

F-GTECH



DIGITAL EQUIPMENT CORPORATION

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Vice President

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April 16, 1993

*CC  
al Hasel  
Ed Kaminski  
This is a good note by  
Paul K.  
Rum J.*

Mr. Robert A. Breakstone  
Executive Vice President and CEO  
GTECH Corporation  
55 Technology Way  
West Greenwich, Rhode Island 02816

Dear Bob:

As a follow-up to my letter of March 18, 1993, I have taken the opportunity to review the incident in Finland. While the events that occurred were unfortunate, they can be rectified. In fact, by working together with you, I look forward to strengthening our partnership as a result of it.

My findings are two-fold; first, the specific resolution of the Finland issue and second, a plan for future cooperative sales.

It is my conclusion that both GTECH Corp. and Digital jointly share responsibility for the outcome in Finland. The GTECH Sales organization did not proactively plan, communicate and implement the sales effort in coordination with the local DEC Finnish organization. DEC Finland should have been more aggressive with coordinating its response to Veikkaus Oy with GTECH. These occurrences, along with the fact that GTECH submitted a bid based on expired pricing, led to the customer's decision to purchase directly from Digital.

According to the terms of our agreement, the customer always has the right to make such a choice. In those situations, we agreed that GTECH could receive credit for those sales against its Business Agreement.

In light of the events in Finland and in the spirit of partnership, Digital agrees to compensate GTECH Corp. to the amount of \$180,000, which is one half of the difference of the value in dispute.

The strategic component of this resolution centers around establishing regional business plans, primarily for Europe and Asia. The intent is to develop with the local Digital organizations, a joint sales and marketing agreement which defines how we will cooperate to win business.

We would like to begin with Europe. Jean-Claude Sanctavit, my manager responsible for European operations, will host the initial meeting between our two companies. Dick Poulsen, President, Digital Europe, will also be in attendance. Out of this meeting will come a plan. This plan will then be communicated country by country to assure awareness and compliance. I would look forward to a similar effort to update the GTECH sales organization as well.

The following is a broad framework of how our companies can best work together:

- Digital will establish GTECH's installed set of accounts as a "hands off" territory. With few exceptions, Digital will not sell directly to these customers. GTECH would document this list of accounts and project when the conversion activity will take place.

It will be the responsibility of the GTECH account sales executive to inform the local DEC Country Manager in writing when the GTECH sales activity is under way. A meeting should take place to establish an understanding of local market pricing and to establish communications.

In all cases, if contacted by the customer, Digital will communicate its support for GTECH as its preferred channel for gaming solutions. If the customer insists on receiving a direct bid, we will do so upon notification of our intentions.

- Digital will not fund their own on-line lottery sales force. There could be an exception to this in a country such as Canada, where the Digital sales force has had a long standing relationship with the lottery customers.

We will augment the existing Digital GTECH Account Team with local regional relationship managers to assist GTECH with their international support requirements.

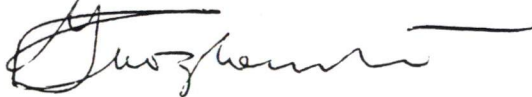
- Digital will do joint marketing worldwide with GTECH.
- Digital will make technology available to GTECH to maintain competitive advantage. Multimedia, touchscreens, and new architectures are some key opportunities to explore.
- Digital will be considered as the prime subcontractor to GTECH in the areas of system integration, networking, training and instances where the customer requests integration into an existing IT infrastructure.

Digital and GTECH will agree on common yearly revenue goals on the Digital portion of the lottery solution and a plan to achieve them.

Digital will provide a resource in Brussels to assure that European operations run smoothly, that pricing is accurate, to help resolve any account management issues which might arise, and to help both companies achieve their goals.

Should GTECH decide to enter new markets with Digital, we will be pleased to modify this proposal. We look forward to your thoughts regarding this working relationship between our two companies. Please feel free to contact me directly to discuss any ideas which you would like incorporated, or if I can be of assistance to you in any way.

Sincerely,



PK:cs

cc: Mr. Robert Palmer, President, Digital Equipment  
Mr. William Steul, Chief Financial Officer, Digital Equipment  
✓ Mr. Russ Gullotti, Vice President, US Area, Digital Equipment  
Mr. Richard Poulsen, President, Europe, Digital Equipment  
Mr. Melvin Lee, Account Manager, Digital Equipment  
Ms. Susan Stevenson, Director, Entertainment Industry Group  
Digital Equipment