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September 21, 1993

Texas Instruments Incorporated
Thomas D. Stringfellow
Vice President - ITG
5701 Airport Road
Temple, Texas 76503-6102

**HIGHLY
CONFIDENTIAL**

Re: Side Letter to the Texas Instruments and Microsoft License Agreement, dated April 1, 1990,
Contract No. 1290-0164 ("Agreement")

Dear Mr. Stringfellow,

This letter's purpose is to clarify the upgrade royalty obligations for MS-DOS. In accordance with Amendment No. 9 of the current Agreement, TI may ship versions of MS-DOS previous to v6.0 through September 30, 1993. After that date all MS-DOS product shipped either as an upgrade or as a standard feature of your Notebook computer product line must be version 6.

Amendment No. 9 to the current Agreement also grants Texas Instruments the right to provide copies of MS-DOS v6 to your installed base of customers as an upgrade. The royalty for such upgrades is \$48. Prior to October 1, 1993, TI may ship version 5 of MS-DOS to any customer in your installed base as an upgrade from version 4 (or earlier) of MS-DOS. The royalty rate for such upgrade shipments is outlined in Exhibit C1 of Amendment No. 7 to the Agreement. Exhibit C1 states that TI is obligated to pay a royalty of 50% of the "highest royalty stated in this Exhibit C1" for each full or partial copy of MS-DOS shipped as an upgrade.

To summarize, until October 1, 1993 there are two options and prices for upgrades. Option one allows your customers to upgrade to version 5 of MS-DOS which incurs a royalty obligation of 50% of the "highest" royalty outlined in Exhibit C1. Option two allows your customers to upgrade to version 6 of MS-DOS which incurs a royalty obligation of \$48. From October 1, 1993 onwards the only upgrade option is to upgrade to MS-DOS v6 with its associated royalty of \$48.

Please let me know if I can be of further assistance for this issue. Microsoft appreciates your support and your business.

Best Regards,

Ronald D McAlhany

Ron McAlhany
Texas Instruments Account Manager

cc: Peter Miller, Microsoft Legal
Susan Rucker, Microsoft Finance