents the most comprehensive commitment to the promotion of interoperability in the history of the software industry. Under this undertaking, Microsoft will ensure that developers throughout the industry, including in the open source community, will have access to technical documentation to assist them in building products that work well with Microsoft products. Microsoft will also support certain industry standards in its products and fully document how these standards are supported. Microsoft will make available legally-binding warranties that will be offered to third parties.

Our interoperability undertaking reflects the policy outlined by the European Commission in a major policy speech given by Commissioner Neelie Kroes in June 2008. At that time, the Commissioner said that companies offering high-share software products should be required to (i) disclose technical specifications to enable interoperability; (ii) ensure that competitors can access complete and accurate information and have a remedy if not; and (iii) ensure that the technical specifications are available at fair royalty rates, based on the inherent value of the technology disclosed. Our interoperability undertaking, developed through extensive consultation, implements this approach in full.

As we’ve said before, we are embarking on a path that will require significant change within Microsoft. Nevertheless, we believe that these are important steps that resolve these competition law concerns.

This is an important day and a major step forward, and we look forward to building a new foundation for the future in Europe. [Emphasis added.]

B. Under Management’s Direction, and Despite Warnings from the E.U., Microsoft Violates the Settlement Repeatedly

Beginning in February 2011, under Management’s direction, the Company blatantly

violated the terms of the Settlement. At that time, in direct violation of the Settlement, Management caused Microsoft to eliminate the choice screen from *at least 15 million* installations of Windows 7 in Europe, making Internet Explorer the only Web browser available on these installations.

In the summer of 2012, the EU antitrust chief, Joaquín Almunia (“Almunia”) warned Management that on some occasions Microsoft software was not providing users the full access to competing Web browsers, as was stipulated in the Settlement. Management “apologized” to Almunia, calling it a “technical problem.” Yet despite the apology, Management did nothing to halt the illicit scheme.

C. The Truth Begins to Emerge

In October 2012, months after Almunia warned Microsoft officials and Management “apologized,” Almunia charged Microsoft with failing to abide by the terms of the Settlement. Further, Almunia put Management on notice that Microsoft must include adequate access to rival browsers in European version of the Windows 8 operating system, which was about to go on sale.

On March 6, 2013, it was announced that European regulators had fined Microsoft an extraordinary **€561 million, or approximately \$732.2 million**, for violating the Settlement. Notably, this was the first time in history that the EU had punished a company for neglecting to comply with the terms of an antitrust settlement. Despite the enormous and unprecedented fine at issue, Management issued an extremely short statement in response to the disastrous situation, again maintaining that the violation of the Settlement was a “technical error.” The statement, contained in a press release, read as follows:

We take full responsibility for the technical error that caused this problem and have apologized for it. We provided the Commission with a complete and candid assessment of the situation, and we have taken steps to strengthen our software development and other processes to help avoid this mistake – or anything similar – in the future.

II. DEMAND PURSUANT TO WASHINGTON LAW

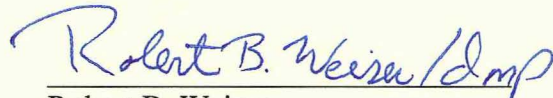
Based on these events, the Stockholder contends that members of Management breached their fiduciary duties of loyalty and good faith by knowingly and causing and allowing the Company to violate the terms of the Settlement. As a direct and proximate result of Management’s actions, Microsoft has sustained damages, including (but not limited to) the extraordinary and historic fine of **€561 million (\$732.2 million)** imposed by the EU.

Accordingly, pursuant to Washington law, on behalf of the Stockholder, we hereby demand that the Board: (i) undertake (or cause to be undertaken) an independent internal investigation into Management’s violations of Washington and/or federal law; and (ii) commence a civil action against each member of Management to recover for the benefit of the Company the amount of damages sustained by the Company as a result of their breaches of fiduciary duties alleged herein.

Pursuant to Washington law, if within a reasonable time after receipt of this letter the Board has not commenced an action as demanded herein, the Stockholder will commence a shareholder's derivative action on behalf of the Company seeking appropriate relief.

Very truly yours,

THE WEISER LAW FIRM, P.C.


Robert B. Weiser

cc: Kim Barovic