

**SIGNED  
ORIGINAL**

**LICENSE AGREEMENT**

for

MICROSOFT® OFFICE 3.0  
MICROSOFT® WORD FOR WINDOWSTM 2.0  
MICROSOFT® EXCEL 4.0  
MICROSOFT® PROJECT 3.0  
MICROSOFT® POWERPOINT® 3.0  
MICROSOFT® ACCESS 1.0  
MICROSOFT® WORKS FOR WINDOWSTM 2.0

Between

MICROSOFT CORPORATION,  
a Delaware Corporation,

and

COMPAQ COMPUTER CORPORATION,  
a Delaware Corporation

Microsoft Contract # 1107-3091



05/20/92 LE921050.004

03/10/93 LE930400.008

FL AG 0001632  
CONFIDENTIAL

Plaintiff's Exhibit

**5543**

Comes V. Microsoft

HIGHLY CONFIDENTIAL

## LICENSE AGREEMENT

This License Agreement ("Agreement") is made and entered into this 11th day of March, 1993 ("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" shall include any subsidiary of COMPAQ. A "subsidiary" is 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 subsidiaries' performance under this Agreement. Upon request, COMPAQ shall provide MS with the name and address of its subsidiaries.

(b) "Customer System" shall mean the single user/single CPU 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, 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)].

(h) "Upgrade" shall mean a 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.

(i) "Authorized Replicator" shall mean a third party approved by MS which may reproduce and manufacture Product for COMPAQ. Current Authorized Replicators are listed in Exhibit X. MS shall notify COMPAQ of any additional Authorized Replicators.

## 2. **LICENSE GRANT**

(a) MS grants to COMPAQ the following nonexclusive, United States and Canada license rights:

(i) to have the Authorized Replicator reproduce and manufacture the Product in object code form pursuant to an agreement between COMPAQ and Authorized Replicator containing the provisions

in Section 6(d) ("Replicator Agreement") or, alternatively, to purchase package Product through MS in accordance with Exhibit C; and

(iii) to reproduce and manufacture the Product in object code form (preinstalled on Customer Systems); and

(iii) to distribute directly or indirectly and license the Product (preinstalled on Customer Systems) in object code form to end users, under the terms of COMPAQ's end user license agreement

(h) COMPAQ's license shall extend to, and each Product shall be deemed to include, any Update Releases and Version Releases (including those distributed as Upgrades) that COMPAQ accepts under Section 4 and elects to distribute under this Agreement. COMPAQ's license hereunder shall not extend to Product Releases.

(c) MS further grants COMPAQ the right to modify, reproduce, publish and sell the Product documentation as a component of the Product, provided that COMPAQ's modifications shall not render the Product documentation incomplete or inaccurate.

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

(c) MS agrees to negotiate in good faith with COMPAQ to license Product Releases and other MS products not available to COMPAQ under this Agreement at prices which reflect a discount from the suggested retail price of such Product Releases consistent with the pricing offered for Products. If MS and COMPAQ do not come to an agreement to license a new Product Release then MS agrees to adjust the minimum commitment associated with the earlier version of Product to reflect reduced shipment of such Product.

(f) MS agrees to use reasonable efforts to supply COMPAQ with future beta versions of licensed Products at the same time that MS provides its initial general beta releases.

### 3. PRICE, PAYMENT AND REPORTING

(a) COMPAQ agrees to pay MS the amount(s) and within the times stated in this Section 3, Exhibit B 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.

(c) Except where otherwise provided, COMPAQ agrees to make 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 report royalties as set forth in the Exhibits C.

(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, provided diskettes and documentation for such copies are marked "For Demonstration Only" or the like, (iv) or used for service, support and sales training as well as marketing purposes such as ad mock-ups. Total copies provided under this Section 3(d) shall not exceed thirty (30) copies per licensed Product Version Release, Update Release and Produce Release if applicable.

(e) In addition to the royalty reports identified above, COMPAQ agrees to provide monthly report of Sales Out, Sell Through, Inventory for end users, and for Business and Government Institution Reporting. Business end users shall mean Fortune 1000 businesses. COMPAQ's report shall include zip code information for Product sold through to end users and customer name, bill to and ship to and zip codes for business and government. Such reporting shall be made to MS in electronic format, the form of which will be provided to COMPAQ by MS. Reporting shall be submitted to Microsoft by the 30th of the month following the applicable reporting month. COMPAQ shall have one hundred twenty (120) days to comply with Business and Government Institution reporting requirements. The reporting information provided by COMPAQ in this Section 3(e) shall be treated as confidential information of COMPAQ and used by MS for internal purposes only. Such purposes shall be for calculating MS field sales credit and have limited distribution within MS.

#### 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, then COMPAQ shall be entitled to a refund of one hundred percent (100%) of the payment due on signing (if any) as specified in Exhibit B and this Agreement shall immediately terminate.

(c) MS represents that each Product meets the specifications referenced in the applicable Exhibit C. 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.

(e) Except as expressly provided, this Agreement does not include technical support. Such support is available separately through MS' Support Connection program.

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 notifies COMPAQ that it should cease distribution of Product due to an Infringement Claim, the payment dates for each of COMPAQ's minimum commitment payments in Exhibit B with respect to such Product arising after the date of such notice shall be postponed by the period of time from the date of such notice until MS provides COMPAQ with Non-Infringing Product. 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 and COMPAQ shall have no further Minimum Commitment obligations with respect to such Product except for the Minimum Commitment payment due at the end of the quarter during which termination occurs, pro-rated for the quarter.

(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. Virginia 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 Exhibit(s) M for the particular Product(s). COMPAQ's Product packaging shall clearly indicate that the Product is intended for use only on such Customer System(s). 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 (for Product shipped on diskette) or in electronic form appearing on the sign-on screen of the Product (for Product shipped on Customer System hard disk) ("EULA"). 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. COMPAQ shall package the Product so that a notice informs the end user that by opening the Customer System package, the end user indicates his/her acceptance of the terms of the EULA.

(ii) Except as otherwise specified in Exhibit C, COMPAQ shall distribute Product only installed on Customer System hard disk or nonvolatile memory. COMPAQ may provide a single copy of Product on CD-ROM or diskette(s) to the end user for use as a back-up copy.

(iii) 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) COMPAQ shall not reproduce, duplicate, copy or otherwise permit the manufacture of Product software, documentation and packaging except on COMPAQ premises by COMPAQ employees, or by MS Authorized Replicators (currently R.R. Donnelly & Sons Company and Phocnix 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 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 shall not use or imitate the trade dress of MS products. COMPAQ's name and/or trademarks shall be displayed on the packaging cover of Product documentation and disk labels for the Product.

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

(g) COMPAQ's Product 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.

(i) COMPAQ agrees to include an MS Product registration card in COMPAQ's Customer System package for those COMPAQ Customer Systems on which COMPAQ installs Product on the hard drive or in ROM. Further, for those shipments of Packaged Product sold without a Customer System, COMPAQ agrees to include an MS Product registration card. MS agrees to negotiate in good faith with COMPAQ a mechanism by which COMPAQ can receive a listing of COMPAQ's end users who have registered with MS. COMPAQ must obtain the appropriate registration card from Authorized Replicator.

#### 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 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 authorized representative of MS, the initial term of this Agreement ("Initial Term") shall run from the Effective Date until the earlier of: (i) one (1) year from the end of the calendar quarter in which COMPAQ's first shipment to a customer of any Product for revenue occurs; or (ii) one (1) year and six (6) months from the end of the calendar quarter in which the Effective Date occurs. COMPAQ shall give MS written notice of the first date of shipment of any Product by COMPAQ to a customer for revenue.

Notwithstanding the foregoing, COMPAQ may terminate this Agreement in its entirety for any or no reason upon thirty (30) days prior written notice which must be received by MS prior to December 31, 1993, such termination to be effective December 31, 1993. In the event of such termination, COMPAQ shall owe MS minimum commitments payments through and including December 31, 1993 or Product royalties, whichever is greater. COMPAQ may continue to ship Products in Exhibit C3 until March 31

("Extension Period") and shall pay MS actual earned royalties for Product distributed during the Extension Period. Such royalties shall not apply to any prepaid balance.

#### 10. DEFAULT AND TERMINATION

(a) This Agreement may terminate 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 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. In addition, upon MS' commercial release of a Product Release subsequent to that in Exhibit C (e.g., 4.X, 5.X, etc.), COMPAQ may terminate this Agreement without any further minimum commitment payment obligations except for the Minimum Commitment payment due at the end of the quarter during which termination occurs, pro-rated for the quarter. Further, either party may terminate this Agreement as provided in Section 12(c)(ii).

(b) Termination due to a breach of Sections 6 or 13 shall be effective upon notice. In all other cases 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. 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. OBIGATIONS 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 subsidiary of COMPAQ, 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 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 prior to December 31, 1993, then until December 31, 1993 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, including all minimum commitment payments as described in Exhibit B. In the event this Agreement is terminated as a result of MS' default, COMPAQ shall be relieved of Minimum Commitment obligations arising after the date of termination except for the Minimum Commitment payment due at the end of the quarter during which termination occurs, pro-rated for the quarter.



(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 Five Hundred Five Thousand Dollars (US\$505,000.00) 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 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), no further Minimum Commitments shall be due except for the Minimum Commitment payment due at the end of the quarter during which termination occurs, pro-rated for the quarter. If MS terminates the Agreement (with respect to a Product or in its entirety) pursuant to this subsection 12(c)(ii), all remaining Minimum Commitments (for a Product or all Products, as applicable), 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 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 Ten Thousand Dollars (US\$10,000.00). 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:                Vice President - COMPAQ DirectPlus  
Telephone:                (713) 374-1383  
Fax:                        (713) 378-8696

With Copy To:  
COMPAQ-                    COMPAQ LEGAL DEPARTMENT  
20555 S.H. 249  
Houston, Texas 77070-2698

Attention:                Managing Attorney of Operations  
Phone:                     (713) 374-6130  
Fax:                        (713) 374-8332

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

Attention:                Controller, Personal Computer Division

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

Attention:                Randy Peterson  
Phone Number:            (713) 374-1376  
COMPAQ Support  
Phone Number:            1-800-345-1518

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.

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. 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.

(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

COMPAQ COMPUTER CORPORATION

By *JLM*

By *Barbara P. Krumland*

Name (Print) *Jeff Linn*

Name (Print) *Barbara P. Krumland*

Title *Director, IBM Sales*

Title *Vice President, COMPAQ Direct Plus*

Date *4/12/93*

Date *3/11/93*

Date of Issue: March 1, 1993

05/20/92 LE921050.004

03/10/93 LE930400.008

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.

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 March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.



EXHIBIT B1  
PAYMENT SCHEDULES

MINIMUM COMMITMENT

First Period of This Agreement

COMPAQ agrees to pay a minimum of Six Hundred Thirty Thousand Dollars (US\$630,000.00) for Product(s) licensed in Exhibit C1 and C2 within the First Period of this Agreement as described below. The Minimum Commitment Schedule listed below sets forth the Minimum Commitment Payments which COMPAQ shall make to MS during the First Period of this Agreement. To the extent that cumulative Earned Royalties (in the First Period of this Agreement) exceed the Cumulative Minimum Commitment Payments for the First Period, COMPAQ shall pay MS the greater of cumulative Earned Royalties or Cumulative Minimum Commitments. To the extent that Cumulative Minimum Commitment Payments for the First Period exceed cumulative Earned Royalties, such excess shall be known as Prepaid Royalties and shall be recoupable against future Earned Royalties during the Initial Term of this Agreement for the Product in Exhibit C1 and C2. Except as otherwise provided in this Agreement, Minimum Commitment Payments are not refundable.

MINIMUM COMMITMENT SCHEDULE  
(FIRST PERIOD)

<u>Date</u>	<u>Payment Amount</u> <u>(US\$)</u>	<u>Cumulative Minimum</u> <u>Commitment</u> <u>Payments</u> <u>for Period (US\$)</u>
Signing of this Agreement (payment due upon signing)	\$0.00	\$0.00
June 30, 1993	\$70,000.00	\$70,000.00
September 30, 1993	\$150,000.00	\$220,000.00
December 31, 1993	\$285,000.00	\$505,000.00
March 31, 1994 (Payment required if COMPAQ does not exercise termination in Section 9)	<u>\$125,000.00</u>	<u>\$630,000.00</u>
Total First Period Minimum Commitment	<u>\$630,000.00</u>	<u>\$630,000.00</u>

Except for the amount due on signing, the date of payment for the above calendar quarter amounts shall be as provided in Section 3(c).

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C1 (SYSTEM COMMITMENT)

PRODUCT: Works for Windows (Product reproduced by Authorized Replicator)

VERSION NO: 2.0

PRODUCT DELIVERABLES: Works for Windows Version 2.0

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of Customer System(s) shipped or placed in use by or for COMPAQ during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

<u>Customer System</u>	<u>Royalty Rate (\$US)</u>
Exhibit M1, Product supported by COMPAQ	\$18.00
Exhibit M1, Product supported by MS	\$23.00

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any such Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M1 or as otherwise agreed by parties and shall report for each Customer System separately by unique configuration in Exhibit M1 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%)$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

ADDITIONAL PROVISIONS:

(a) For those Customer Systems which are supported by MS, COMPAQ is excused from complying with Section 7(g). If COMPAQ chooses to change its Product support for Customer Systems COMPAQ shall notify MS at least thirty (30) days prior to such change.

EXHIBIT C1 (SYSTEM COMMITMENT)  
(Continued)

(b) 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 thirty (30) 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 that COMPAQ is licensed for such Upgrade.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Works for Windows™

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C2 (SYSTEM COMMITMENT)

PRODUCT: Office (Product reproduced by Authorized Replicator)

VERSION NO.: 3.0

PRODUCT DELIVERABLES: Office 3.0

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

<u>Customer System</u>	<u>Royalty Rate (\$US)</u>
Exhibit M2, Product supported by COMPAQ	\$145.00
Exhibit M2, Product supported by MS	\$185.00

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M2 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M2 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) COMPAQ may deduct Fifteen Dollars (US\$15.00) from the royalties above for those Customer Systems shipped with Product preinstalled on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

EXHIBIT C2 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS:

(a) For those Customer Systems which are supported by MS, COMPAQ is excused from complying with Section 7(g). If COMPAQ chooses to change its Product support for Customer Systems COMPAQ shall notify MS at least thirty (30) days prior to such change.

(b) COMPAQ may distribute Product as an Upgrade (as defined in Section 1(b)) at no royalty to those end users who have purchased a Customer Systems within thirty (30) days prior to and for thirty (30) 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 that COMPAQ is licensed for such Upgrade.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Office

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C3 (PER COPY)

PRODUCT: Office 3.0, Word for Windows 2.0a, Excel 4.0, PowerPoint 3.0, Access 1.0, Project 3.0,  
Works for Windows 2.0

PRODUCT DELIVERABLES:

Product in object code form.

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, at the applicable rate set forth below, for each full or partial copy of Product, including Update Releases and Version Releases, licensed or distributed by or for COMPAQ during the term of this Agreement.

<u>Product</u>	<u>Customer System</u>	<u>Royalty Rate</u>
Office	Exhibit M3, Product supported by COMPAQ	\$365.00
	Exhibit M3, Product supported by MS	\$345.00
Word for Windows	Exhibit M3, Product supported by COMPAQ	\$227.00
	Exhibit M3, Product supported by MS	\$247.00
Excel	Exhibit M3, Product supported by COMPAQ	\$227.00
	Exhibit M3, Product supported by MS	\$247.00
PowerPoint	Exhibit M3, Product supported by COMPAQ	\$227.00
	Exhibit M3, Product supported by MS	\$247.00
Project	Exhibit M3, Product supported by COMPAQ	\$335.00
	Exhibit M3, Product supported by MS	\$355.00
Access	Exhibit M3, Product supported by COMPAQ	\$210.00
	Exhibit M3, Product supported by MS	\$230.00
Works for Windows	Exhibit M3, Product supported by COMPAQ	\$95.00
	Exhibit M3, Product supported by MS	\$100.00

(b) COMPAQ's report shall specify for each language version the number of copies of Product, less any returns to COMPAQ, including Update Releases and Version Releases, licensed or distributed by or for COMPAQ during that calendar quarter. In the event that no copies were licensed or distributed by or for COMPAQ during a calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) COMPAQ may deduct Fifteen Dollars (US\$15.00) from Office royalties above for those Customer Systems shipped with Product(s) preinstalled on the hard drive.

(d) COMPAQ may deduct Five Dollars (US\$5.00) per Product from royalties above for those Customer Systems shipped with Product preinstalled on the hard drive. MS Office Product royalties shall be excluded from deduction in this Section (d).

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per copy royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per copy royalty for a new Version Release shall be determined as follows:

EXHIBIT C3 (PER COPY)  
(Continued)

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per copy royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

ADDITIONAL PROVISIONS:

- (a) Product royalties are not recoupable against Exhibit B minimum commitments.
- (b) For those Customer Systems which are supported by MS, COMPAQ is excused from complying with Section 7(g). If COMPAQ chooses to change its Product support for Customer Systems, COMPAQ shall notify MS at least thirty (30) days prior to such change.
- (c) For product in this Exhibit C the following provisions of the Agreement shall be amended to state:

Section 2(a)(iii) shall be replaced in its entirety with the following, to distribute directly or indirectly and license the Product (either preinstalled on Customer Systems or in documentation and diskette packaging form separate from a Customer System) in object code form to end users, under the terms of COMPAQ's end user license agreement.

Section 6(a) shall be replaced in its entirety with the following:

6. LICENSE RESTRICTIONS

- (a) COMPAQ shall market and distribute each Product only (directly or indirectly) to end users either preinstalled on Customer Systems hard disk or in documentation and diskette packaging form without Customer Systems. Except for Upgrades, COMPAQ shall distribute and license Product(s) only with those Customer Systems listed on Exhibit M3 or as otherwise provided herein, for the particular Product(s). COMPAQ shall make reasonable best efforts to require its distributors, dealers and others in its distribution channels to comply with the foregoing.
- (d) COMPAQ may distribute Product as an Upgrade (as defined in Section 1(b)) at no royalty to those end users who have purchased a Customer System within thirty (30) days prior to and for thirty (30) 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 that COMPAQ is licensed for such Upgrade.

EXHIBIT C3 (PER COPY)  
(Continued)

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

- Microsoft® Office
- Microsoft® Word for Windows™
- Microsoft® Excel
- Microsoft® PowerPoint®
- Microsoft® Access
- Microsoft® Project
- Microsoft® Works for Windows™

Exhibit to the License Agreement dated March 11, 1993, 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 the following single user/single CPU computer system products that are marketed as The Basics Plus and sold through COMPAQ's DirectPlus sales:

Customer Systems:

COMPAQ ProLinea 4/25s offered with the following hardware components:

- 4 MB memory
- 120 MB hard drive
- 2400 bps data/up to 9600 bps fax modem

Customer Systems shall exclude:

- a) those systems of a lesser configuration (such as less memory and smaller disk) that an end user upgrades to the exact configuration in Exhibit M1;
- b) systems for large volume opportunities for a minimum of 500 systems per customer;
- c) systems for government bids where Products are not specified in government bid

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT M2

COMPAQ'S CUSTOMER SYSTEMS

For purposes of this Agreement, COMPAQ's Customer Systems shall be defined to be the following single user/single CPU computer system products that are sold through COMPAQ's DirectPlus sales:

Customer Systems:

COMPAQ DESKPRO 4/33i offered with the following hardware components:

- 6 MB memory
- 240 MB hard drive
- 1024 x 768 color monitor

COMPAQ ProLinea 4/33 offered with the following hardware components:

- 6 MB memory
- 240 MB hard drive
- 1024 x 768 color monitor

Customer Systems shall exclude:

- a) those systems of a lesser configuration (such as less memory and smaller disk) shall be exempt if an end user upgrades the less configuration to the exact configuration in Exhibit M2;
- b) systems for large volume opportunities for a minimum of 500 systems per customer;
- c) systems for government bids where Products are not specified in government bid.

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT A3

COMPAQ'S CUSTOMER SYSTEMS

For purposes of this Agreement, COMPAQ's Customer Systems shall be defined as any X86 or X86 compatible single user/single CPU computer system products sold through COMPAQ's DirectPlus sales.

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT X

AUTHORIZED REPLICATORS

R.R. Donnelley & Sons Company  
2223 King Drive  
Chicago, Illinois 60616

Tel. 312-326-8000

Phoenix Technologies Ltd.  
846 University Avenue  
Norwood, Massachusetts 02062-3950

Tel. 617-551-4000

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and  
COMPAQ COMPUTER CORPORATION.



# **ATTACHMENT SEPARATOR**

**THE FOLLOWING ARE ATTACHMENTS  
TO THE PREVIOUS DOCUMENT**



**AMENDMENT**

**SIGNED ORIGINAL**

Amendment No. 4  
to the License Agreement Between  
COMPAQ COMPUTER CORPORATION and MICROSOFT CORPORATION  
Dated March 11, 1993, Contract No. 1107-3091

This Amendment to the License Agreement between MICROSOFT CORPORATION ("MS") and COMPAQ COMPUTER CORPORATION ("COMPAQ") dated March 11, 1993 ("Agreement"), is made and entered into this 1st day of January, 1994

1. The attached Exhibits C9, C10, C11 C12, C13, C14, C15, C16 and C17 shall be added.
2. The attached Exhibits M4, M5 and M6 shall be added.
3. Section 9 TERM OF AGREEMENT shall be added and shall supersede the existing Section 9 TERM OF AGREEMENT:

9. TERM OF AGREEMENT

Provided this Agreement has been properly executed by COMPAQ and by an authorized representative of MS, the initial term of this Agreement ("Initial Term") shall run from the Effective Date until September 30, 1994 or until MS and COMPAQ sign an agreement that replaces this Agreement

COMPAQ may have the option to extend this Agreement until March 31, 1995 by notifying MS in writing at least thirty (30) days prior to September 30, 1994.

In the event that this Agreement is terminated or expires, COMPAQ may continue to ship Products in Exhibit C3 for an additional calendar quarter ("Extension Period") and shall pay MS actual earned royalties for Product distributed during the Extension Period. Such royalties shall not apply to any prepaid balance.


4. The Effective Date of Amendment No. 1 to License Agreement 1107-3091 shall be changed to October 1, 1993.
5. The attached Exhibit P shall be added.

6 In the event of inconsistencies between the Agreement and this Amendment, the terms and conditions of the Amendment shall be controlling.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the date set forth above. All signed copies of this Amendment to the Agreement shall be deemed originals. This Amendment does not constitute an offer by MS. This Amendment shall be effective upon execution on behalf of COMPAQ and MS by their duly authorized representatives.

MICROSOFT CORPORATION

By

  
JEFF LIN

Name (Print)

Title

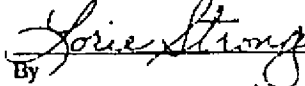
DIRECTOR, OEM

Date

2/15/94

COMPAQ COMPUTER CORPORATION

By



Lorie Strong

Name (Print)

Title

VP Portable + SW Marketing

Date

2-1-94

12/2/91 1344001.DOC

01/15/94 4000002.DOC

EXHIBIT C9 (SYSTEM COMMITMENT)

PRODUCT: Microsoft Works for Windows 2.0, 3.0, Publisher 2.0, Money 2.0, 3.0

PRODUCT DELIVERABLES: Product in executable form (All languages except U.S. English)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies per localized Product version for internal COMPAQ use for support and testing, during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

<u>Customer System</u>	<u>Royalty Rate (\$US)</u>
Exhibit M4 (Works for Windows or other Integrated Package)	\$8.00
Exhibit M4 (Publisher or other Desktop Publishing Package)	\$9.00
Exhibit M4 (Money or other Personal Finance Package)	\$3.00

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M4 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M4 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%)$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.



EXHIBIT C9 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS

1. COMPAQ shall use reasonable efforts to provide MS within ten (10) days after the end of each month a report of distribution of Product in this Exhibit during the preceding month by each COMPAQ European subsidiary. This information shall be used by MS for marketing purposes and not for royalty reporting purposes.
2. COMPAQ shall pay MS a royalty as described in Exhibit C9 for each system shipped into Europe with a preinstalled integrated software package. Integrated package shall be defined as software including at least a word processing module, a spreadsheet module and a database module.
3. MS will make available to COMPAQ localized versions of Microsoft Works for Windows 3.0 at royalties no less favorable as royalties made available to other OEM customers which license localized Microsoft Works for Windows 3.0 under the same material terms and conditions.
4. In the event COMPAQ elects to distribute (1) Works and (2) Publisher and/or Money, then COMPAQ shall pay the more favorable applicable royalties for such Products in Exhibit C10.

PRODUCT NAME AND ASSOCIATED TRADEMARKS

Microsoft® Works for Windows™  
Microsoft® Publisher  
Microsoft® Money

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION

EXHIBIT C10 (SYSTEM COMMITMENT)

PRODUCT: Microsoft Works for Windows 2.0, 3.0, Publisher 2.0; Money 2.0, 3.0; Entertainment Pack I, II, III, IV, Golf (Product reproduced by Authorized Replicator)

PRODUCT DELIVERABLES: Product in executable form (All languages except U.S. English, except for Products where only U.S. English is available)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies per localized Product version for internal COMPAQ use for support and testing, during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

<u>Customer System</u>	<u>Products</u>	<u>Royalty Rate (\$/US)</u>
Exhibit M5	Works and one of the following: Entertainment Pack I, II, III, IV	\$3.40
Exhibit M5	Works and Money	\$11.00
Exhibit M5	Works, Money and one of the following: Entertainment Pack I, II, III, IV	\$11.50
Exhibit M5	Works and Publisher	\$16.00
Exhibit M5	Works, Publisher and one of the following: Entertainment Pack I, II, III, IV	\$16.50
Exhibit M5	Works, Publisher and U.S. English or localized versions of Golf	\$20.00
Exhibit M5	Works, Publisher and Money	\$18.00
Exhibit M5	Works, Publisher, Money and one of the following: Entertainment Pack I, II, III, IV	\$13.50
Exhibit M5	Localized Works for Windows, U.S. English Publisher, U.S. English Money	\$16.00
Exhibit M5	Localized Works for Windows, Entertainment Pack IV and U.S. English Money	\$8.50
Exhibit M5	Localized Works, localized Publisher, U.S. English, Money	\$17.00

EXHIBIT C10 (SYSTEM COMMITMENT)  
(Continued)

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M5 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M5 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

ADDITIONAL PROVISIONS:

- 1 COMPAQ shall use reasonable efforts to provide MS within ten (10) days after the end of each month a report of distribution of Product(s) in this Exhibit during the preceding month by each COMPAQ European subsidiary. The information shall be used by MS for marketing purposes and not for royalty reporting purposes.
- 2 MS will make available to COMPAQ localized versions of the Product combinations described in this Exhibit C at royalties no less favorable as royalties made available to other OEM customers which license the Product combinations above under the same material terms and conditions.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Works for Windows™  
Microsoft® Money  
Microsoft® Entertainment Pack I, II, III, IV  
Microsoft® Publisher  
Microsoft® Golf

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C11 (SYSTEM COMMITMENT)

PRODUCT: Dinosaurs, Cinemania, Bookshelf, Encarta '94, National Gallery of Art, Multimedia Golf, Beethoven, Mozart, Schubert, Musical Instruments

PRODUCT DELIVERABLES Product in executable form (All languages)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies per localized Product version for internal COMPAQ use for support, testing, etc., during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

<u>Customer System</u>	<u>Products</u>	<u>Royalty Rate (US\$)</u>
Exhibit M5	Dinosaurs	\$13.50
Exhibit M5	Cinemania	\$13.50
Exhibit M5	Bookshelf	\$13.50
Exhibit M5	Encarta '94	\$13.50
Exhibit M5	National Gallery of Art	\$13.50
Exhibit M5	Multimedia Golf	\$13.50
Exhibit M5	Beethoven	\$13.50
Exhibit M5	Mozart	\$13.50
Exhibit M5	Schubert	\$13.50
Exhibit M5	Musical Instruments	\$10.00

\* The following combination pricing applies for the above titles:

- |  |         |
|--|---------|
| 1) Any two above titles (except Musical Instruments)   | \$23.00 |
| 2) Any title above plus Musical Instruments            | \$19.50 |
| 3) Any three above titles (except Musical Instruments) | \$29.00 |
| 4) Any two titles above plus Musical Instruments       | \$28.00 |

EXHIBIT C11 (SYSTEM COMMITMENT)  
(Continued)

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M5 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M5 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%)$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less

ADDITIONAL PROVISIONS:

1 COMPAQ shall use reasonable efforts to provide MS within ten (10) days after the end of each month a report of distribution of Product(s) in this Exhibit during the preceding month by each COMPAQ European subsidiary. The information shall be used by MS for marketing purposes and not for royalty reporting purposes.

2 MS will make available to COMPAQ Products in this Exhibit C at royalties no less favorable as royalties made available to other OEM customers which license such Products under the same material terms and conditions.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Dinosaurs  
Microsoft® Cinemania®  
Microsoft® Bookshelf®  
Microsoft® Encarta™ '94  
Microsoft® National Gallery of Art  
Microsoft® Golf  
Microsoft® Beethoven  
Microsoft® Mozart  
Microsoft® Schubert  
Microsoft® Musical Instruments

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION

EXHIBIT C12 (SYSTEM COMMITMENT)

PRODUCT: Creative Writer

PRODUCT DELIVERABLES: Product in executable form (English, French, German, and International English)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies for internal COMPAQ use for support, testing, etc., during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

Customer System

Royalty Rate (\$US)

Exhibit M6

\$24.00 (Effective date through September 30, 1994)

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M6 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M6 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

EXHIBIT C12 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS

1. COMPAQ shall use reasonable efforts to provide MS within ten (10) days after the end of each month a report of distribution of product(s) in this Exhibit during the preceding month by each COMPAQ European subsidiary. The information shall be used by MS for marketing purposes and not for royalty reporting purposes.
2. MS will make available to COMPAQ Products in this Exhibit C at royalties no less favorable as royalties made available to other OEM customers which license such Products under the same material terms and conditions.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Creative Writer

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION

EXHIBIT C13 (SYSTEM COMMITMENT)

PRODUCT. Microsoft Flight Simulator 4.0, 5.0

PRODUCT DELIVERABLES. Product in executable form (English, French, German, Spanish and International English)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies for internal COMPAQ use for support, testing, etc., during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

Customer System

Royalty Rate (\$US)

Exhibit M6

\$15.00 (effective date  
through September 30, 1994)

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M6 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M6 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.



EXHIBIT C13 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS

1. COMPAQ shall use reasonable efforts to provide MS within ten (10) days after the end of each month a report of distribution of Product in this Exhibit during the preceding month by each COMPAQ European subsidiary. The information shall be used by MS for marketing purposes and not for royalty reporting purposes.
2. MS will make available to COMPAQ Products in this Exhibit C at royalties no less favorable as royalties made available to other OEM customers which license such Products under the same material terms and conditions.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Flight Simulator™

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C14 (SYSTEM COMMITMENT)

PRODUCT: Microsoft Multimedia Works for Windows 3.0, Publisher-CD 2.0, Money 2.0 or 3.0 and Encarta '94

PRODUCT DELIVERABLES: Product in executable form.

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies for internal COMPAQ use for support and testing during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System

<u>Customer System</u>	<u>Royalty Rate (\$US)</u>
Exhibit M1	\$24.00*

\*Payment of royalty shall entitle COMPAQ to distribute one (1) copy of Multimedia Works for Windows; one (1) copy of Publisher-CD; one (1) copy of Money and one (1) copy of Encarta '94.

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M1 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M1 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R \cdot N \cdot 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

EXHIBIT C14 (SYSTEM COMMITMENT)  
(Continued)

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Multimedia Works for Windows™  
Microsoft® Publisher-CD  
Microsoft® Money  
Microsoft® Encarta™ '94

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and  
COMPAQ COMPUTER CORPORATION

EXHIBIT C15 (SYSTEM COMMITMENT)

PRODUCT: Microsoft Multimedia Works for Windows 3.0, Entertainment Pack IV, Encarta '94

PRODUCT DELIVERABLES: Product in executable form.

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies for internal COMPAQ use for support and testing during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System

Customer System

Royalty Rate (\$US)

Exhibit M1

\$16.50\*

\*Payment of royalty shall entitle COMPAQ to distribute one (1) copy of Multimedia Works for Windows, one (1) copy of Entertainment Pack IV and one (1) copy of Encarta '94.

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M1 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M1 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

EXHIBIT C13 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS.

1 MS will provide COMPAQ with an autodemmo for display on COMPAQ computers at retail locations featuring Multimedia Works for Windows, Encarta '94 and a COMPAQ-content message to appeal to end users.

2 MS will provide COMPAQ with a reseller training video highlighting the features of the COMPAQ Presario and the MS Multimedia applications included with the system. COMPAQ shall provide the COMPAQ portion of the video to MS prior to final production. MS will produce the training tape but not be responsible for replication.

3 COMPAQ will provide a Presario computer for producing the training video.

4 COMPAQ shall display Multimedia Works and Encarta box shots on all point-of-sale advertising, Product brochures and print ads. MS will provide COMPAQ with Product advertising kits for developing box shots. MS Product Marketing will assist COMPAQ with ad messaging.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Multimedia Works for Windows™  
Microsoft® Entertainment Pack IV  
Microsoft® Encarta™ '94

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION

EXHIBIT C16 (SYSTEM COMMITMENT)

PRODUCT: Microsoft Works for Windows 2.0, 3.0, Entertainment Pack IV

PRODUCT DELIVERABLES: Product in executable form (All languages except U.S. English)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies per localized Product version for internal COMPAQ use for support and testing during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

<u>Customer System</u>	<u>Royalty Rate (\$US)</u>
Exhibit M1	\$8.40*

\*Payment of royalty shall entitle COMPAQ to distribute one (1) copy of Works for Windows or Multimedia Works for Windows and Entertainment Pack IV.

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M1 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M1 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

EXHIBIT C16 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS:

I MS will make available to COMPAQ localized versions of Microsoft Works for Windows 3.0 at royalties no less favorable as royalties made available to other OEM customers which license localized Microsoft Works for Windows 3.0 under the same material terms and conditions.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Works for Windows™

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT C17 (SYSTEM COMMITMENT)

PRODUCT: Microsoft Works for Windows 2.0, 3.0

PRODUCT DELIVERABLES: Product in executable form (All languages except U.S. English)

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, at the applicable rate set forth below, multiplied by the greater of (i) the number of full or partial Customer System(s) shipped or placed in use by or for COMPAQ exclusive of up to 100 copies per localized Product version for internal COMPAQ use for support and testing during the term of this Agreement, or (ii) the number of full or partial copies of Product, including Update Releases and Version Releases, licensed or otherwise disposed of by COMPAQ during the term of this Agreement for use with such Customer System.

Customer System

Royalty Rate (\$US)

Exhibit M1

\$3.00

(b) COMPAQ's report shall specify the number of Customer System(s) shipped or placed in use, less any Customer Systems returned to COMPAQ, by or for COMPAQ during that calendar quarter and the number of copies of Product for each language version, including Upgrades and Version Releases, licensed or otherwise disposed of by or for COMPAQ during that calendar quarter. COMPAQ shall furnish this statement for each Customer System identified in Exhibit M1 or as otherwise agreed to by parties and shall report for each Customer System separately by unique configuration in Exhibit M1 and by language version of Product. In the event that no Customer System(s) are shipped or placed in use by or for COMPAQ during a calendar quarter and no copies of Product are licensed or otherwise disposed of by or for COMPAQ during such calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) Royalties above assume Product will be shipped pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES

MS may elect to increase the per system royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per system royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per system royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.



EXHIBIT C17 (SYSTEM COMMITMENT)  
(Continued)

ADDITIONAL PROVISIONS

1 MS will make available to COMPAQ localized versions of Microsoft Works for Windows 3.0 at royalties no less favorable as royalties made available to other OEM customers which license localized Microsoft Works for Windows 3.0 under the same material terms and conditions.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

Microsoft® Works for Windows™

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT M4

COMPAQ'S CUSTOMER SYSTEMS

For purposes of this Agreement, COMPAQ's Customer Systems shall be COMPAQ's current and future computer systems shipped into European countries with which COMPAQ ships with a preinstalled integrated package and/or personal finance and/or desktop publishing. "Integrated package" shall be defined as including at least a word processing module, a spreadsheet module and a database module.

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT M5

COMPAQ'S CUSTOMER SYSTEMS

For purposes of this Agreement, COMPAQ's Customer Systems shall be those of COMPAQ's current and future computer systems with which COMPAQ elects to distribute Products. COMPAQ shall designate such Customer Systems by either product line (e.g. all "Presarios") or by model (e.g. "Presario 633-CDS"). COMPAQ shall use reasonable efforts to advise MS in writing of the Customer Systems and the Products which COMPAQ proposes to distribute with such Customer System prior to shipment. In the event that COMPAQ elects to distribute Products with any particular Customer System it shall pay MS a royalty for such Product for such Customer Systems for a minimum of ninety (90) days.

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT M6

COMPAQ'S CUSTOMER SYSTEMS

For purposes of this Agreement, COMPAQ's Customer Systems shall be limited to 1) Customer Systems shipped into COMPAQ's European subsidiaries, and 2) no more than two COMPAQ specific Customer System models and disk size (e.g. 633-CDS systems with 200 MB hard drive). COMPAQ shall advise MS in writing of the Customer Systems and the Products which COMPAQ proposes to distribute with such Customer System prior to shipment. Prior to any such shipment, MS must approve the Customer System(s). In the event that COMPAQ elects to distribute Products with any particular Customer System it shall pay MS Product royalty for such Customer Systems for a minimum of ninety (90) days or until September 30, 1994, whichever comes first.

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.

EXHIBIT P

COMPAQ - EUROPE MARKETING PROGRAMS

MS and COMPAQ are committed to growing the European consumer business through the European partnership activities and cooperation described below. These activities shall be conducted from the Effective Date of this Exhibit through September 30, 1994.

The following activities shall apply:

- (a) MS will provide Works for Windows autodemos for use with Compaq computers being displayed at retail locations in Europe. Autodemos are marketing tools for showcasing application software. The following localized auto demos will be provided from MS to COMPAQ by March 1, 1994:
  - English, French, German.
  - The following localized autodemos will be provided by June 1, 1994
  - Spanish, Dutch, Swedish and Italian.
- (b) MS will provide up to \$30,000.00 in cooperative funding for consumer research provided by MS. Research funds must be funded equally by COMPAQ. MS reserves the right to review and approve research criteria and models prior to approving funding.
- (c) MS will provide up to \$150,000.00, from the Effective Date through September 30, 1994, for marketing and promotional activities to promote the COMPAQ/MS Consumer Solution. MS will make another \$150,000.00 available to COMPAQ should COMPAQ commit to an additional six-month license term with the same or better terms and conditions. Such funding shall be provided exclusive of Frontline Partnership or subsidiary marketing funds.

**CONFIDENTIAL**

**ORIGINAL  
SIGNED  
ORIGINAL**

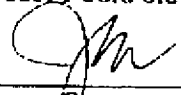
Amendment No. 3  
to the License Agreement  
Between  
COMPAQ COMPUTER CORPORATION and MICROSOFT CORPORATION  
Dated March 11, 1993, Contract No. 1107-3091

This Amendment to the License Agreement between MICROSOFT CORPORATION ("MS") and COMPAQ COMPUTER CORPORATION ("COMPAQ") dated March 11, 1993 ("Agreement"), is made and entered into this 1st day of November, 1993.

- 1 The attached Exhibit C3 shall supersede the existing Exhibit C3.
- 2 In the event of inconsistencies between the Agreement and this Amendment, the terms and conditions of the Amendment shall be controlling.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the date set forth above. All signed copies of this Amendment to the Agreement shall be deemed originals. This Amendment does not constitute an offer by MS. This Amendment shall be effective upon execution on behalf of COMPAQ and MS by their duly authorized representatives.

MICROSOFT CORPORATION



By \_\_\_\_\_

**JEFF LU**

Name (Print) \_\_\_\_\_

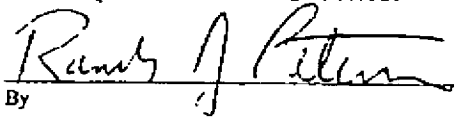
**DIRECTOR, OEM**

Title \_\_\_\_\_

**1/07/94**

Date \_\_\_\_\_

COMPAQ COMPUTER CORPORATION



By \_\_\_\_\_

**RANDY J. PETERSON**

Name (Print) \_\_\_\_\_

**ACTING MGR, DIRECTPLUS**

Title \_\_\_\_\_

**12/20/93**

Date \_\_\_\_\_

RECEIVED  
- NOV 29 1993  
OPERATIONS

EXHIBIT C3 (PER COPY)

PRODUCT Office 3.0 and 4.0, Word for Windows 2.0a and 6.0, Excel 4.0 and 5.0, PowerPoint 3.0 and 4.0, Access 1.0, Project 3.0, Works for Windows 2.0 and 3.0

PRODUCT DELIVERABLES:

Product in object code form.

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, at the applicable rate set forth below, for each full or partial copy of Product, including Update Releases and Version Releases, licensed or distributed by or for COMPAQ during the term of this Agreement.

<u>Product</u>	<u>Customer System</u>	<u>Royalty Rate</u>
Office	Exhibit M3, Product supported by COMPAQ	\$305.00
	Exhibit M3, Product supported by MS	\$345.00
Word for Windows	Exhibit M3, Product supported by COMPAQ	\$227.00
	Exhibit M3, Product supported by MS	\$247.00
Excel	Exhibit M3, Product supported by COMPAQ	\$227.00
	Exhibit M3, Product supported by MS	\$247.00
PowerPoint	Exhibit M3, Product supported by COMPAQ	\$227.00
	Exhibit M3, Product supported by MS	\$247.00
Project	Exhibit M3, Product supported by COMPAQ	\$335.00
	Exhibit M3, Product supported by MS	\$355.00
Access	Exhibit M3, Product supported by COMPAQ	\$210.00
	Exhibit M3, Product supported by MS	\$230.00
Works for Windows	Exhibit M3, Product supported by COMPAQ	\$95.00
	Exhibit M3, Product supported by MS	\$100.00

(b) COMPAQ's report shall specify for each language version the number of copies of Product, less any returns to COMPAQ, including Update Releases and Version Releases, licensed or distributed by or for COMPAQ during that calendar quarter. In the event that no copies were licensed or distributed by or for COMPAQ during a calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) COMPAQ may deduct Fifteen Dollars (US\$15.00) from Office royalties above for those Customer Systems shipped with Product(s) preinstalled on the hard drive.

(d) COMPAQ may deduct Five Dollars (US\$5.00) per Product from royalties above for those Customer Systems shipped with Product preinstalled on the hard drive. MS Office Product royalties shall be excluded from deduction in this Section (d).

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per copy royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per copy royalty for a new Version Release shall be determined as follows:

EXHIBIT C3 (PER COPY)

(Continued)

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per copy royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

ADDITIONAL PROVISIONS:

(a) Product royalties are not recoupable against Exhibit B minimum commitments

(b) For those Customer Systems which are supported by MS, COMPAQ is excused from complying with Section 7(g). If COMPAQ chooses to change its Product support for Customer Systems, COMPAQ shall notify MS at least thirty (30) days prior to such change.

(c) For product in this Exhibit C the following provisions of the Agreement shall be amended to state:

Section 2(a)(iii) shall be replaced in its entirety with the following: to distribute directly or indirectly and license the Product (either preinstalled on Customer Systems or in documentation and diskette packaging form separate from a Customer System) in object code form to end users, under the terms of COMPAQ's end user license agreement.

Section 6(a) shall be replaced in its entirety with the following:

6. LICENSE RESTRICTIONS

(a) COMPAQ shall market and distribute each Product only (directly or indirectly) to end users either preinstalled on Customer Systems hard disk or in documentation and diskette packaging form without Customer Systems. Except for Upgrades, COMPAQ shall distribute and license Product(s) only with those Customer Systems listed on Exhibit M3 or as otherwise provided herein, for the particular Product(s). COMPAQ shall make reasonable best efforts to require its distributors, dealers and others in its distribution channels to comply with the foregoing.

(d) 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 thirty (30) 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 that COMPAQ is licensed for such Upgrade.



EXHIBIT C3 (PER COPY)  
(Continued)

PRODUCT NAME AND ASSOCIATED TRADEMARKS

Microsoft<sup>®</sup> Office  
Microsoft<sup>®</sup> Word for Windows<sup>™</sup>  
Microsoft<sup>®</sup> Excel  
Microsoft<sup>®</sup> PowerPoint<sup>®</sup>  
Microsoft<sup>®</sup> Access  
Microsoft<sup>®</sup> Project  
Microsoft<sup>®</sup> Works for Windows<sup>™</sup>

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and  
COMPAQ COMPUTER CORPORATION.

SIGNED ORIGINAL

ORIGINAL

CONFIDENTIAL

Amendment No. 2  
to the License Agreement  
Between

COMPAQ COMPUTER CORPORATION and MICROSOFT CORPORATION  
Dated March 11, 1993, Contract No. 1107-3091

This Amendment to the License Agreement between MICROSOFT CORPORATION ("MS") and COMPAQ COMPUTER CORPORATION ("COMPAQ") dated March 11, 1993 ("Agreement"), is made and entered into this 1st day of October, 1993.

1. The attached Exhibit C8 shall be added.
2. In the event of inconsistencies between the Agreement and this Amendment, the terms and conditions of the Amendment shall be controlling.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Agreement as of the date set forth above. All signed copies of this Amendment to the Agreement shall be deemed originals. This Amendment does not constitute an offer by MS. This Amendment shall be effective upon execution on behalf of COMPAQ and MS by their duly authorized representatives.

MICROSOFT CORPORATION

COMPAQ COMPUTER CORPORATION

By *JL*  
 Name (Print) JEFF LUM  
 Title DIRECTOR, OEM  
 Date 10/5/93

By *Lorie Strong*  
 Name (Print) Lorie Strong  
 Title VP Portable + SW Marketing  
 Date 10-25-93

EXHIBIT C8 (PER COPY)

PRODUCT: Entertainment Pack I, II, III, IV, Money 2.0, Publisher 2.0, Profit 1.0

PRODUCT DELIVERABLES:

Product in object code form.

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, at the applicable rate set forth below, for each full or partial copy of Product, including Update Releases and Version Releases, licensed or distributed by or for COMPAQ during the term of this Agreement.

<u>Product</u>	<u>Customer System</u>	<u>Royalty Rate</u>
Entertainment Pack I	M3	\$19.50
Entertainment Pack II	M3	\$19.50
Entertainment Pack III	M3	\$19.50
Entertainment Pack IV	M3	\$19.50
Publisher	M3	\$95.00
Money	M3	\$10.00
Profit	M3	\$95.00

(b) COMPAQ's report shall specify for each language version the number of copies of Product, less any returns to COMPAQ, including Update Releases and Version Releases, licensed or distributed by or for COMPAQ during that calendar quarter. In the event that no copies were licensed or distributed by or for COMPAQ during a calendar quarter, COMPAQ shall indicate this on the royalty report.

(c) COMPAQ may deduct Five Dollars (US\$5.00) per Product (with the exception of Entertainment Pack I, II, III, and IV) from royalties above for those Customer Systems shipped with Product pre-installed on the hard drive.

ROYALTIES FOR NEW VERSION RELEASES:

MS may elect to increase the per copy royalty applicable to new Version Releases, which royalty shall apply to succeeding releases until changed hereunder or by agreement of the parties. The maximum per copy royalty for a new Version Release shall be determined as follows:

$$\text{Maximum royalty} = R + (R * N * 1.5\%),$$

where R is the initial per copy royalty described above and N is the number of months (rounded to the nearest whole number) that have elapsed from the Effective Date until MS delivers the new Version Release or one hundred fifteen percent (115%) of Product royalties in this Exhibit C, whichever is less.

EXHIBIT C8 (PER COPY)

(Continued)

ADDITIONAL PROVISIONS:

For the Products in this Exhibit C8 the following provisions of the Agreement shall be amended to state:

(a) Section 2(a)(iii) shall be replaced in its entirety with the following: to distribute directly or indirectly and license the Product (either preinstalled on Customer Systems or in documentation and diskette packaging form separate from a Customer System) in object code form to end users, under the terms of COMPAQ's end user license agreement.

Section 6(a) shall be replaced in its entirety with the following:

6. (a) LICENSE RESTRICTIONS. COMPAQ shall market and distribute each Product only (directly or indirectly) to end users either preinstalled on Customer Systems hard disk or in documentation and diskette packaging form without Customer Systems. Except for Upgrades, COMPAQ shall distribute and license Product(s) only with those Customer Systems listed on Exhibit M3 or as otherwise provided herein, for the particular Product(s). COMPAQ shall make reasonable best efforts to require its distributors, dealers and others in its distribution channels to comply with the foregoing.

(b) COMPAQ may distribute Product as an Upgrade (as defined in Section 1(b)) at no royalty to those end users who have purchased a Customer System within thirty (30) days prior to and for thirty (30) 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 that COMPAQ is licensed for such Upgrade.

Exhibit to the License Agreement dated March 11, 1993, between MICROSOFT CORPORATION and COMPAQ COMPUTER CORPORATION.