

PLAINTIFF'S
EXHIBIT
1569
Comes v. Microsoft

ORIGINAL

SIGNED
ORIGINAL

LICENSE AGREEMENT

for

MICROSOFT® PRODUCTS

Between

MICROSOFT CORPORATION,
a Delaware Corporation,

and

COMPAQ COMPUTER CORPORATION,
a Delaware Corporation

Microsoft Contract # 1107-3053

EXHIBIT
11
Hardwick
8/1/01

GOVERNMENT
EXHIBIT
449

MSV 0002610
CONFIDENTIAL

LICENSE AGREEMENT

This License Agreement ("Agreement") is made and entered into this 1st day of October, 1992 ("Effective Date"), by and between MICROSOFT CORPORATION, a Delaware, U.S.A. corporation, ("MS") and COMPAQ COMPUTER CORPORATION, a Delaware corporation ("COMPAQ").

The parties agree as follows:

1. **DEFINITIONS.** For purposes of this Agreement, the following terms shall have the following meanings:

(a) "COMPAQ Subsidiary" shall mean a company in which, on a class by class basis, more than fifty percent (50%) of the stock entitled to vote for the election of directors is owned or controlled by COMPAQ, but only so long as such ownership or control exists. COMPAQ hereby guarantees each of its COMPAQ Subsidiaries' performance under this Agreement. Upon request, COMPAQ shall provide MS with the name and address of its COMPAQ Subsidiaries.

(b) "Customer System" shall mean the computer system product(s) described in the Exhibit(s) M manufactured and/or distributed by COMPAQ.

(c) "OnLine" shall mean MS' then standard electronic product support service offered to OEMs.

(d) "Product" or "Products" shall mean the MS software products described in the attached Exhibit(s) C and successor/replacement products, including where applicable the specified user documentation. "Product software" or "Product documentation" shall mean the software or documentation components of the Product.

(e) "Product Release" shall mean a release of Product which is designated by MS in its sole discretion as a change in the digit(s) to the left of the decimal point in the Product version number [(x).xx].

(f) "Version Release" shall mean a release of Product which is designated by MS in its sole discretion as a change in the tenths digit in the Product version number [x.(x)x].

(g) "Update Release" shall mean a release of Product which is designated by MS in its sole discretion as a change in the digit(s) to the right of the tenths digit(s) in the Product version number [x.x(x)(x)].

(h) "Upgrade" shall mean a full or partial replacement copy of the Product provided to an existing end user of the Product on a Customer System. COMPAQ shall establish a reasonable procedure to assure the return or destruction of any replaced Product. The packaging for Upgrade Product shall indicate that it is intended as an "upgrade" only (or similar wording) and not for use by a new customer. Copies of Product not strictly in conformance herewith shall not be considered Upgrade Product.

2. **LICENSE GRANT**

(a) MS grants to COMPAQ the following nonexclusive, worldwide license rights:

(i) to adapt the Products software as necessary to enable Products software to execute on COMPAQ's Customer System(s) and/or to improve the installation process;

(ii) to reproduce and install no more than one (1) copy of each release of Product software in object code form on each Customer System; and

MSV 0002611
CONFIDENTIAL

(iii) to distribute directly or indirectly and license the Product software (preinstalled on Customer Systems as per Section 2(a)(ii) and/or in diskette, CD-ROM or other media form as acquired from Authorized Replicator) in object code form to end users, under the terms of COMPAQ's end user license agreement provided that when Product software is preinstalled on Customer System, COMPANY may distribute only one back-up copy of Product software with each Customer System at no additional royalty; and

(iv) to grant to COMPAQ Subsidiaries all rights granted to COMPAQ herein (except that COMPAQ Subsidiaries may not further grant rights to third parties).

(b) COMPAQ's license shall extend to, and each Product shall be deemed to include any Update Releases, Version Releases, Product Releases, Upgrades, and all successor/replacement products, and any retail upgrade versions that COMPAQ accepts under Section 4 and elects to distribute under this Agreement.

(c) MS grants COMPAQ the right to distribute Product documentation to end users of Customer Systems. COMPAQ shall obtain Product documentation only from Authorized Replicators. COMPAQ may distribute supplemental Product documentation to end users of Customer Systems provided that any such supplemental documentation shall be consistent with Product documentation. COMPAQ may adapt Product documentation as necessary for distribution in media other than hard copy media. Upon written request, MS shall provide COMPAQ with Product documentation in electronic form for use solely to perform such adaptations. Upon written request, COMPAQ may translate the Product documentation but only into languages other than those for which MS either currently has translations or intends to create translations within nine (9) months of COMPAQ's request. COMPAQ shall submit any translated Product documentation to MS for approval prior to distribution. MS shall respond to any such request within thirty (30) days.

(d) COMPAQ's rights hereunder shall not extend to Product source code unless Exhibit S1 is attached and executed.

(e) All rights not expressly granted, including without limitation translation rights, are reserved by MS.

(f) COMPAQ shall deliver to MS, in source and object form, any commercially distributed code derived from the Product OEM Adaptation Kit ("OAK") or OEM Development Kit ("ODK"), (collectively "Adaptation Code"), it writes to enable the Product to execute on its Customer System(s), and COMPAQ hereby grants MS a nonexclusive, perpetual, royalty-free license to use Adaptation Code for the sole purpose of supporting COMPAQ.

(g) MS agrees to negotiate in good faith with COMPAQ to license other MS products not available to COMPAQ under this Agreement at MS' then applicable price(s), terms and conditions.

3. PRICE AND PAYMENT

(a) COMPAQ agrees to pay MS the amount(s) and within the times stated in this Section 3 and Exhibit(s) C. COMPAQ's obligation to pay such amounts is unconditional except as is otherwise expressly stated to the contrary herein.

(b) Prices stated are exclusive of any federal, state, municipal or other governmental taxes, duties, licenses, fees, excises or tariffs now or hereafter imposed on COMPAQ's production, storage, licensing, sale, transportation, import, export or use of a Product. Such charges shall be paid by COMPAQ, or in lieu thereof, COMPAQ shall provide an exemption certificate acceptable to MS and the applicable authority. MS, however, shall be responsible for all taxes based upon its personal property ownership and gross or net income. A finance charge of one and one-half percent (1-1/2%) per month will be assessed on all amounts that are past due.

MSV 0002612
CONFIDENTIAL

(c) Except where otherwise provided, COMPAQ agrees to make consolidated (i.e. on behalf of COMPAQ and COMPAQ Subsidiaries) quarterly reports and payments to MS within forty-five (45) days after the end of each calendar quarter, and forty-five (45) days after termination or expiration for the final full or partial quarter. COMPAQ's quarterly report shall provide the information described in the applicable Exhibit C for each Product licensed hereunder, and shall be signed by a duly authorized representative of COMPAQ. COMPAQ shall submit quarterly reports even if no royalties or other amounts are due for such quarter. COMPAQ shall use the royalty reporting form attached as Exhibit R or other form as the parties may agree to from time to time.

(d) No royalty shall accrue to MS for copies of a Product (including Product documentation) (i) used solely for testing systems; (ii) shipped as replacement copies for copies found to be defective in materials, manufacture, or reproduction; (iii) used for demonstrations to prospective customers not to exceed five hundred copies (500) per each Product, provided diskettes and documentation for such copies are marked "For Demonstration Only" or the like; or (iv) provided as back-up copies to end users.

(e) MS shall provide all new releases of Product (including OAK) licensed under this Agreement to COMPAQ no later than the date such new releases are provided to other MS customers.

(f) (i) At any given unit volume, combined royalty rates charged COMPAQ for MS-DOS, Enhanced Tools, Windows, Windows for Workgroups and successor/replacement products ("Core Products") will be at least twenty percent (20%) less than combined royalty rates for Core Products charged any Non-Strategic OEM (defined in Exhibit F) under any agreement entered into after the execution date of this Agreement. Any adjustment to COMPAQ's royalties based on the foregoing shall be made at the time of first shipment of all Core Products by such Non-Strategic OEM. Such adjustments shall continue only for as long as such Non-Strategic OEM distributes all Core Products.

(ii) At any given unit volume, combined royalty rates charged COMPAQ for Core Products will be at least as favorable as combined royalty rates for Core Products charged to any Strategic OEM (defined in Exhibit F) which licenses all Core Products under the same material terms and conditions as those contained in this Agreement (including without limitation absence of minimum commitments; same royalties for future releases of Core Products during term of Agreement, etc.) under any agreement entered into after the execution date of this Agreement. Any adjustment to COMPAQ's royalties based on the foregoing shall be made at the time of first shipment of all Core Products by such Strategic OEM. Such adjustments shall continue only for as long as such Strategic OEM distributes all Core Products.

4. ACCEPTANCE AND WARRANTY

(a) Within sixty (60) days after the later of COMPAQ's execution of this Agreement or MS' delivery to COMPAQ of each Product licensed hereunder, COMPAQ shall either accept such Product or report deviations from specifications in writing. COMPAQ is not required to accept or reject test versions of a Product (e.g., Alpha or Beta test versions). Conformance to specifications as referenced in the applicable Exhibit C shall solely determine acceptability. If COMPAQ does not report deviations from Product specifications within the sixty (60) day period, or if COMPAQ ships the Product to a customer for revenue, COMPAQ shall be deemed to have accepted the Product.

(b) If COMPAQ reports any deviations from Product specifications prior to acceptance then MS shall have sixty (60) days to correct such deviations. Upon delivery of a corrected release of Product to COMPAQ, COMPAQ shall have sixty (60) days in which to re-evaluate the corrected release for conformance to specifications as provided in Section 4(a). If any deviations from specifications reported before acceptance are not eliminated in the sixty (60) day correction period, then as COMPAQ's sole remedy (i) the Product may be retained at an equitable adjustment in price as may be agreed by the parties, or (ii) the correction period may be extended as may be agreed by the parties, or (iii) failing any agreement, COMPAQ may reject the Product, and provided that COMPAQ has rejected the first version of each released Product licensed under this Agreement, COMPAQ may terminate this Agreement.

MSV 0002613
CONFIDENTIAL

(c) MS represents that each Product meets the specifications referenced in the applicable Exhibit C, except for deviations from specifications attributable to Authorized Replicators' manufacturing of Product. If COMPAQ reports any deviations from specifications in a Product following acceptance and during the term of this Agreement, then as COMPAQ's sole remedy MS agrees to use reasonable efforts to correct such deviations. COMPAQ's notice of any deviations from Product specifications shall be made using the OnLine system, the notice provisions of Section 15 or COMPAQ's designated MS support engineer. MS' obligations under this Section 4(c) as to a particular release of a Product shall cease at such time that MS discontinues support for such release of Product.

(d) If any Product licensed hereunder has not yet been released by MS, MS shall have no liability for failure to deliver such Product by any particular date or within the term of this Agreement. COMPAQ shall not distribute for revenue any release of a Product until MS gives its written approval of such distribution by its OEMs generally. COMPAQ shall receive such approval no later than approval granted to any other OEM.

(e) Except as expressly provided, this Agreement does not include technical support. Such support is available separately as an option pursuant to Microsoft's standard OnLine Agreement at MS' then standard rates.

5. INDEMNIFICATION FOR INFRINGEMENT

(a) MS represents and warrants that:

(i) the Products or combination of Products do not infringe any copyright or patent enforceable under the laws of any country listed in Section 5(d); and

(ii) the Products do not violate the trade secret rights of a third party; and

(iii) MS has the right to grant the rights it has granted under this Agreement (except as to copyrights or patents enforceable under the laws of any countries not listed in Section 5(d)).

MS agrees to indemnify, hold harmless, and defend COMPAQ from and against any and all damages, costs, and expenses, including reasonable attorneys' fees, incurred in connection with a claim which, if true, would constitute a breach of the foregoing warranties (hereinafter "Infringement Claims"); provided MS is notified promptly in writing of an Infringement Claim and has sole control over its defense or settlement, and COMPAQ provides reasonable assistance in the defense of the same.

(b) Following notice of an Infringement Claim, MS may at its expense, without obligation to do so, procure for COMPAQ the right to continue to market, use and have others use, the alleged infringing Product or, without obligation to do so, may replace or modify the Product to make it non-infringing ("Non-Infringing Product"). If MS elects to replace or modify the Product, such replacement shall meet substantially the specifications as provided or referenced in the applicable Exhibit C and shall be subject to the acceptance provisions of Section 4(a).

(c) MS shall have no liability for any Infringement Claim based on COMPAQ's (i) use or distribution of any Product after MS' notice that COMPAQ should cease use or distribution of such Product due to an Infringement Claim, or (ii) combination of a Product with a non-MS program or data (other than mere distribution of Product with Customer System), if such Infringement Claim would have been avoided by the exclusive use of the Product or combination of Products. For all Infringement Claims arising under this Section 5(c), COMPAQ agrees to indemnify and defend MS from and against all damages, costs and expenses, including reasonable attorneys' fees. In the event MS fails to provide COMPAQ with Non-Infringing Product within three (3) months of the date of MS' notice of an Infringement Claim, then COMPAQ may terminate this Agreement with respect to such Product. In such event, the parties shall negotiate in good faith an appropriate royalty adjustment.

MSV 0002614
CONFIDENTIAL

(d) MS shall have no obligation to COMPAQ for any Infringement Claims made against COMPAQ which arise from the use or distribution of a Product outside the geographical boundaries of the United States, Canada, Australia, Japan, New Zealand, Hong Kong, Cayman Islands, the European Community, Sweden, Norway, Finland, Chile, Singapore, and U.S. Virgin Islands, and COMPAQ hereby releases and discharges MS from any and all Infringement Claims resulting from such use. COMPAQ shall have no obligation to notify MS of Infringement Claims in countries not listed in this Section 5(d) and COMPAQ may respond to such Infringement Claims as it sees fit.

6. LICENSE RESTRICTIONS

(a) COMPAQ shall market and distribute each Product only (directly or indirectly) to end user purchasers of COMPAQ's Customer System(s). Except for Upgrades, COMPAQ shall distribute and license Product(s) only with those Customer Systems listed on Exhibits M for the particular Product(s). Products shall be distributed only either preinstalled on Customer System, included inside Customer System package or packaged separately from Customer System in packaging not suitable for retail display. COMPAQ's Product packaging shall clearly indicate that the Product is intended for use only on such Customer System(s). Product packaged separately from Customer Systems shall not be displayed as a retail item. COMPAQ shall make reasonable best efforts to require its distributors, dealers and others in its distribution channels to comply with the foregoing.

(b) COMPAQ shall not reverse engineer, decompile or disassemble any Product.

(c) (i) COMPAQ shall distribute and license the use of Product to end users only pursuant to its end user license agreement ("EULA"). COMPAQ's EULA may be a "break-the-seal" end user license agreement or in electronic form appearing on the sign-on screen of the Product which is conspicuous to the end user as agreed by the parties. COMPAQ's EULA shall conform substantially to the Sample License Agreement attached as Exhibit A, except that it shall be adapted as commercially reasonable for any foreign jurisdiction in which COMPAQ markets or distributes the Product.

(ii) The limitations of liability and remedies in COMPAQ's EULA shall inure to the benefit of MS. COMPAQ shall be the "Licensor" under its EULA.

(d) Except as provided in Section 2(a)(ii), this Agreement does not include reproduction rights. Product and any Adaptation Code shall be reproduced by MS Authorized Replicators (currently R.R. Donnelly & Sons Company and Phoenix Technologies Ltd.). MS shall provide COMPAQ with the identity of other Authorized Replicators as they become available. MS agrees to designate additional Authorized Replicators proposed by COMPAQ provided that such Authorized Replicators enter into MS' standard Authorized Replicator Agreement.

7. INTELLECTUAL PROPERTY NOTICES

(a) COMPAQ will cause to appear on the packaging and labels of each copy of Product, the copyright, trademark or patent notices for the Product that appear on the applicable release of the Product as provided to COMPAQ pursuant to Section 2 hereof. COMPAQ will not remove any copyright, trademark or patent notices that appear on the Product as delivered by MS. COMPAQ shall cause to appear on the title page of each volume of its documentation, and at any other location where any copyright, patent or trademark notice appears, the MS and third party copyright, patent or trademark notices that appear in the release of Product documentation from which COMPAQ's documentation is derived.

(b) COMPAQ shall market the Product only under the Product name(s) for such Product as appears on/in the applicable release of the Product as provided to COMPAQ. COMPAQ agrees to use the appropriate trademark, product descriptor and trademark symbol (either "TM" or "®" in a superscript), and clearly indicate MS' or applicable third parties' ownership of its trademark(s) whenever the Product

MSV 0002615
CONFIDENTIAL

name is first mentioned in any advertisement, brochure or in any other manner in connection with the Product. COMPAQ shall not, at any time, use any name or trademark confusingly similar to an MS or licensed third party trademark, trade name and/or product name and agrees that its use of such trademark(s), trade name(s) and/or product name(s) shall not directly or indirectly create in or for COMPAQ any right, title or interest therein. COMPAQ shall undertake no action that will interfere with or diminish MS' right, title and/or interest in MS' or licensed third party's trademark(s), trade name(s) or Product name(s).

(c) COMPAQ's name and/or trademarks shall not be displayed in relation to the Product name in a manner which suggests that COMPAQ's name and/or trademarks are part of the Product name. COMPAQ agrees to maintain the high level of quality accorded products associated with and marketed by MS under MS' trademarks.

(d) Except as separately licensed by MS, COMPAQ shall not use or display any MS logo in its materials or packaging.

(e) COMPAQ's Product packaging shall conform to guidelines to be provided by MS to COMPAQ and/or Authorized Replicators.

(f) COMPAQ shall market each release of Product only under the version number assigned by MS to such release.

(g) COMPAQ's Product documentation and/or Customer System documentation shall advise end users that Product is supported by COMPAQ and shall include COMPAQ's (or other's) telephone support number for the Product.

(h) MS, at its own expense, will settle or defend and pay any damages, costs, and expenses, including reasonable attorneys' fees, resulting from any claim made against COMPAQ by a third party for infringement or alleged infringement of the trademark, trade name or product name rights of such third party, or for unfair competition resulting from COMPAQ's use of MS' trademarks, trade names or product names, in the countries listed in Section 5(d); provided, that COMPAQ promptly notifies MS of any such claim. In meeting its obligations hereunder, MS may, without obligation to do so, procure for COMPAQ the right to continue to use the trademark, trade name, or product name on the Product.

8. PROHIBITION AGAINST ASSIGNMENT AND SUBLICENSE

This Agreement, and any rights or obligations hereunder, shall not be assigned or sublicensed (except as permitted hereunder) by COMPAQ. Notwithstanding the foregoing, COMPAQ may assign this Agreement (except for license rights to Source Code in Exhibit S1) to a purchaser of substantially all of COMPAQ's assets upon thirty (30) days prior written notice to MS.

9. TERM OF AGREEMENT

Provided this Agreement has been properly executed by COMPAQ and by an officer of MS, the initial term of this Agreement ("Initial Term") shall run from the Effective Date until March 31, 1998; provided, that COMPAQ may terminate this Agreement on March 31, 1995, March 31, 1996 or March 31, 1997, by giving MS at least one hundred eighty (180) days written notice prior to any such date.

10. DEFAULT AND TERMINATION

(a) This Agreement may be terminated by the nondefaulting party if any of the following events of default occur: (i) if either party materially fails to perform or comply with this Agreement or any provision hereof; (ii) if either party fails to strictly comply with the provisions of Section 13 or COMPAQ makes an assignment in violation of Section 8; (iii) if COMPAQ becomes insolvent or admits

MSV 0002616
CONFIDENTIAL

in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; (iv) if a petition under any foreign, state, or United States bankruptcy act, receivership statute, or the like, as they now exist, or as they may be amended, is filed by COMPAQ; or (v) if such a petition is filed by any third party, or an application for a receiver of COMPAQ is made by anyone and such petition or application is not resolved favorably to COMPAQ within sixty (60) days. Further, either party may terminate this Agreement as provided in Section 12(c)(ii).

(b) Termination due to a breach of Sections 6, 13, or (if applicable) S1 shall be effective upon notice. In all other cases, except for breach of obligations in Exhibit P, termination shall be effective thirty (30) days after notice of termination to the defaulting party if the defaults have not been cured within such thirty (30) day period. In the event of a breach of any obligations contained in Exhibit P, the parties shall meet and attempt to resolve any such breach. Termination shall be effective absent a cure or other resolution of such breach within one hundred eighty (180) days after notice of such breach. The rights and remedies of the parties provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

(c) In the event of COMPAQ's default, MS may terminate this Agreement in its entirety or as to any individual Product(s). Termination of this Agreement as to any particular Product(s) will not affect the terms and conditions of this Agreement as they apply to the other Product(s) licensed under this Agreement.

11. OBLIGATIONS UPON TERMINATION

(a) Within ten (10) days after termination or expiration of this Agreement, COMPAQ shall return to MS or certify the destruction of all full or partial copies of each Product in COMPAQ's possession or under its control, including, if applicable, copies of the Product in source code form. COMPAQ and each COMPAQ Subsidiary, however, may retain an adequate number of copies of each Product in object code form and the Product documentation, and unless this Agreement has been terminated due to COMPAQ's default, an adequate number of copies of Adaptation Code and Source Code (as per Exhibit S1) to be used solely for support purposes.

(b) From and after termination or expiration, COMPAQ shall not use internally nor employ any Product as part or portion of any product that COMPAQ may use, sell, assign, lease, license, or transfer to third parties. Notwithstanding the foregoing, in the event this Agreement is terminated other than by reason of COMPAQ's material default prior to March 31, 1998, then until March 31, 1998 COMPAQ may deliver Product ordered pursuant to written purchase orders or contracts executed prior to the date of such termination. COMPAQ shall cease and desist from all use of any Product name(s) and associated trademark(s) and, upon request, deliver to MS or its authorized representatives or destroy all material upon which the Product name(s) and the associated trademarks appear.

(c) Termination of this Agreement as a result of COMPAQ's default shall result in acceleration of COMPAQ's obligation to pay all sums COMPAQ contracted to pay under this Agreement.

(d) End user licenses (including those granted to COMPAQ employees) properly granted pursuant to this Agreement and prior to termination of this Agreement shall not be diminished or abridged by termination or expiration of this Agreement.

(e) Sections 5, 11(a), 11(b) (second sentence), 12, 12(a), 12(b), 12(c), 13, 14, 15, 16(a), 17, 18(a), and 18(b) shall survive termination or expiration of this Agreement.

12. LIMITATION OF LIABILITY AND REMEDY

(a) Except for COMPAQ's liability for consequential damages as provided in Section 12(b), either party's liability to the other party under any provision of this Agreement, or any transaction contemplated by this Agreement shall be limited to the greater of Six Million Eight Hundred Thousand

MSV 0002617
CONFIDENTIAL

Dollars (US\$6,800,000.00) or one hundred percent (100%) of the amount having then actually been paid or owed by COMPAQ to MS under Section 3. This limitation of liability is cumulative with all of a party's expenditures being aggregated to determine satisfaction of the limit. The existence of claims or suits against more than one Product licensed under this Agreement will not enlarge or extend the limit. Each party releases the other from all obligations, liability, claims or demands in excess of the limitation. The parties acknowledge that other parts of this Agreement rely upon the inclusion of this Section 12.

(b) The rights and remedies granted to COMPAQ under Sections 4 and 5 constitute COMPAQ's sole and exclusive remedy against MS, its officers, agents and employees for negligence, inexcusable delay, breach of warranty, express or implied, or for any default whatsoever relating to the condition of the Product or MS' duties to correct any deviations from specifications.

SECTIONS 4 AND 5 CONTAIN THE ONLY WARRANTIES MADE BY MS. ANY AND ALL OTHER WARRANTIES OF ANY KIND WHATSOEVER, INCLUDING THOSE FOR MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED. EXCEPT FOR DAMAGES RESULTING FROM UNAUTHORIZED USE OR DISCLOSURE OF SOURCE CODE IN VIOLATION OF SECTION 13, NEITHER PARTY SHALL BE LIABLE FOR ANY CONSEQUENTIAL (INCLUDING WITHOUT LIMITATION LOST PROFITS, UNLIQUIDATED INVENTORY, ETC.), INCIDENTAL, INDIRECT, ECONOMIC OR PUNITIVE DAMAGES EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) Each party hereby provides the other party an Immunity from Suit (as defined below) for the Immunity Period (as defined below) for infringement of any U.S. or foreign patent, other than a design patent or the equivalent, as to which the party has the right to assert an infringement on account of the use, manufacture, or distribution of Products and Customer Systems subject to the following.

"Immunity from Suit" shall mean:

Immunity extends to MS, and to users, licensees, purchasers and resellers of the Products for Products used, manufactured or distributed during the Immunity Period. However, the immunity shall not extend to an infringement based on the combination of the Product with a third party's product or products, where the infringement would have occurred absent the Product.

Immunity extends to COMPAQ, and to users, licensees, purchasers, and resellers of the Customer Systems for Customer Systems used, manufactured or distributed during the Immunity Period. However, the immunity shall not extend to an infringement based on the combination of the Customer System with a third party's product or products where such infringement would have occurred absent the Customer System.

"Immunity Period" shall mean:

As to MS' grant of Immunity from Suit, the Immunity Period as to a Customer System shall commence on the first date of issuance of any of the applicable MS patents and shall terminate upon the date on which such Customer System is no longer subject to this Agreement, unless earlier terminated as provided below.

As to COMPAQ's grant of Immunity from Suit, the Immunity Period as to a Product shall commence on the first date of issuance of any of the applicable COMPAQ patents and shall terminate upon termination of the Agreement as to such Product, unless earlier terminated as provided below.

(i) The Immunity Period as to a particular patent shall terminate six (6) months after a party has given a notice of termination of the Immunity from Suit with respect to a particular patent ("Specific Patent Immunity Termination Notice"). A "Specific Patent Immunity Termination Notice" means a written notice based upon a party's good faith belief after a reasonable amount of research that the other

MSV 0002618
CONFIDENTIAL

party's Product or Customer System, as applicable, infringes a patent, and which provides sufficient detail to enable a person reasonably proficient in the art to understand the invention and the nature and extent of the alleged infringement.

(ii) Either party may terminate the Immunity from Suit granted to the other party as to all of its patents ("Immunity Period Termination Notice") at any time upon ninety (90) days written notice, which shall automatically also terminate the other (non-initiating) party's Immunity from Suit as to all patents as of the same date. Further, the non-initiating party shall have the option to terminate the entire Agreement at any time after receipt of such Immunity Period Termination Notice, upon thirty (30) days' written notice (but not earlier than the end of the ninety (90) day notice period described above). If COMPAQ terminates the Agreement pursuant to this subsection 12(c)(ii), it shall pay MS all outstanding amounts owed. If MS terminates the Agreement (with respect to a Product or in its entirety) pursuant to this subsection 12(c)(ii), all outstanding amounts owed shall be due as though MS had terminated this Agreement due to COMPAQ's default (see Section 11(c)).

(iii) Neither party shall have the right to terminate the Agreement on account of the other party giving a Specific Patent Immunity Termination Notice.

(iv) The parties may, but shall not be required to, submit any Specific Patent Immunity Termination Notice or Immunity Period Termination Notice to arbitration, subject to such rules and restrictions as the parties may agree upon.

(v) Nothing in this Section 12(c) itself shall create any defense of laches or estoppel. Such defenses shall be available as they otherwise would be without reference to this Section 12(c).

(vi) Notwithstanding anything to the contrary, either party may terminate the Immunity from Suit as to a particular patent(s) immediately upon notice to the other party, solely for the purpose of asserting its patent rights defensively in response to a patent infringement lawsuit filed by a third party against such party. Any such termination of the Immunity from Suit shall be limited to its assertion in that particular suit against that particular third party.

(vii) The limitations of liability and remedy in Sections 12(a) and 12(b) shall not apply to claims of patent infringement asserted by either party against the other following termination of the applicable Immunity Period.

(viii) The parties agree to negotiate in good faith a patent cross license.

13. NONDISCLOSURE AGREEMENT

(a) COMPAQ expressly undertakes to retain in confidence all information and know-how transmitted to COMPAQ by MS that MS has identified as being proprietary and/or confidential or that, by the nature of the circumstances surrounding the disclosure, ought in good faith to be treated as proprietary and/or confidential, and will make no use of such information and know-how except under the terms and during the existence of this Agreement. COMPAQ agrees to use the same degree of care to protect MS confidential information as COMPAQ takes to protect its own confidential information of like importance. However, COMPAQ shall have no obligation to maintain the confidentiality of information that (i) it received rightfully from another party prior to its receipt from MS; (ii) MS has disclosed to a third party without any obligation to maintain such information in confidence; or (iii) has been or is independently developed by COMPAQ. Further, COMPAQ may disclose confidential information as required by governmental or judicial order, provided COMPAQ gives MS prompt notice of such order and complies with any protective order (or equivalent) imposed on such disclosure. COMPAQ shall treat all Product adaptation materials (including source code) as confidential information and shall not disclose, disseminate or distribute such materials to any third party without MS' prior written permission. COMPAQ shall treat the terms and conditions of this Agreement as confidential; however, COMPAQ may disclose such information in confidence to its immediate legal and financial

MSV 0002619
CONFIDENTIAL

consultants as required in the ordinary course of COMPAQ's business. COMPAQ's obligation under this Section 13 shall extend to the earlier of such time as the information protected hereby is in the public domain through no fault of COMPAQ or five (5) years following termination or expiration of this Agreement.

(b) MS shall have the same obligations in Section 13(a) above with respect to COMPAQ's information and know-how.

14. AUDITS

(a) During the term of this Agreement, COMPAQ agrees to keep all usual and proper records and books of account and all usual and proper entries relating to each Product licensed consistent with generally accepted accounting principles.

(b) MS may cause an audit to be made of the applicable COMPAQ records and facilities in order to verify COMPAQ's compliance with the terms of this Agreement and to verify royalty reports issued by COMPAQ and prompt adjustment shall be made to compensate for any errors or omissions disclosed by such audit. Any such audit shall be conducted by an independent certified public accountant of national stature (e.g., Deloitte) selected by MS (other than on a contingent fee basis) and shall be conducted during regular business hours at COMPAQ's offices and in such a manner as not to interfere with COMPAQ's normal business activities. Any such audit shall be paid for by MS unless Material discrepancies are disclosed. "Material" shall mean the lesser of Fifty Thousand Dollars (US\$50,000.00) or five percent (5%) of the amount that should have been reported, but not less than Ten Thousand Dollars (US\$10,000.00). If Material discrepancies are disclosed, COMPAQ agrees to pay MS for the costs associated with the audit not to exceed Twenty Thousand Dollars (US\$20,000.00). In no event shall audits be made more frequently than annually unless the immediately preceding audit disclosed a Material discrepancy.

(c) Neither the right to examine and audit nor the right to receive an adjustment shall be affected by any statement to the contrary, appearing on checks or otherwise, unless expressly agreed to in writing by the party having such right.

(d) In the event that MS makes any claim with respect to an audit, upon COMPAQ's written request MS will make available to COMPAQ the records and reports pertaining to such audit prepared by MS' independent auditor.

15. NOTICES AND REQUESTS

All notices, authorizations, and requests in connection with this Agreement shall be deemed given on the day they are (i) deposited in the U.S. mails, postage prepaid, certified or registered, return receipt requested; or (ii) sent by air express courier, charges prepaid; and addressed as follows:

COMPAQ:

COMPAQ COMPUTER CORPORATION
20555 S.H. 249
Houston, Texas 77070-2698

Attention:
Telephone:
Fax:

Vice President, Portable and Software Marketing, PC Division
(713) 374-4781
(713) 374-4485

With Copy To:
COMPAQ:

COMPAQ LEGAL DEPARTMENT
20555 S.H. 249
Houston, Texas 77070-2698

MSV 0002620
CONFIDENTIAL

Attention: Managing Attorney, Operations
Telephone: (713) 374-6130
Fax: (713) 374-8332

BILL TO:
COMPAQ: COMPAQ COMPUTER CORPORATION
20555 S.H. 249, Mail Stop 040801
Houston, Texas 77070-2698

Attention: Controller, Personal Computer Division

SHIP TO: COMPAQ COMPUTER CORPORATION
20555 S.H. 249, Mail Stop 070805
Houston, Texas 77070-2698

Attention: Director of PC Software, Jim Odom
Phone Number: (713) 374-5720
COMPAQ Support
Phone Number: 800-345-1518

MS: MICROSOFT CORPORATION
One Microsoft Way
Redmond, WA 98052-6399

Attention: Vice President, OEM Group

With Copy To: MICROSOFT CORPORATION
One Microsoft Way
Redmond, WA 98052-6399

Attention: Law & Corporate Affairs
Fax: (206) 936-7329

or to such other address as the party to receive the notice or request so designates by written notice to the other. For other correspondence to MS, the address is:

OEM Sales
MICROSOFT CORPORATION
One Microsoft Way
Redmond, WA 98052-6399

16. CONTROLLING LAW; NO FRANCHISE

(a) This Agreement shall be construed and controlled by the laws of the State of Washington. Process may be served on either party in the manner set forth in Section 15 for the delivery of notices or by such other method as is authorized by applicable law or court rule.

(b) Neither this Agreement, nor any terms and conditions contained herein, shall be construed as creating a partnership, joint venture or agency relationship or as granting a franchise as defined in the Washington Franchise Investment Protection Act, RCW 19.100, as amended, or 16 CFR Section 436.2(a). The price and payment described in Section 3 of this Agreement shall be construed as a royalty fee for the rights granted in Section 2 of this Agreement, and not as a franchise fee.

MSV 0002621
CONFIDENTIAL

17. ATTORNEYS' FEES

If either MS or COMPAQ employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and other expenses.

18. GENERAL

(a) Any Product which COMPAQ distributes or licenses to or on behalf of the United States of America, its agencies and/or instrumentalities (the "Government"), are provided to COMPAQ with RESTRICTED RIGHTS. Use, duplication or disclosure by the Government is subject to restriction as set forth in subparagraph (c)(1)(ii) of the rights in Technical Data and Computer Software clause at DFAR 252.227-7013, or as set forth in the particular department or agency regulations or rules which provide MS protection equivalent to or greater than the above-cited clause. COMPAQ shall comply with any requirements of the Government to obtain such RESTRICTED RIGHTS protection, including without limitation, the placement of any restrictive legends on the Product software, Product documentation, and any license agreement used in connection with the distribution of the Product. Manufacturer is Microsoft Corporation, One Microsoft Way, Redmond, Washington 98052-6399. Under no circumstances shall MS be obligated to comply with any Governmental requirements regarding the submission of or the request for exemption from submission of cost or pricing data or cost accounting requirements. For any distribution or license of the Product that would require compliance by MS with Governmental requirements relating to cost or pricing data or cost accounting requirements, COMPAQ must obtain an appropriate waiver or exemption from such requirements for the benefit of MS from the appropriate Governmental authority before the distribution and/or license of the Product to the Government.

(b) COMPAQ agrees that it will not, and will take reasonable steps to ensure that its customers will not, directly or indirectly, export or transmit (i) any Product or related documentation and technical data or (ii) any product (or any part thereof), process, or service that is the direct product of a Product, to the People's Republic of China, Afghanistan, or any group Q, S, W, Y, or Z country specified in Supplement No. 1 of Section 770 of the Export Administration Regulations or to any other country to which such export or transmission is restricted by such regulation or statute, without the prior written consent, if required, of the Office of Export Administration of the U.S. Department of Commerce, or such other governmental entity as may have jurisdiction over such export or transmission.

(c) This Agreement does not constitute an offer by MS and it shall not be effective until signed by both parties. Upon execution by both parties, this Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and merges all prior and contemporaneous communications. Upon execution of this Agreement by both parties MS/COMPAQ Agreements #1107-2139 and 1107-4092 shall be deemed terminated. It shall not be modified except by a written agreement signed on behalf of COMPAQ and MS by their respective duly authorized representatives. Unless agreed to in a separate writing signed by both parties, any statement appearing as a restrictive endorsement on a check or other document which purports to modify a right, obligation or liability of either party shall be of no force and effect.

(d) If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect. If this Agreement as it relates to any Product(s) licensed hereunder shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable or if this Agreement is terminated as to particular Product(s), this Agreement shall remain in full force and effect as to the remaining Product(s).

(e) No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.

MSV 0002622
CONFIDENTIAL

(f) The Section headings used in this Agreement and the attached Exhibits are intended for convenience only and shall not be deemed to supersede or modify any provisions.

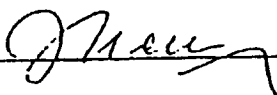
19. COMPAQ'S GOVERNMENTAL APPROVAL OBLIGATIONS

COMPAQ shall, at its own expense, obtain and arrange for the maintenance in full force and effect of all governmental approvals, consents, licenses, authorizations, declarations, filings, and registrations as may be necessary or advisable for the performance of all of the terms and conditions of the Agreement including, but not limited to, foreign exchange approvals, import and offer agent licenses, fair trade approvals and all approvals which may be required to realize the purposes of the Agreement. COMPAQ warrants and represents that the Product(s) is importable into the country identified in the "Ship To" address for COMPAQ listed in Section 15.

If any necessary approvals are not or cannot be obtained within a reasonable time in form and substance satisfactory to MS, MS may immediately terminate this Agreement, and upon receipt of such notice by the COMPAQ, this Agreement shall be null, void and of no effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above. All signed copies of this Agreement shall be deemed originals.

MICROSOFT CORPORATION

By 

Joachim Kempin

Name (Print)

Vice President

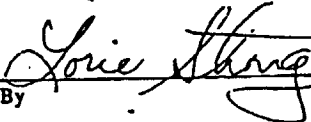
Title

February 22, 1993

Date

Date of Issue: _____

COMPAQ COMPUTER CORPORATION

By 

Lorie Strong

Name (Print)

Vice President

Title

Date

12/05/91 0164L LE911420.046

02/17/93 LE930360.004 (LE930350.019)

EXHIBIT A - SAMPLE LICENSE AGREEMENT

COMPAQ LICENSE AGREEMENT

This is a legal agreement between you, the end user, and COMPAQ. BY OPENING THIS SEALED DISK PACKAGE, YOU ARE AGREEING TO BE BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, PROMPTLY RETURN THE UNOPENED DISK PACKAGE AND THE ACCOMPANYING ITEMS (including written materials and binders or other containers) TO THE PLACE YOU OBTAINED THEM FOR A FULL REFUND.

COMPAQ SOFTWARE LICENSE

1. GRANT OF LICENSE. COMPAQ grants to you the right to use one copy of the enclosed Microsoft software program (the "SOFTWARE") on a single terminal connected to a single computer (i.e. with a single CPU). You may not network the SOFTWARE or otherwise use it on more than one computer or computer terminal at the same time.
2. COPYRIGHT. The SOFTWARE is owned by Microsoft or its suppliers and is protected by United States copyright laws and international treaty provisions. Therefore, you must treat the SOFTWARE like any other copyrighted material (e.g. a book or musical recording) except that you may either (a) make one copy of the SOFTWARE solely for backup or archival purposes, or (b) transfer the SOFTWARE to a single hard disk provided you keep the original solely for backup or archival purposes. You may not copy the written materials accompanying the SOFTWARE.
3. OTHER RESTRICTIONS. You may not rent or lease the SOFTWARE, but you may transfer the SOFTWARE and accompanying written materials on a permanent basis provided you retain no copies and the recipient agrees to the terms of this Agreement. You may not reverse engineer, decompile or disassemble the SOFTWARE. Any transfer of the SOFTWARE must include the most recent update and all prior versions.
4. DUAL MEDIA SOFTWARE. If the SOFTWARE package contains both 3-1/2" and 5-1/4" disks, then you may use only the disks appropriate for your single-user computer. You may not use the other disks on another computer or loan, rent, lease, or transfer them to another user except as part of the permanent transfer (as provided above) of all SOFTWARE and written materials.
5. YOU MAY NOT USE, COPY, MODIFY, OR TRANSFER THE SOFTWARE OR ANY COPY IN WHOLE OR IN PART, EXCEPT AS EXPRESSLY PROVIDED IN THIS LICENSE. ALL RIGHTS NOT EXPRESSLY GRANTED ARE RESERVED BY COMPAQ OR ITS SUPPLIERS.

LIMITED WARRANTY

LIMITED WARRANTY. COMPAQ warrants that (a) the SOFTWARE will perform substantially in accordance with the accompanying written materials for a period of ninety (90) days from the date of receipt; and (b) any hardware accompanying the SOFTWARE will be free from defects in materials and workmanship under normal use and service for a period of one (1) year from the date of receipt. Any implied warranties on the SOFTWARE and hardware are limited to ninety (90) days and one (1) year, respectively. Some states do not allow limitations on duration of an implied warranty, so the above limitation may not apply to you.

MSV 0002624
CONFIDENTIAL

EXHIBIT A
(Continued)

CUSTOMER REMEDIES. COMPAQ's entire liability and your exclusive remedy shall be, at COMPAQ's option, either (a) return of the price paid or (b) repair or replacement of the SOFTWARE or hardware that does not meet COMPAQ's Limited Warranty and which is returned to COMPAQ with a copy of your receipt. This Limited Warranty is void if failure of the SOFTWARE or hardware has resulted from accident, abuse, or misapplication. Any replacement SOFTWARE will be warranted for the remainder of the original warranty period or thirty (30) days, whichever is longer.

NO OTHER WARRANTIES. COMPAQ AND ITS SUPPLIERS DISCLAIM ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SOFTWARE, THE ACCOMPANYING WRITTEN MATERIALS, AND ANY ACCOMPANYING HARDWARE. THIS LIMITED WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS. YOU MAY HAVE OTHERS, WHICH VARY FROM STATE/JURISDICTION TO STATE/JURISDICTION.

NO LIABILITY FOR CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL MICROSOFT OR ITS SUPPLIERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, OR OTHER PECUNIARY LOSS) ARISING OUT OF THE USE OF OR INABILITY TO USE THIS MICROSOFT PRODUCT, EVEN IF MICROSOFT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BECAUSE SOME STATES/JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

U.S. GOVERNMENT RESTRICTED RIGHTS

The SOFTWARE and documentation are provided with RESTRICTED RIGHTS. Use, duplication, or disclosure by the Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of The Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 or in subparagraphs (c)(1) and (2) of the Commercial Computer Software - Restricted Rights at 48 CFR 52.227-19, as applicable. Manufacturer is Microsoft Corporation/One Microsoft Way/Redmond, WA 98052-6399. Contractor is COMPAQ/_____ (Address)

This Agreement is governed by the laws of the State of Washington.

Should you have any questions concerning this Agreement, or if you desire to contact COMPAQ for any reason, please write: COMPAQ Customer Sales and Service/_____ (Address)

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

MSV 0002625
CONFIDENTIAL

EXHIBIT C1 (SYSTEM COMMITMENT)

Note: This Exhibit shall be deemed deleted from the Agreement effective on the earlier of thirty (30) days after COMPAQ's receipt of MS-DOS 6.0 or COMPAQ's first shipment of MS-DOS 6.0

PRODUCT: Microsoft Windows

VERSION NO: 3.XX

FOREIGN LANGUAGE: All foreign languages made available by MS.

PRODUCT DELIVERABLES:

- (a) Product in executable form.
- (b) Standard Documentation in Series No. W770-3Z that MS delivers with the Product.
- (c) Adaptation Materials
Yes (X) No () Not Applicable ()
- (d) Early Shipper Program
Yes (X) No () Not Applicable ()

PRODUCT SPECIFICATIONS:

The Product will have features as specified in the above-referenced Product documentation.

ROYALTY PAYMENTS AND REPORTING REQUIREMENTS:

(a) Until December 31, 1992, COMPAQ agrees to pay MS a royalty of Fourteen Dollars (US\$14.00) multiplied by the greater of the number of (1) Customer System(s) identified in Exhibit M, net of returns, shipped or placed in use by COMPAQ or (2) Product(s) shipped or placed in use by or for COMPAQ. Commencing January 1, 1993, COMPAQ agrees to pay MS a royalty of Fourteen Dollars (US\$14.00) multiplied by the greater of the number of (1) Customer System(s) identified in Exhibit M1, net of returns, shipped or placed in use by COMPAQ or (2) royalty bearing Product(s) shipped or placed in use by or for COMPAQ. In addition, for each Upgrade distributed to end users of Customer System(s), COMPAQ agrees to pay the Upgrade royalty rate (see Additional Provision #4 below) multiplied by the number of Upgrade(s) distributed.

(b) For Products shipped with Customer Systems and for Upgrades identified in Section (a) above which are Non-English Versions (i.e., translated versions of the Product), COMPAQ agrees to pay MS an additional royalty of 15% of the applicable royalty rate (Section (a) above for Product shipped with Customer Systems, Additional Provisions #3 below for Upgrades) multiplied times the number of Non-English Versions of Product shipped with Customer Systems and Upgrades included in Section (a) above.

(c) COMPAQ's report shall contain the information set forth in Exhibit R.

MSV 0002626
CONFIDENTIAL

EXHIBIT C1 (SYSTEM COMMITMENT)
(Continued)

ADDITIONAL PROVISIONS:

1. Notwithstanding anything to the contrary, for a period of forty-five (45) days after COMPAQ's first distribution of a new Update or Version Release of Product, COMPAQ may distribute golden masters of such new Update or Version Release of Product to its resellers to replace existing inventory of the immediately preceding release of Product at no royalty to MS, provided that (a) COMPAQ provides such new release of Product on a "no charge" basis, except that COMPAQ may charge its reasonable costs of materials, freight, and handling and (b) COMPAQ takes reasonable steps to ensure that all copies of the immediately preceding release of Product are destroyed and that the number of copies of the new release of Product do not exceed the number of copies of the immediately preceding release of Product.
2. COMPAQ may distribute Product version 3.1 to COMPAQ employees on a royalty-free basis for internal use only.
3. COMPAQ may distribute Product as an Upgrade (as defined in Section 1(h)) at no royalty to those end users who have purchased a Customer System within thirty (30) days prior to and for forty-five (45) days following MS' release of a subsequent release of Product, provided that COMPAQ provides such Upgrade on a "no charge" basis, (except that COMPAQ may charge its reasonable costs of materials, freight and handling) and at a royalty of two hundred percent (200%) of the royalty in Section (a) above, thereafter, for each copy of Upgrade distributed.
4. Where a COMPAQ customer has a purchase commitment with another MS division (e.g. SMSD) for the Product, MS agrees to permit such customers to apply purchases of Product received from COMPAQ under this Agreement toward the customers' purchase commitment to the other MS division.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Windows™

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C2 (SYSTEM COMMITMENT)

Note: This Exhibit shall be deemed deleted from the Agreement effective on the earlier of thirty (30) days after COMPAQ's receipt of MS-DOS 6.0 or COMPAQ's first shipment of MS-DOS 6.0.

PRODUCT: Microsoft MS-DOS

VERSION NO: 5.0

FOREIGN LANGUAGE: All foreign languages made available by MS.

PRODUCT DELIVERABLES:

- (a) Product in executable form.
- (b) Standard Documentation that MS delivers with the Product.
- (c) Adaptation Materials
Yes (X) No () Not Applicable ()
- (d) Early Shipper Program
Yes (X) No () Not Applicable ()

PRODUCT SPECIFICATIONS:

The Product will have features as specified in the above-referenced Product documentation.

ROYALTY PAYMENTS AND REPORTING REQUIREMENTS:

(a) COMPAQ agrees to pay MS a royalty of Fourteen Dollars (US\$14.00) multiplied by the greater of the number of (1) Customer System(s) identified in Exhibit M1, net of returns, shipped or placed in use by COMPAQ or (2) Product(s) shipped or placed in use by or for COMPAQ.

(b) COMPAQ's report shall contain the information set forth in Exhibit R.

ADDITIONAL PROVISIONS

Notwithstanding anything to the contrary in Section 6, COMPAQ may distribute its existing inventory of retail packages of MS-DOS 5 until such inventory is depleted and/or reproduce and distribute additional such packages in order to fulfill existing non-cancellable Product orders, provided that such packages are distributed only in conjunction with and to end user purchasers of Customer Systems.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® MS-DOS®

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

MSV 0002628
CONFIDENTIAL

EXHIBIT C3 (SYSTEM COMMITMENT)

Note: This Exhibit shall be effective on the earlier of (thirty (30) days after COMPAQ's receipt of MS-DOS 6.0 or COMPAQ's first shipment of MS-DOS 6.0

PRODUCT: Enhanced Tools for MS-DOS
Microsoft MS-DOS
Microsoft Windows
Microsoft Windows for Workgroups
Microsoft Windows NT (client only)
Microsoft Pen Extensions with handwriting recognition
MS CDX (included in MS-DOS 6.0)
Business Audio (subset of Microsoft Windows Sound System)
~~Voice Pilot~~
Successor/replacement products

FOREIGN LANGUAGE: All foreign languages made available by MS.

PRODUCT DELIVERABLES:

- (a) Product in executable form.
- (b) Standard Documentation that MS delivers with the Product.
- (c) Adaptation Materials
Yes (X) No () Not Applicable ()
- (d) Early Shipper Program
Yes (X) No () Not Applicable ()

PRODUCT SPECIFICATIONS:

The Product will have features as specified in the standard Product documentation.

ROYALTY PAYMENTS AND REPORTING REQUIREMENTS:

(a) COMPAQ agrees to pay MS a royalty, at the applicable rate set forth below, multiplied by the greater of the number of (1) Customer System(s) identified in Exhibit M, net of returns, shipped or placed in use by COMPAQ or (2) Product(s) shipped or placed in use by or for COMPAQ. In addition, for each Upgrade distributed to end users of Customer System(s), COMPAQ agrees to pay the Upgrade royalty rate (see Additional Provision #4 below) multiplied by the number of Upgrade(s) distributed. Notwithstanding the foregoing, for those Customer Systems referenced in (a)(1) shipped with a copy of any particular language version of MS-DOS 5.0 and for copies of any particular language version of MS-DOS 5.0 Product referenced in (a)(2), COMPAQ shall receive a credit of \$3.00 for each such Customer System or copy of Product, as applicable. COMPAQ's right to receive such credit shall cease when MS provides COMPAQ with the corresponding language version of MS-DOS 6.0.

<u>Calendar Quarterly Shipments</u>	<u>Royalty Rate (\$US)</u>
375,000 - 625,000	\$32.50
625,000 - 750,000	\$31.75
over 750,000	\$31.00

Calendar quarterly shipments shall be equal to the total number (identified above) of Customer Systems and royalty bearing Products shipped independent of Customer Systems but shall exclude Upgrade(s). Calendar quarterly shipments and corresponding royalty rates shall be determined on a quarter-by-quarter basis.

MSV 0002629
CONFIDENTIAL

EXHIBIT C3 (SYSTEM COMMITMENT)
(Continued)

(b) In addition to the royalty in (a), for each copy of Voice Pilot shipped or placed in use by or for COMPAQ, COMPAQ shall pay MS a royalty equal to MS' royalties to third parties for each copy of Voice Pilot. As of the Effective Date, MS' royalties to third parties for each such copy is \$2.00.

(c) COMPAQ's report shall contain the information set forth in Exhibit R.

ADDITIONAL PROVISIONS:

1. Notwithstanding anything to the contrary, for a period of ninety (90) days after COMPAQ's first distribution of a new Update or Version Release of Product, COMPAQ may authorize its resellers to replace existing inventory of the immediately preceding release of Product with such new Update or Version Release Product at no royalty to MS, provided that (a) COMPAQ provides such new release of Product on a "no charge" basis, except that COMPAQ may charge its reasonable costs of materials, freight, and handling and (b) COMPAQ takes reasonable steps to ensure that all copies of the immediately preceding release of Product are destroyed and that the number of copies of the new release of Product do not exceed the number of copies of the immediately preceding release of Product.
2. COMPAQ may distribute Product to COMPAQ employees on a royalty-free basis for employee use only.
3. COMPAQ may distribute Product as an Upgrade (as defined in Section 1(h)) at no royalty to those end users who have purchased a Customer System within thirty (30) days prior to and for forty-five (45) days following MS' release of a subsequent release of Product, provided that COMPAQ provides such Upgrade on a "no charge" basis, (except that COMPAQ may charge its reasonable costs of materials, freight and handling) and at a royalty equal to twenty percent (20%) of the Suggested Retail Price of the corresponding MS retail upgrade version of the Product, for each copy of Upgrade distributed to other end users.
4. Where a COMPAQ customer has a purchase commitment with another MS division (e.g. SMSD) for a Product, MS agrees to permit such customers to apply purchases of Product received from COMPAQ under this Agreement toward the customers' purchase commitment to the other MS division.
5. Where a COMPAQ customer has or makes a purchase commitment with another MS channel (e.g., distributor, reseller, etc.) for any Core Product, MS agrees to negotiate a reasonable corresponding adjustment to COMPAQ's royalty obligation for Customer Systems distributed to such customer which does not include such Core Product.
6. COMPAQ shall include a MS Product registration card with each Product distributed. MS shall provide COMPAQ with MS Product registration card information it has collected relating to end users of COMPAQ Customer Systems on an on-going basis.
7. No royalty shall accrue for copies of MS-DOS, Windows, and successor/replacement products which exclude command.com and progman.exe, respectively, or applicable successor/replacement files, provided that such copies are distributed solely for use to facilitate Customer System configuration, setup, diagnostics, documentation access and/or product registration.

MSV 0002630
CONFIDENTIAL

EXHIBIT C3 (SYSTEM COMMITMENT)
(Continued)

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® MS-DOS®
Enhanced Tools for MS-DOS®
Microsoft® Windows™
Microsoft® Windows™ for Workgroups
Microsoft® Windows™ NT
Microsoft® Pen Extensions with handwriting recognition
MS CDX
Business Audio
Voice Pilot

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and
COMPAQ COMPUTER CORPORATION.

EXHIBIT M

COMPAQ'S CUSTOMER SYSTEMS

Note: This Exhibit shall be deemed deleted from the Agreement effective January 1, 1993.

For purposes of Exhibit C1, COMPAQ's Customer Systems shall be defined to be COMPAQ's current and future computer systems that are shipped with a pointing device excluding such systems in which (a) the pointing device consists solely of a "pen" pointing device and is shipped without a copy of the Product in Exhibit C1 or (b) the system is shipped with a copy of the product currently known as Windows NT.

In the event COMPAQ distributes Customer Systems with a pointing device (but without Product in Exhibit C1) as part of a large volume purchase agreement, COMPAQ may exclude such Customer Systems from royalty calculation purposes provided that such Customer Systems shall not exceed three percent (3%) of total number of Customer Systems shipped by COMPAQ during any given twelve (12) month period.

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT M1

COMPAQ'S CUSTOMER SYSTEMS

For purposes of this Agreement, COMPAQ's Customer Systems shall be defined to be all of COMPAQ's current and future X86 or X86 compatible computer systems, except the following:

- a) diskless workstations;
- b) "tower" systems marketed or designed for use as a server;
- c) systems for large volume opportunities for a minimum of 1000 systems per customer;
- d) systems for government bids where Products are not specified in government bid;
- e) up to 5% of annual "build-to-order" systems;
- f) systems which do not have traditional PC architecture (e.g. PDA's and "Pen only" systems);

provided that such excepted systems in (a) - (f) are not shipped with any Product.

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT B

Royalty Report for COMPAQ

Reporting Period: _____, 19__ to _____, 19__

Microsoft Contract # 1107-2139

Product	Units	Rate	Royalty Due
___ English Version	_____	_____	_____
___ Non-English Version	_____	_____	_____
Upgrades			
___ English Version	_____	_____	_____
___ Non-English Version	_____	_____	_____
___ Total	_____	_____	_____

Number of royalty-free Upgrades
Distributed per Additional Provision #3
of Exhibit C1 and Additional Provision #3
of Exhibit C3. _____

Report Completed By: _____ (Signature)
_____ (Printed)
_____ (Date)

Telephone Number: _____

COMPAQ Confidential (when completed)

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION and
COMPAQ COMPUTER CORPORATION.

EXHIBIT S1
SOURCE CODE

MS and COMPAQ have entered into a License Agreement (the "Agreement") dated October 1, 1992 identified by Microsoft Contract # _____. Upon execution by both parties, this Exhibit S is deemed part of the Agreement.

S1. LICENSE GRANT FOR SOURCE CODE

(a) MS grants to COMPAQ a nonexclusive, personal, nontransferable, nonassignable license during the term of the Agreement to use and modify the source codes of the Products ("Source Code") described in the Exhibits listed in Section S2 below solely for the purpose of creating derivative works which include the adaptation work described in Section 2(a)(i) of the Agreement or which include error corrections in the Product. Creation of all other derivative works shall be subject to MS' prior written consent. For purposes of this Exhibit S1, the term "Source Code" shall exclude source code provided to COMPAQ in the Product OAK, DDK, Software Developer's Kit ("SDK") or Device Driver Kit ("DDK"). The license granted hereunder is solely for COMPAQ's internal use and COMPAQ shall at all times strictly comply with the provisions of Sections I3 and S1(d) of this Agreement.

(b) The license granted hereunder shall extend to the Source Code for any new releases to each Product as are supplied by MS and accepted by COMPAQ. Source Code for new Update Releases shall be provided free of charge.

(c) COMPAQ hereby conveys to MS all right, title and interest to any derivative works made to the Source Code by or for COMPAQ. MS grants to COMPAQ non-exclusive marketing and distribution rights to the object code version of any such derivative works; provided, however, that COMPAQ's marketing and distribution rights shall be limited in that such derivative works shall only be marketed and distributed as part of the Product on whose Source Code the derivative work was based. COMPAQ agrees that MS is not granting marketing or distribution rights to either (i) Source Code as supplied to COMPAQ by MS, or (ii) derivative works made to the Source Code by COMPAQ.

(d) Notwithstanding anything to the contrary contained herein, COMPAQ shall not reproduce, duplicate, copy or otherwise disclose, distribute or disseminate Source Code (code or listing) in any media except for COMPAQ's own internal use by COMPAQ's full-time employees on a need-to-know basis on COMPAQ premises. COMPAQ agrees to use the same degree of care to protect Source Code as it takes to protect its own most confidential information. However, COMPAQ may disclose Source Code to a third party who has signed a nondisclosure agreement if MS approves such disclosure in writing or fails to object to such disclosure within thirty (30) days after MS' receipt of the signed nondisclosure agreement. The nondisclosure agreement shall be in a form approved in writing by MS. COMPAQ agrees to indemnify MS for any damages MS may suffer as a result of the failure of COMPAQ or any recipient of Source Code from COMPAQ to abide by the terms of its nondisclosure agreement. COMPAQ's obligations hereunder with respect to Source Code shall survive termination of the Agreement.

EXHIBIT T

THIRD PARTY PRIVATE LABELING

MS and COMPAQ have entered into a License Agreement (the "Agreement") dated October 1, 1992. Upon execution by both parties, this Exhibit T is deemed part of the Agreement.

T1. MARKETING RIGHTS REGARDING EXHIBIT T COMPANIES

Notwithstanding anything to the contrary contained herein, COMPAQ may also market the Product, in copy object form only, to not more than _____ () companies listed in Section T6 (hereinafter "Exhibit T Companies") in conjunction with their purchases from COMPAQ of COMPAQ's Customer Systems described in Exhibit(s) M. There shall be no changes or substitutions permitted with respect thereto. The Exhibit T Companies shall only distribute the Product in conjunction with the applicable Customer Systems listed in Exhibit M and listed in Section T6. The Exhibit T Companies may not reproduce, copy, or modify, adapt, or otherwise use the Product. The number of copies of the Product COMPAQ may provide each Exhibit T Company for its described computer system shall not exceed the number of Customer Systems COMPAQ supplies such Exhibit T company.

T2. COMPAQ'S REQUIREMENTS FOR EXHIBIT "T" COMPANIES

(a) COMPAQ shall, by written agreement with each of the Exhibit T Companies require the Exhibit T Companies to fulfill, and COMPAQ hereby guarantees in writing the Exhibit T Companies' fulfillment of the following obligations, terms and conditions:

(i) Each Exhibit T Company shall market the Product(s) only under the same product name(s) and trademark(s) as COMPAQ does; and

(ii) Each Exhibit T Company shall comply with Sections 6(a)-(d), 7(a)-(i), 13, 18(a)-(b), and the applicable Exhibit C(s), as if each was directly applicable to such company including, without limitation, retention in confidence of, and requiring its customers to retain in confidence, such proprietary or confidential information and know-how transmitted to it by COMPAQ and/or by MS through COMPAQ:

(b) COMPAQ shall retain such audit rights as may be required to ensure and/or verify the Exhibit T Companies' compliance with the above and MS shall be an intended third party beneficiary of such rights.

(c) COMPAQ shall ensure and guarantee that none of the rights regarding any Product, the associated product name, and/or trademark, obtained through COMPAQ by any Exhibit T Company shall be assignable.

(d) Neither this Agreement nor the agreement between COMPAQ and any Exhibit T Company shall be deemed to create a partnership, joint venture, agency or contract of employment between such Exhibit T company and MS.

(e) COMPAQ shall at its own expense, obtain and arrange for the approvals, consents, licenses, authorizations, declarations, filings and registrations as may be necessary or advisable for the performance of all the terms and conditions of the above referenced written agreements pursuant to its obligations under Section 19 of this Agreement.

MSV 0002637
CONFIDENTIAL

EXHIBIT T

THIRD PARTY PRIVATE LABELING

(Continued)

T3. EXHIBIT T COMPANIES' OBLIGATIONS UPON TERMINATION

Upon termination of this Agreement, all agreement(s) between COMPAQ and the Exhibit T Companies relating to Product shall also be deemed terminated. Upon such termination, or if COMPAQ's agreement with any Exhibit T Company otherwise terminates, COMPAQ shall cause and require the return of all full or partial copies of the Product in the possession or control of each terminated Exhibit T Company to COMPAQ within ten (10) days following the termination date. Such Exhibit T Companies may, however, each retain one (1) copy of the Product in object code form and one (1) copy of the Product documentation to be used solely for support purposes. Termination shall in no event relieve any Exhibit T Company of the obligations it has under its agreement with COMPAQ pursuant to this License Agreement, including, without limitation, its obligations regarding the confidentiality of the Product. COMPAQ shall require and ensure that from and after termination the Exhibit T Companies will not use internally nor employ the Product as part or portion of any product which any such company may use, sell, assign, lease, license, or transfer to any third parties. COMPAQ shall require and ensure that from and after termination each Exhibit T Company will cease and desist from all use of the product name and associated trademark(s) and upon request deliver to MS or its authorized representatives all material upon which the product name and the associated trademark(s) appears.

T4. INDEMNIFICATION OF MS REGARDING EXHIBIT T COMPANIES

COMPAQ hereby agrees to indemnify, save and hold MS harmless from any and all actions, causes of action, claims, demands, losses, liabilities, expenses and damages (including reasonable attorney fees) arising out of or in connection with any activity, action and/or failure to perform by any Exhibit T company pursuant to the terms and conditions of this Agreement, or due to failure of COMPAQ to provide MS with timely notice of any required information regarding any Exhibit T company. COMPAQ shall promptly reimburse MS for any payment made or amount incurred by MS in respect of any liability, expense, damage or claim to which the foregoing indemnity relates.

T5. MS NONLIABILITY REGARDING EXHIBIT T COMPANIES

MS shall have no liability to any Exhibit T Company under any provision of this License Agreement or any transaction contemplated by this License Agreement.

T6. EXHIBIT T COMPANIES

The following are the Exhibit T Companies. If any of the information to be provided with respect to any Exhibit T Company is not set forth below at the time of execution of this Agreement, it must be provided by COMPAQ at least sixty (60) days before actual shipment and is subject to prior approval by MS before any shipment.

MSV 0002638
CONFIDENTIAL

EXHIBIT T

THIRD PARTY PRIVATE LABELING
(Continued)

1. EXHIBIT T Company Name: _____
Computer System Name: _____
Address: _____
Telex: _____
Fax: _____
Contact: _____
Phone: _____
Company CUSTOMER SYSTEM: _____

2. EXHIBIT T Company Name: _____
Computer System Name: _____
Address: _____
Telex: _____
Fax: _____
Contact: _____
Phone: _____
Company CUSTOMER SYSTEM: _____

3. EXHIBIT T Company Name: _____
Computer System Name: _____
Address: _____
Telex: _____
Fax: _____
Contact: _____
Phone: _____
Company CUSTOMER SYSTEM: _____

4. EXHIBIT T Company Name: _____
Computer System Name: _____
Address: _____
Telex: _____
Fax: _____
Contact: _____
Phone: _____
Company CUSTOMER SYSTEM: _____

MSV 0002639
CONFIDENTIAL

EXHIBIT T

THIRD PARTY PRIVATE LABELING
(Continued)

IN WITNESS WHEREOF, the parties have executed this Exhibit T as of the date first set forth above.

MICROSOFT CORPORATION

By _____

By _____

Name (Print)

Name (Print)

Title

Title

Date

Date

Exhibit to the License Agreement dated October 1, 1992, between MICROSOFT CORPORATION AND
COMPAQ COMPUTER CORPORATION.

MSV 0002640
CONFIDENTIAL

EXHIBIT P

COMPAQ/MICROSOFT STRATEGIC PARTNERSHIP

The intent of this Exhibit P is to establish criteria for recognizing COMPAQ as a "Strategic OEM" for Microsoft and Microsoft as a "Strategic Software Provider" for COMPAQ in order to exploit mutual opportunities for our customers and the PC industry. COMPAQ and MS will work together to define the requirements and capabilities that COMPAQ customers require and mutually agree on where it is appropriate to build these capabilities into Microsoft systems products in a timely fashion. Additionally this Exhibit will describe mutual goals, implementation and expected results for each of the following areas: 1) Sales Cycle Reduction; 2) Cooperative Development Projects; 3) End User Support; and 4) Joint Program Management.

The position of "Strategic OEM" Status within Microsoft will be limited to a maximum of 4 Personal Computer manufacturers including COMPAQ. In the spirit of the COMPAQ/MS relationship, MS is proposing that, wherever possible, MS will offer COMPAQ the first opportunity to participate in potential projects that MS is entertaining and that COMPAQ will wherever possible, offer MS the first opportunity to participate in potential projects that COMPAQ is entertaining. Potential projects shall be defined as projects that advance the state of the PC industry, while also meeting the business requirements of COMPAQ and MS.

The terms "Strategic OEM" and "Strategic Software Provider" are subject to change as agreed by the parties.

The criteria for the "Strategic OEM" relationship with MS is the following:

- OEM will offer significant joint development projects to MS from time to time (e.g., "plug and play" ease of use).
- OEM will provide a significant level of systems input to MS during new MS product alpha and beta testing.
- OEM must apply resources well beyond the industry norm to the activities and projects contemplated in this proposal.
- OEM will issue a press statement announcing the relationship and will include points on the relationship in press statements from time to time.
- OEM will do active compatibility testing of OEM's products using current MS system products and their enhancements using significantly more tests than the MS HCT's.
- OEM must have dedicated development personnel and at least one dedicated marketing person to work with MS on joint technical and marketing projects respectively.
- OEM must offer Desktop, Server and Portable products.
- OEM must be focused on, committed to, and primarily promote MS desktop software platforms, i.e., MS-DOS, Windows for Workgroups, Windows, Windows NT, and Pen Extensions with handwriting recognition, while also meeting the business requirements of OEM.
- OEM should have presence in all major channels of distribution i.e. Direct, Reseller and Mass Market.
- OEM must be a worldwide supplier.
- OEM must offer worldwide Support and Customer Facilities.
- OEM must ship a significant volume of PC's and Servers on an annual basis.
- OEM must be a recognized leader in the PC industry with brand name recognition.

An OEM which meets the above criteria shall be referred to as a "Strategic OEM." Any other OEM shall be referred to as a "Non-Strategic OEM."

MSV 0002641
CONFIDENTIAL

The criteria for the "Strategic Software Provider" relationship with COMPAQ is the following:

- Company must provide both Desktop and Server Software.
- Company must have worldwide market locations for distribution and product support.
- Company must have designated development personnel to coordinate COMPAQ's software related development activities with Company, and at least one dedicated U.S. marketing person to work with COMPAQ on joint technical and marketing projects respectively.
- Company must have significant brand name recognition and channel strength in both Retail and OEM channels.
- Company must use COMPAQ's products in development and periodically state so to the press.
- Company must make COMPAQ's products available in its regional and worldwide data center for customer briefings, demonstrations and testing of customer applications.
- Company will issue a press statement announcing the relationship and will include points on the relationship in press statements from time to time.

1. SALES CYCLE REDUCTION

Common Goal:

Reduce the selling cycle for customer hardware/software purchases.

Implementation Commitments:

	MS	COMPAQ
- Cross train sales organizations on each company's systems strategies and large account sales strategy, e.g. presentations at each company's national, regional and local sales meetings, where appropriate, and disseminate sales aids and tools to each other's sales forces on an ongoing basis.	Yes	Yes
- Cross train development teams on an ongoing basis.	Yes	Yes
- Encourage joint executive sales calls to target strategic accounts and exchange large account sales leads.	Yes	Yes
- Participation in Solution Provider Event.	Yes	Yes
- COMPAQ Solutions at MS Technical Briefing Centers.	Yes	Yes
- Assign designated Technical and dedicated (U.S. only) Marketing Program Managers.	Yes	Yes
- Recognize MS Corporate Account Managers for COMPAQ NT sales	Yes	-
- Joint customized customer seminar and marketing events.	Yes	Yes
- Public Statement re: MS/COMPAQ relationship to Press.	Yes	Yes
- Plan utilization of dedicated joint marketing funds to programs	Yes	Yes

Expected Results:

Increased visibility of the MS/COMPAQ relationship and a clear positioning of the MS/COMPAQ hardware/software platform as a proven, viable solution fully endorsed, promoted and supported by both companies. The increased sales and marketing cooperation described above is expected to make purchase decisions easier for customers and shorten the time frame for such decisions.

2. COOPERATIVE DEVELOPMENT PROJECTS

Common Goal:

Optimize MS and COMPAQ technology to deliver innovative solutions to customers and advance the state of the industry.

MSV 0002642
CONFIDENTIAL

Implementation:

	<u>MS</u>	<u>COMPAQ</u>
- Formal quarterly review of current and future projects by senior management teams from both companies.	Yes	Yes
- Develop new business model for unique projects.	Yes	Yes
- Wherever possible give each other the first opportunity to engage in potential projects.	Yes	Yes
- Define budget and resources required for project success.	Yes	Yes
- Projects agreed to by highest level responsible company executives.	Yes	Yes
- Establish COMPAQ as the lead OEM for the Chicago Product. COMPAQ and MS will be the primary providers of "Plug and Play" features, elegant client networking solutions and other system optimizations.	Yes	Yes
- Train COMPAQ's engineers so that they can better design products to efficiently run MS products.	Yes	-
- Public recognition for COMPAQ and MS contributions.	Yes	Yes

Expected Results:

Increased sales of COMPAQ hardware and MS software, and increased opportunities for both companies to demonstrate industry leadership. Improved MS and COMPAQ products.

3. END USER SUPPORT

Common Goal:

Reduce costs associated with supporting end users of MS software/COMPAQ hardware platforms.

Implementation:

	<u>MS</u>	<u>COMPAQ</u>
- Provide backup support to each other's end user support personnel.	Yes	Yes
- Share relevant support databases and technical support information.	Yes	Yes
- Establish joint escalation procedures for large accounts/significant issues.	Yes	Yes
- Implement ongoing "train the trainer" type product training.	Yes	-
- Extend the MS/COMPAQ TSA to include Windows /NT	Yes	Yes
- Train and Certify COMPAQ at no charge as an authorized self-training organization for Windows, Windows for Workgroups, Windows/NT, LAN Manager and SQL Server and follow-ons to the basic and MCP level.	Yes	Yes
- Provide MCP certification testing on Windows NT for COMPAQ at no charge.	Yes	

Expected Results:

Improved quality and timeliness of end user support to joint customers, and reduced support costs to both MS and COMPAQ.

4. JOINT PROGRAM MANAGEMENT

Fifty Cents (\$0.50) from each COMPAQ Customer System royalty will be reserved by MS for funding of joint marketing activities such as joint seminars, large account marketing, joint product announcements, etc. Such reserved royalties also shall be used to fund employment of one dedicated Marketing Program Manager for MS and COMPAQ, respectively.