

D I G I T A L

and

Property of Carol Murphy



A Handbook for U.S. Employees of Digital Equipment Corporation

Digital and You contains general information about Digital, its Personnel policies and philosophies, your paycheck, advancement opportunities, employee services, benefits and employee responsibilities. While it doesn't answer every question you may come up with, it does cover many topics. When this booklet doesn't do the job, your supervisor or Personnel department will provide answers or find someone who can help you. Don't hesitate to call on them.



Welcome to Digital. As you may have already noticed, Digital is a company with a spirit of informality and openness. We strive to maintain an environment where people can grow and excel. We encourage a spirit of cooperation among all employees.

The loyalty, hard work and creativity of our employees has made Digital a global corporation with a reputation for quality products and services. This dedication to quality has made Digital the second largest computer company in the world.

To show our employees we appreciate them and to invite their commitments, we listen to them and respond to them promptly with genuine interest. Above all, we maintain our commitments to them. We care about the rights and dignity of all employees and we value their contributions.

As for your success at Digital, the people who prosper here are those who care about the company, can recognize opportunities, propose solutions and accept the responsibility to get the job done.

We wish you much success at Digital.

Ken Olsen,
President

Welcome to Digital

Our History: Where Did It All Start?

Corporate Philosophy

Equal Employment Opportunity

Open Door Policy

Personnel Department

Employee Communication

Types of Employment

Medical Examination

Employee Agreement

Keeping Your Records Up-to-Date

Your Work Week and Paycheck

Work Week

Lunch Periods

Breaks

Your First Paycheck

Cash Advances

Overtime Pay

Shift Premium

Paid Supper Period

Supper Allowance

Call-in Pay

Absence

Time Clocks

Time Cards

Terminations

Termination Notice

Advancement

Internal Transfers

Salary Review and Pay for Performance

Your Supervisor

A Few of Our Policies

Conflict of Interest

Corrective Action and Discipline

E N T S

Employee Conduct Statement	20
People Respecting People	21
Solicitation and Distribution of Literature	21
Your Benefits	22
Health Care	22
Dental Assistance	22
Education and Training Support	22
Disability Income	22
Retirement	24
Life Insurance	24
Vacation and Holidays	24
Employee Stock Purchase Plan	24
Safety	25
Accidents	25
Protective Equipment	25
Security	26
Proprietary	26
Security Clearance	26
Personal Property	26
Property Removal	26
Badges	28
Visitor Policy	28
Services for You	29
Health Services	29
Employee Assistance Program	29
Bloodmobile	29
Digital Credit Union	29
Van and Car Pools	29
Employee Publications	30
Recreational Activities	30
Education and Training	30
Library	30
METPAY Insurance	30
Digital's Business Ethics	32

OUR HISTORY

Like many success stories, Digital began with a handful of talented people with some bold and innovative ideas, plus the faith to give those ideas a try. In 1957, Digital was a three-person, one-floor operation that built logic modules and then memory testers for computers of the day. Since we were selling to many computer companies and were familiar with the business and technology, it seemed a natural step for us to move into the computer business as well.

In the 1960's, we became recognized as the developer of the minicomputer, which virtually revolutionized the computer industry. Our minis were interactive with their users—unusual in an era of "batch computing"—and our early products soon grew into product lines with a range of computers in each. Some of our best known product lines were organized around the PDP-8 and, later, the PDP-11 minicomputers.

We developed the industry's first commercially available timesharing system in 1964, and this evolved into the giant DECsystem-10 and DECSYSTEM-20 computer families. In the mid-1970's we added the 32-bit VAX-11/780 that quickly became the standard of comparison for 32-bit computers. The smaller VAX-11/750, introduced a few years later, expanded the popularity of the family even further. To broaden our product offerings at the low end, we developed 16-bit microcomputers based on the latest LSI technology. Our LSI-11/2 and LSI-11/23 have become leaders in the microcomputer market.

In order to assist customers with distributed data processing, we

developed DECnet, the networking software that links Digital's computers into networks both large and small.

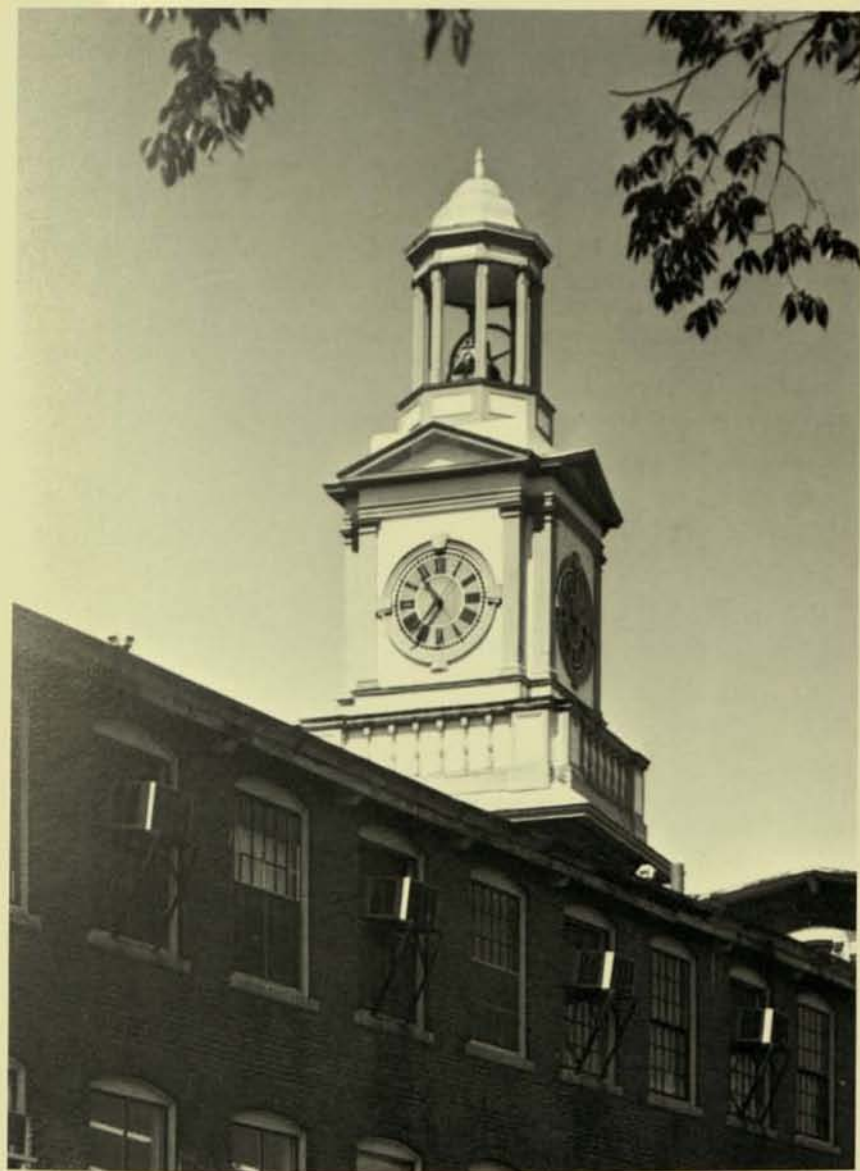
Our computer expertise helped us develop a line of computer terminals, both hard copy and video, that have made Digital a dominant force in this market as well. The VT100 video terminal quickly became the standard of the industry and is one of the most copied terminals on the market today.

Our products can be found in nearly every marketplace: scientific research, industry, commerce, graphic arts, education, medicine, communications, finance and engineering. There is tremendous growth potential for each of these markets, and Digital is well positioned to take advantage of this growth.

There are also emerging markets that Digital has followed since their beginnings, including office automation and personal computers. Digital understood the concept of personal computing when it introduced interactive computers in the 1960's. Our word processing, typesetting, business graphics and electronic mail products—which are now key to office automation—evolved from years of development both in-house and with commercial customers.

In May 1982, we introduced a new series of elegant, desk-top computers which support a wide range of personal computing activities including industry-standard software, word processing, high-resolution color graphics, multiple task management and communications with other Digital computers. We believe these products set new standards for professional personal computing.

We're also known in the industry



for our extensive sales and service operation. Our field service organization is one of the most technologically sophisticated in the industry and spans the range from carry-in centers for terminals to remote diagnostic centers for our larger computers. And we sell through a wide range of channels, including our own computer stores, Original Equipment Manufacturers (OEMs) and a salaried sales force.

By the spring of 1983, more than 25 years after it all began, we were

about 67,000 people strong—a third of whom work in our customer support organization. We're headquartered in Maynard, Massachusetts, but have sales, service, training and manufacturing operations across the nation and around the world. We have 14 million square feet of manufacturing and administrative space, 24 educational training centers and more than 400 sales and service locations worldwide.

CORPORATE PHILOSOPHY

In 1974 Digital's Operations Committee approved an operating philosophy for the company. Our philosophy is a sound set of beliefs on which we premise all our business policies and actions. Our continued success can be attributed to a faithful adherence to these beliefs.

Honesty

We want to be not only technically honest, but also to make sure that the implication of what we say and the impressions we leave are correct. When we make a commitment to customers or to employees, we feel the obligation to see that it happens.

Profit

We are a public corporation. Stockholders invest in our corporation for profit. Success is measured by profit. With success comes the opportunity to grow, the ability to hire good people and the satisfaction that comes with meeting your goals. We feel that profit is in no way inconsistent with social goals.

Quality

Growth is not our primary goal. Our goal is to be a quality organization and do a quality job which means that we will be proud of our product and our work for years to come. As we achieve quality, growth comes as a result.

The product we are selling includes the engineering, the software, the manufacturing, and the services, which include field service, software support, sales, order processing, training and manuals.

Responsibility

Plans are proposed by individuals or teams. These plans may be rejected until they fit corporate goals or until the Operations Committee feels confidence in the plans. But when they are accepted, they are the responsibility of those who proposed them. The impetus for the plan may come from outside the group making the proposal, but, when it is accepted, the implementation of the plan is the responsibility of the one who proposed it. Others who need to participate in the plan implementation are expected to support approved plans.

Management

We particularly want to be sure that management jobs are clear and well defined. Because so many people are dependent on the plans of managers, it is very important that their plans have regular automatic measurements built into them. Meeting financial results is only one measure of a plan; other measures are satisfied customers, development of people, meeting long range needs of the corporation, development of new products, opening new markets, and meeting the commitments made to others in the company. We believe that our commitment to planning assures freedom to act.



Society

We are committed as a corporation to taking affirmative action in providing equal opportunity for employment and promotion for all persons regardless of race, color, creed, age or sex. We encourage all employees to take responsibility in community, social and government activities. We are always open for proposals as to what the corporation or an individual on corporation time may want to do in these areas. However, activities to be done on company time or with company funds should have a formal proposal including ways of regularly measuring success toward goals.

Environment

As good citizens, we believe we have a responsibility to keep our environment free of pollution and to set an example.

Customers

We must be honest and straightforward with our customers and be sure that they are not only told the facts, but that they also understand the facts.

To the best of our knowledge and ability, we want to be sure that the products we sell solve the needs of the customer even when the customer is inexperienced. We want our products and services to meet the customer's expectations, and to do this we must clarify in advance all of those

expectations in a way that the customer will understand. When we sell a product to a customer, we want to be sure that the corporation fulfills the obligations we took on with the sale. We sell our corporation, its products and its services, not a single individual. We must be sure all Digital's commitments are met.

Competitors

We never criticize the competition publicly. We sell by presenting the positive features of our own products. We want to be respectful of all competition, and collect and analyze all public information about competitors. When we hire people from competitors, we should never ask them for confidential information, nor should we use confidential information they may have taken with them.

Simplicity and Clarity

We want all aspects of Digital to be clear and simple, and we want simple products, proposals and organization; literature that is easy to read and understand, and advertisements that have a simple, obvious message. We have thousands of employees and many thousands of customers. We have to keep things simple to be sure that we all work together. Our decisions must always consider the impact on the people who will be affected by them.

Standard Products

Standard products are the base of our business. At times, in certain areas, we will invest in software and hardware specifically for special markets. But we should never lose sight that the base of our business is our standard products.

Original Equipment Manufacturers

Selling to OEMs is very important to us. There are more applications for our products than we could ever develop. When OEMs take risks and are successful in a market, we should respect the risk they took. However, we may compete with OEMs in very large markets or where the OEM covers only a small segment of the market. When we decide to enter a market, we make this decision independently on the basis of the facts. Thereafter, we look to see if we have an OEM who focuses on that market, so that we can openly communicate our future plans to that OEM. If we do compete with an OEM, we do it openly and fairly. Conversely, we will respect the right of our OEMs to compete with us. When OEMs are in trouble with their customers, we tell them so they can improve.



Personnel Development

We encourage people to develop technical skills, breadth of knowledge, and expertise in a specific area. We also encourage people to develop supervisory and management skills. We believe that individual discipline should be self-generated.

Promotion

We promote people according to their performance, not only their technical ability but also their ability to get the job done and to take the responsibility that goes with the job. Ability is measured not only by past results, but also by attitude and desire to succeed. Performance results are also used to decide whether individuals should remain in their current jobs.

Hiring from Customers

We should be exceedingly careful when hiring employees from customers. Sometimes this is reasonable and desirable; but we should do it with all caution and by being sure that the employee first tells the customer.

First Rule

When dealing with a customer, a supplier, or an employee, do what is "right" to do in each situation.



EQUAL EMPLOYMENT OPPORTUNITY

A fundamental goal at Digital is to ensure that every employee is free to participate in all aspects of the company with equal opportunity. Our commitment extends to every level of employment, from recruiting and hiring to assignment and advancement.

Equal Employment

It is our responsibility to ensure that you and all potential employees are evaluated on the basis of qualifications and ability, without regard to age, sex, race, color, religion, national origin, handicap or veteran status. Although this is a management responsibility each of us must take an active part to put these principles into practice in our daily work environment and in our relationships with contractors and others with whom we do business.

It is our firm conviction that equal opportunity will contribute to the success of both Digital and its employees.



Open Door Policy

Digital has an official Open Door policy which encourages employees who have an idea, concern or complaint to talk it over with their supervisor, manager or another appropriate person. This individual generally should be the next level of management in the organization.

We are concerned for you as an individual and encourage you to voice your problems and complaints so they can be resolved. Supervisors and managers understand that it is their responsibility to listen and help you with work-related concerns.

If, after a discussion with your supervisor, the problem remains, we suggest you talk with your Personnel representative or Personnel manager. If you are still not satisfied, you may go to any other appropriate person in the company. You have a right to take these steps and to have your concerns handled in a timely manner and without fear of reprisal. You also have a right to be informed of the current status of your concerns.

BEGINNING AT DIGITAL

Personnel Department

In addition to your supervisor, Digital's Personnel organization can help you understand company services, benefits, personnel policies and administrative procedures. Personnel also provides employee relations support to managers and supervisors to help maintain a pleasant working environment.

Your Personnel Services Administrator (PSA) handles most administrative and benefit questions. You should notify your PSA if your records need updating, such as if your marital status changes or you move. Your Personnel Representative or Personnel Manager can answer questions on policy interpretations. He or she is also trained to help you and your manager resolve issues on performance, salary and your career development should problems arise. We encourage you to get to know them.

Employee Communication

We believe that a well-informed employee population is vital to Digital's success. Effective communication ensures that we all understand and work toward common goals. While we have a number of employee publications and other formal communication programs available, good communication is everyone's responsibility. To aid the communication process, you should seek information, share ideas and take advantage of communication channels which already exist. Talking with your supervisor is one of the best ways to learn about the company. He or she can help you understand Digital's business objectives, policies, procedures, programs and decisions.

Types of Employment

There are two types of employment at Digital:

Permanent Employment

Almost all employees are in this group. As a permanent employee working at least 30 hours a week, you are eligible for our employee benefit programs that are described in the various booklets of the Benefit Package.

Temporary Employment

Because of fluctuations in the work schedule or temporary situations, occasionally we hire temporary employees. Our temporary employees fall into one of the following situations:

- Do not work during certain periods of the year, such as school vacations and/or summers;
- Only work a prearranged period of time, such as during school



vacations and/or summers;
• Work less than 20 hours per week.
Temporary employees are eligible for some benefits which your Personnel department can describe for you.

Medical Examination

Most new permanent employees are required to have a pre-placement medical evaluation by the Digital Health Services department or its designated representative. This evaluation must be approved by Health Services or by Personnel before the employee starts work.

For appropriate reasons, such as specific illnesses that may occur during your employment or an injury received on the job, Digital may request that you have a physical examination to determine whether or not you are medically able to meet the physical requirements of your job.

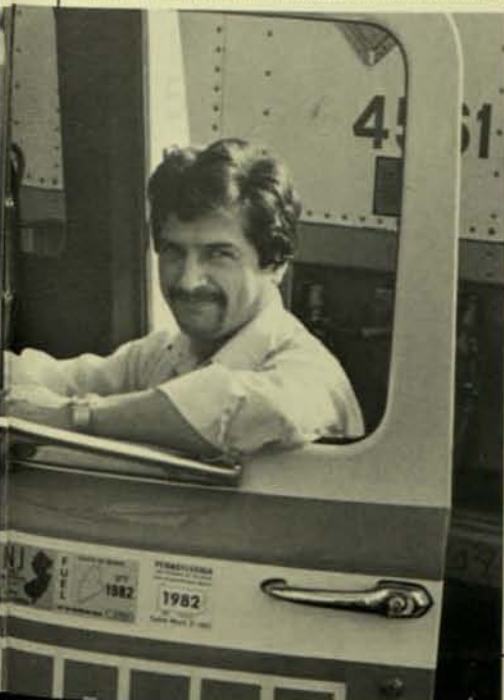
Employee Agreement

As a condition of employment, you'll be asked to sign our Employee's Agreement. When you sign it, you agree to notify Digital promptly of all "inventions, improvements, modifications, discoveries, methods or processes made, conceived or developed by you or under your direction" during your employment at Digital. This agreement also includes provisions concerning trade secrets, photographs, "moonlighting" and conflict of interest. If you have questions about this agreement, contact your Personnel office.

Keeping Your Records Up-to-Date

Your Personnel office maintains all employee records. It is important to keep your record up-to-date, because this information is used for benefit administration, notification in case of emergency, etc. We respect your right to have the information on your records treated confidentially. To achieve this, we have established guidelines for our managers and Personnel department to follow to ensure your privacy. Your supervisor will provide you with details upon request. Please contact your Personnel office if any of the following changes:

- marital status
- address (home or mailing)
- legal name
- home telephone number
- insurance dependent coverage
- number of income tax exemptions
- person to call in case of emergency
- selective service and military reserve status
- any college degree program completed



YOUR WORK WEEK AND CHECK

Work Week

Our normal work week is Monday through Friday. For accounting purposes, however, your pay covers time worked from 12:01 a.m. Sunday through 12:00 midnight Saturday. Work hours vary from department to department.

Lunch Periods

Your particular lunch period is based on your assigned work shift. If you work a regularly scheduled eight-hour shift, you have either 30 or 45 minutes for lunch. Check with your manager or supervisor for details.

Breaks

You have a ten-minute break in the morning and another in the afternoon. Whatever you use it for—coffee, finishing a crossword puzzle, reading the sports pages—you are expected to take only the allotted time.

Your First Paycheck

For all employees, Digital's payday is Thursday. Pay that you receive on that day covers the previous week, which ended the previous Saturday. Our method of pay is by check or by automatic deposit at a bank participating in the program or at the Digital Credit Union. People in the automatic deposit program receive a weekly earnings statement. The Personnel department will provide you with information about the choices you have in your local area.

Cash Advances

Cash advances against future wages are not granted. However, you may submit a time card for advance vacation pay provided you're scheduled for a vacation.

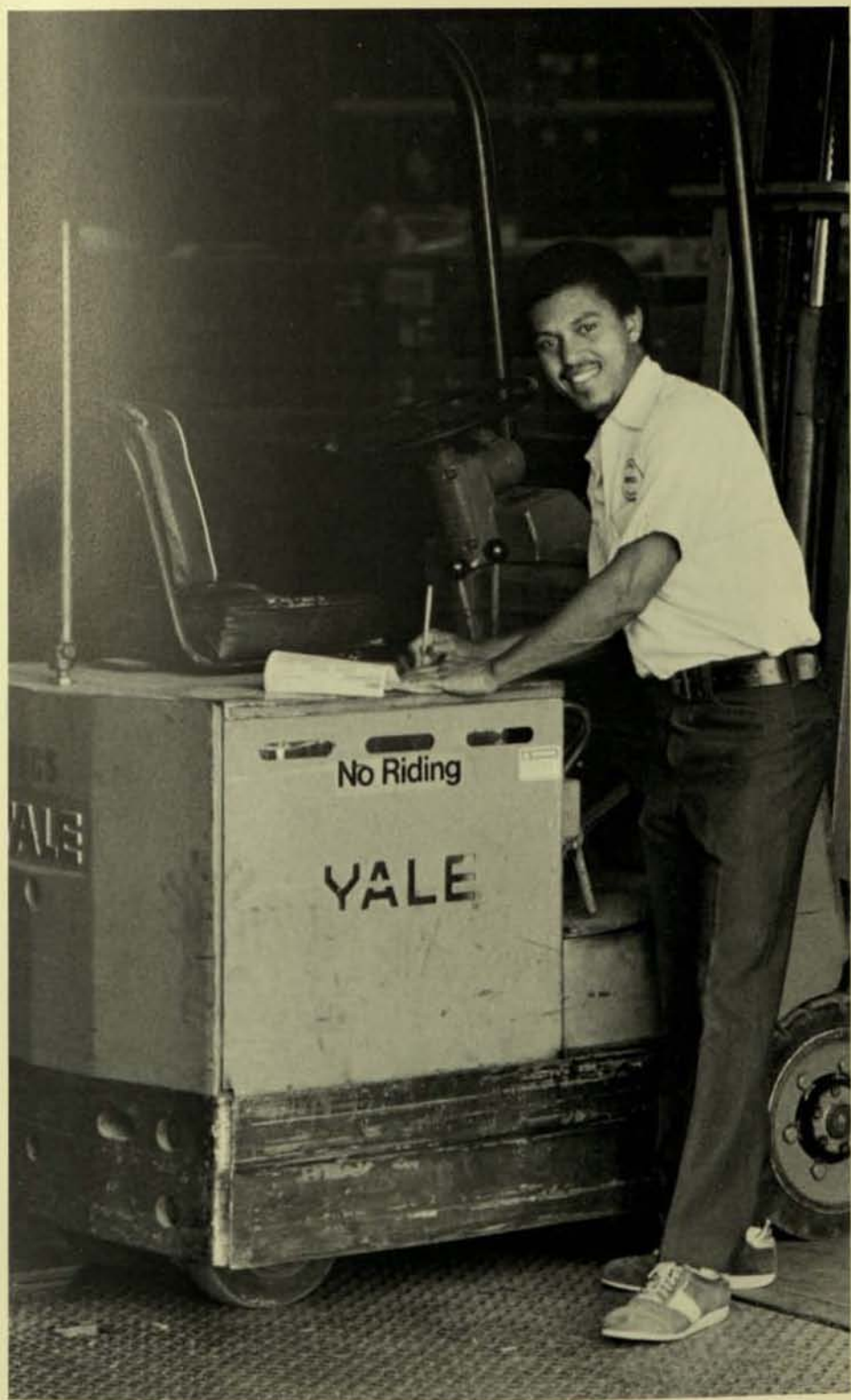
Overtime Pay

Digital pays time-and-a-half to non-exempt employees for all hours worked in excess of eight hours in any one day. For purposes of determining overtime, the day begins at 12:01 a.m., and ends at midnight. If a shift or extended work period goes beyond midnight, all consecutive hours worked after midnight are considered part of the previous day. Non-exempt employees are paid time-and-a-half for all hours worked in excess of 40 hours in any one work week.

For example, if you worked a normal week of 40 hours, then worked on Saturday, all hours worked on Saturday would be paid at time-and-a-half. If you were absent on Monday and then worked the remaining four days and Saturday, the hours on Saturday would be paid at straight time.

In determining the 40 hours you worked, count vacation days and holidays. Days paid for absence due to a death in the family are also included as days worked. All other hours (such as sick time), whether paid or not, are not counted toward the 40-hour week.

All overtime must be approved in advance by your manager or supervisor. If you are eligible for shift premium during that week, the shift premium for all overtime hours will be paid at time-and-a-half.



Shift Premium

If you are a permanent full-time employee and you are assigned to the second or third shift for a full week or longer, you will receive a shift premium. Six consecutive hours of your normal work schedule must fall within the time frames shown below for you to qualify for shift premium pay.

3:00 p.m. – 12:00 midnight
Premium 10% of base pay

12:00 midnight – 8:00 a.m.
15% of base pay

Rotating Shifts*
15% of base pay

*This involves employees who rotate among the first, second and third shifts on a regular basis.



Paid Supper Period

If you are a non-exempt employee and are asked to work overtime for at least four hours beyond your normal end of shift, you will be given a one-half hour supper break after the first hour of overtime. For this break, you will receive your base rate of pay (excluding overtime pay). You must punch or fill in your time card if you leave your facility during the supper break period.

Supper Allowance

If you are an exempt employee and must work three hours of overtime on one day, you are eligible for a \$3.00 paid supper allowance toward your evening meal.

Call-In Pay

Digital provides call-in pay for employees called back to work in an emergency situation at a time other than their regular shift. If you are a non-exempt employee called back to a work site, you will be paid for all hours worked. If you work less than four hours you will be paid for four hours. If you work overtime, you will be paid according to overtime provisions.

If you are an exempt employee, to qualify for call-in pay, you must be assigned to standby work and be called back to a work site. Call-in pay for exempt employees is \$50 per call.

Absence

You're expected to be here when your group is working. When you can't be here, you should notify your supervisor within an hour of your scheduled starting time. An absence of three consecutive days without notifying your supervisor may result in immediate termination.

Time Clocks

If you are paid on an hourly basis and your facility uses time clocks, be sure to punch your time card when you arrive at work and when you leave work. This will maintain accurate payroll records. You do not have to punch your time card at the beginning and end of lunch period unless you leave your facility.

Do not punch another employee's time card or let anyone punch yours. If you forget to punch in, or punch the wrong time card by mistake, notify your supervisor immediately.

Time Cards

All employees have time cards. Wage Class 1 and 2 employees must report all hours worked on a time card submitted to Payroll each week. Wage Class 3 employees must submit a time card when they work more or less than the standard work week. Wage Class 4 employees must submit a time card when they take a vacation, personal holiday, are assigned to standby or request advance vacation pay. Permanent part-time employees must report all hours worked on a time card. All temporary employees must submit a time card for all hours worked.

Terminations

If you should leave Digital, your final paycheck is mailed to you the following week unless otherwise required by state law.

Termination Notice

Proper termination notice is two weeks for non-exempt employees and four weeks for exempt employees.

Internal Transfers

Digital's greatest asset is our employees and our success depends totally on you. As Digital grows, our employees grow. As we accommodate our expanding business, we will strive to accommodate the career needs of our employees through internal transfer. It is the responsibility of both employees and management to assure that these needs are met.

We encourage you to seek new opportunities. The minimum time you are expected to remain in your job is six months for a non-exempt position and twelve months for an exempt position. Normally, your supervisor will expect you to stay in your position for a longer period of time. You should notify your supervisor before doing anything about a new assignment. Your supervisor and others at Digital will help you if you wish to seek a new opportunity but your career development is primarily your responsibility.

Salary Reviews and Pay for Performance

Your salary growth at Digital is up to you—it depends on your performance in your job, as evaluated by your supervisor. The amount and frequency of your salary increases will reflect your performance in your position.

You will receive regular salary reviews from your supervisor, ranging from six to fifteen months after your date of hire or your last review. The

amount and the timing of your increase depends on your supervisor's evaluation of your performance and where your salary falls within the salary range for your particular position.

Digital pays salaries that are comparable to those paid in companies with whom we compete for people. To assure that its salaries remain competitive, Digital periodically conducts salary surveys of those companies.

At Digital, if you are eager to advance your career and earn new responsibilities, you will have that opportunity through consistent high performance. Digital strives to accommodate the career needs of its employees before hiring from the outside.



Your Supervisor

When you have a concern about your job, your work relationships, or your desire to seek new opportunities, talk with your supervisor. Taking time to work with you is part of your supervisor's responsibilities. If you have problems, your supervisor can put you in touch with those who can help.

A FEW OF OUR POLICIES

Digital has policies and procedures to insure both you and other Digital employees are treated fairly and consistently. Five policies of particular interest are detailed here.

These are only a few of the procedures that Digital uses to help maintain an equitable and open environment. All Personnel policies are published in the U.S. Personnel Policies and Procedures manual which is distributed to all supervisors and Personnel people. Do not hesitate to ask them to see the manual or to seek their counsel if you have questions or concerns.

Conflict of Interest

We respect your right to engage in activities outside of your employment that are of a private nature. However, we expect you to avoid situations that could create a possible conflict of interest or adversely affect your ability to meet work requirements.

By signing the Employee's Agreement, you agree that you will not become employed or act on behalf of any other person, corporation or firm engaged in any business or activity similar to or competitive with that of Digital, unless such employment has been approved by Digital.

Corrective Action and Discipline

Digital maintains a Corrective Action and Discipline procedure designed to be fair and impartial when an employee is experiencing performance problems. Based on the premise that corrective action and discipline should be positive, this procedure is intended to prevent terminations whenever possible.

In most cases, the Corrective Action and Discipline procedure involves the following steps:

1. *Problem Solving Session*

A supervisor meets with an employee to identify and discuss problem areas and actions that must be taken by the employee to correct these problems.

2. *Verbal Warning*

If problem areas do not improve, a more direct approach is necessary. The supervisor verbally warns the employee, stating that if performance is not corrected within a reasonable amount of time, further disciplinary action will be taken.

3. *Written Warning*

After the verbal warning, if improvement does not occur within a maximum of 60 days, the employee is given a written warning. This written warning clearly identifies the problem and indicates that, if improvement is not forthcoming, the employee will be terminated from the company.

4. *Discharge*

If, after a reasonable period of time, the employee's performance does not improve, the employee will be terminated from the company.

During this process, employees and supervisors should work together to resolve the problem. Both are encouraged to seek the help of their Personnel Representative or any other appropriate resource person in the organization.

Employee Conduct Statement

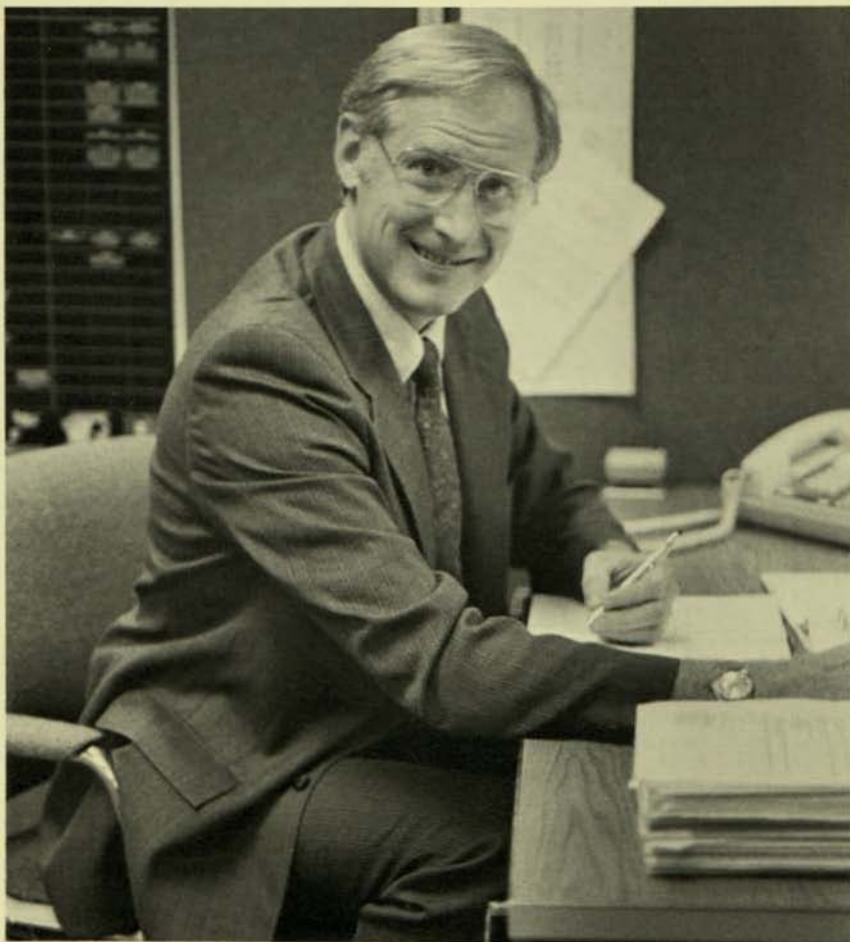
Digital strives to create and maintain a positive work environment. We expect courteous and respectful behavior, a responsible attitude toward work and respect for employee and company property.

The Employee Conduct Statement helps clarify differences in judgment and cites examples of unacceptable

conduct. These examples are not meant to be all-inclusive.

Actions harmful to another employee or to the company are cause for severe disciplinary procedures including dismissal. Employees are expected to be at their work sites and attend to their responsibilities.

Employees are expected to respect the individual rights and privacy of others. For example, they will not:



- Discriminate on the basis of race, sex, age, religion or ethnic background.
- Fight with or physically abuse co-workers or the employees of vendors or customers.
- Behave in a manner offensive to others.
- Solicit from others on working time.

Employees are expected to respect the property of others. For example, they will not:

- Destroy, deface, damage or wrongfully acquire property belonging to Digital, its customers, vendors or other employees.
- Misuse or misappropriate company assets or steal from the company, its employees, vendors or customers.
- Help anyone gain unauthorized entrance to or exit from company facilities.
- Use company equipment or property without authorization.

Employees are expected to treat information appropriately. For example, they will not:

- Misrepresent or intentionally omit facts to obtain employment or falsify employment, medical or security records.
- Disclose to any unauthorized person any company confidential or government classified information or material.
- Intentionally falsify any company record or report.
- Access computer files or give information to others to access computer files when not properly authorized.
- Possess or use on company or customer premises, any photographic equipment that has not

been properly authorized by Security.

Employees are expected to help maintain a safe work environment. For example, they will not:

- Possess or use on company or customer premises any weapons, firearms or explosive devices.
- Work under the influence of, possess or use intoxicants or illegal drugs on company or customer property.
- Participate in any form of illegal gaming or gambling on company or customer property.

People Respecting People

One of Digital's most fundamental values is respect for the individual. We try to ensure that people at Digital are able to work in a healthy environment free of discrimination and harassment. Harassment of employees by other employees, regardless of their working relationships, will not be tolerated.

While we believe most people respect the rights and dignity of others, we have a written policy to prevent harassment. Your supervisor or Personnel department can explain the policy to you.

Solicitation and Distribution of Literature

Employees should not solicit other employees for any purpose during working time. This does not include break time or meal time. Digital employees are not permitted to distribute literature of any kind at any time in working areas.

People who don't work for the company are prohibited from distributing literature of any kind or soliciting employees for any purpose at any time on company property.

YOUR BENEFITS

A more complete description of your benefits is provided in the booklets in your U.S. Employee Benefits Package. If you don't have a package, ask your Personnel Services Administrator for one. Your supervisor or Personnel Department can answer any benefit questions you might have.

Health Care

Digital offers employees and their dependents alternatives for health care coverage: the John Hancock Medical Plan or approved Health Maintenance Organizations (HMOs).

The John Hancock Medical Plan is a comprehensive plan that covers all or the majority of hospitalization, surgical, laboratory, maternity and X-ray expenses. In order for the expenses to be paid, you must satisfy an annual \$50 deductible. Digital pays the full amount for employee coverage, and shares the cost for dependent coverage.

If you live within the service area of an HMO offered by Digital, you and your dependents may join that HMO as an alternative to the John Hancock Medical Plan. An HMO provides you with comprehensive medical care for a prepaid monthly fee. Digital contributes the same amount for an employee's HMO coverage as it would for coverage in the John Hancock Medical Plan.

Dental Assistance

The Dental Assistance Plan helps defray the costs of dental services incurred by you and your family. There is a \$1,000 maximum benefit allotted per person, per year, and a \$1,000 individual lifetime orthodontic benefit. Digital pays the premium for you and most of the premium for your dependents.

Education and Training Support

Our Education and Training Program enables and encourages education for employees that leads to improved job performance. For courses that are job-required, Digital will pay all expenses including tuition, books and travel. These courses may be taken on company time. Career-related courses are reimbursed for tuition, registration fees and a maximum \$30 book limit. These courses may not be taken on company time. In addition, Digital will pay 50 percent for knowledge and perspective broadening courses up to \$300 for employees who've been with Digital at least three years. Hobbies, sports, games, etc., for which the government does not permit tax free reimbursement, are not supported by Digital.

Digital also offers student loans for you and your dependents who are enrolled in a full-time degree program, provided you have two years continuous service. The company also has a scholarship program for children of employees.

Disability Income

If you become sick or disabled, and consequently unable to work, Digital's short-term disability benefits enable you to receive all or most of your income for up to 180 days. If your disability keeps you out of work for more than six months and you've elected the Long Term Disability Plan, benefits will begin, providing you with two-thirds of your income up to a maximum of \$5000 per month. As long as you are totally disabled, these benefits



are generally payable until age 65.

The Short Term Disability Plan is a company-paid benefit; enrollment in the Long Term Disability Plan is optional.

Retirement

To become a member of the Digital Pension Plan, you must have been with the company for one year. After five years of service, you will become 50 percent vested in your benefits; this percent increases every year, until you become fully vested after 10 years. Though you may choose to retire at age 65, the plan provides for early or late retirement as well.

Life Insurance

As protection for your beneficiaries in the event of your death, Digital provides you with Basic Life Insurance equaling twice your annual salary (maximum is \$50,000). You may purchase additional life insurance at group rates for up to five times your annual salary (maximum is \$450,000).

In addition, if your family was enrolled in the medical and/or dental programs, they may elect to continue to receive those benefits for up to 12 months after your death.

Employees who travel on company business are also covered under the Business Travel Accident Plan, which provides benefits of five times the employee's salary, with a minimum of \$100,000 to a maximum of \$500,000.

Vacation and Holidays

You earn two weeks' vacation per year for your first five years of employment with Digital. You may accumulate days from year to year, up to a maximum of two years' worth of vacation days. After five years of service, your vacation time increases.

There are 10 paid company holidays each year, including one personal day of your choice.



Employee Stock Purchase Plan

Employees who have been with the company at least six months may buy Digital common stock through weekly payroll deductions. Twice a year the money in your account will be used to purchase Digital stock at 85 percent of its average market price on either the first or last business day of the payment period, whichever is lower. You may contribute to the Plan a minimum of 2 percent, up to a maximum of 10 percent, of your base annual salary.

SAFETY

It is our policy to provide and maintain safe and healthy working conditions and to follow practices that will safeguard all employees. To put this policy into practice, we have a Safety and Loss Prevention program that functions at all levels of the company.

Since we are all responsible for preventing accidents, we expect you to comply with our safety procedures so that you will not endanger yourself or your fellow employees. Check with your supervisor to become familiar with any specific safety practices in your area.



Accidents

It is very important that you immediately notify your supervisor of all accidents and injuries, regardless of how minor, that occur on Digital premises. Minor injuries may be treated by a company nurse, but injuries of a more serious nature are referred to a doctor by the nurse and are usually treated at a local hospital. Make it a point to find out where to get first aid treatment just in case you may need it in the future.

Protective Equipment

Personal protective equipment (such as safety glasses, goggles, shoes and boots, gloves, hard hats, hairnets and respiratory protection) must be worn in areas designated potentially hazardous. Your supervisor will advise you if personal protective equipment is required and will see that you obtain it.

SECURITY

Since ingenuity plays such a big part in our success, it is just as important to protect plans and ideas as it is to safeguard property. What you learn on the job about our designs, manufacturing strategies and administrative policies should stay within Digital.

This is especially important concerning information about our customers and their operations. As for classified information on work for the government, any unauthorized disclosure will have the most serious consequences for Digital and the employee.

Proprietary Information

Some of the information with which an employee works is proprietary and, therefore, requires special consideration and care. Proprietary information, categorized as "Restricted Distribution," "For Internal Use Only," or "Personnel Confidential" is to be controlled. When not in use, or at the end of the day, proprietary information must be locked in a desk, file cabinet or other suitable container. Unauthorized disclosure of proprietary information may have a detrimental effect on Digital's success.

Many Digital sites have special waste receptacles for the disposal of proprietary information. Others have alternate procedures for proprietary waste. Please ask your supervisor or the Security personnel to explain the procedure at your facility.

Security Clearance

Some Digital products are manufactured for, or are used in connection with, the federal government, therefore, certain information may be classified "Top Secret," "Secret" or "Confidential," depending on the degree of protection required.

If your work at Digital involves access to classified information, you will be given the required forms, which will be forwarded to the appropriate federal agency for clearance approval.

You will not be able to work on classified projects until the approval has been granted.

If you have a security clearance at Digital and you leave the company, you must personally notify the Federal Government Security Office before your last day of employment. Failure to do so may jeopardize your ability to obtain any security clearance in the future. See "Digital Personnel Policies and Procedures Manual - Section 2.11 Government Security Clearances."

Personal Property

Digital cannot assume any liability for personal property lost or damaged on company property. Lost property, whether owned by an individual or by the company, should be reported to your manager or supervisor and your Security department.

Property Removal

Any employee who has removed material from the premises is required to present a properly completed Property Removal Pass to the security guard on duty. These passes are issued by the responsible supervisor and audited by the Security department. In locations where there is no Security department, check with your supervisor. Any employee removing company property on loan is responsible and liable for its return.

Any property, whether owned by an individual or Digital, brought into or taken out of your facility is also subject to a security check by Security personnel.



Badges

You have a badge to protect yourself and the company. Everyone who enters our facilities must present a badge, which is issued by the Security department. Visitor and temporary badges are issued by the receptionist or security guard at all building entrances. If you forget your badge, you must obtain a temporary badge when you enter the building.

If you lose your badge, contact Security and they will issue a replacement.

Security procedures are developed for each location. They pertain to parking, grounds, building and employee security. We expect you to cooperate with our Security personnel and to follow the procedures they develop.

If you have a concern about a security procedure or a possible viola-

tion of a rule, call local or corporate Security. Any reports made to Security will be kept in the strictest confidence.

Visitor Policy

Visitors may be escorted in Digital facilities by employees between 8:15 a.m. and 5:00 p.m. during the normal work week, Monday through Friday. Any exceptions to this general policy should be coordinated through the local Security department in advance. It is also advisable to check with your local Security department regarding facility visitation by children or other special conditions, as procedures may vary according to local conditions and requirements.

Visitors must be accompanied by a Digital employee at all times and should not be permitted inside a facility unescorted.



SERVICES FOR YOU

The services described below may vary significantly from one facility to another. Contact your local Personnel office for specific details.

Health Services

Digital's Health Services department provides limited medical services in most large facilities. Staffed by registered nurses and nurse practitioners, the department handles acute emergencies and provides care for all occupational injuries or illnesses. The department also evaluates personal illness, gives symptomatic care and referral information, and provides health education and preventative care services.

Employee Assistance Program

Many large facilities have an Employee Assistance Program (EAP) which provides confidential assistance to employees who are having personal problems. We recognize that personal problems such as physical or emotional difficulties, the illness of alcoholism, problem drinking or other drug use, legal concerns, mental, family or emotional distress may affect an employee and his or her family's health or well being. If these problems go unnoticed or ignored, they might negatively affect job performance.

We believe most of these problems can be resolved with early identification and appropriate care. EAP makes available to employees and their families counseling and referrals, which may help to resolve many of these problems. The Digital Telephone Directory lists facilities with EAPs.

Bloodmobile

Many Digital sites periodically run blood drives. Because so many people donate blood each year, all Digital employees and their families can

receive blood free of charge anywhere in the United States, if the blood is available. Your Health Services department can make the proper arrangements if you or a member of your family needs blood.

Digital Credit Union

Digital Employees' Federal Credit Union (DCU) is open to you and members of your family. Offices are located in several U.S. facilities. Business can be conducted in person, through the mail, over the phone or by payroll deduction.

The credit union has a wide variety of financial services, including regular savings, certificates, money market funds, IRAs, clubs, checking accounts, American Express and loans. Rates are comparable to or better than those in other financial institutions.

DCU is a non-profit organization, with all money returned to its members in higher dividends on savings, and lower rates on loans or additional services. A complete list of DCU offices is included in the Digital Telephone Directory.

Van and Car Pools

The Commuter Transportation department helps interested employees form van and car pools. Van pools consist of a qualified driver, a qualified back-up driver and a minimum of eight riders.

Digital provides a 15 passenger van assigned to the driver. The driver picks up riders at designated locations and

drives them to and from work. Passengers pay a fare based on daily mileage and the cost of gasoline.

Digital also encourages the formation of car pools as a way to conserve fuel, cut commuting costs and improve air quality. Your Personnel office or the Commuter Transportation department can provide you with a list of employees from your geographic area who have expressed interest in joining a car pool.

Employee Publications

A number of employee newsletters are published to keep you informed about the company and its people. DECWORLD, which is distributed to employees around the world, covers corporate information, customer applications and special interest news. Plant, facility or area newsletters are written for specific employee business or site news. *Management Memo* is written for supervisors.

Special materials about the company and its benefits and compensation programs are occasionally sent to your home or distributed at your work sites.

Recreational Activities

Employee activities are sponsored by many Digital facilities throughout the country. These activities include recreational, social, cultural or educational events, and are open to all employees. The company will consider sponsoring almost any activity, intercompany sport or club that enough employees are interested in establishing.

Digital also offers discount tickets for special events, such as concerts, sports events and museum exhibitions. For more information, contact your Personnel office.

Education and Training

We expect that a great deal of your training will take place on the job. To complement your work experience, many internal organizations offer training programs such as Office Education, Employee and Management Education, Sales Training and Technical Training.

At some locations, high school equivalency and university level courses leading to degrees are offered on site. To take advantage of these opportunities, discuss them with your supervisor.

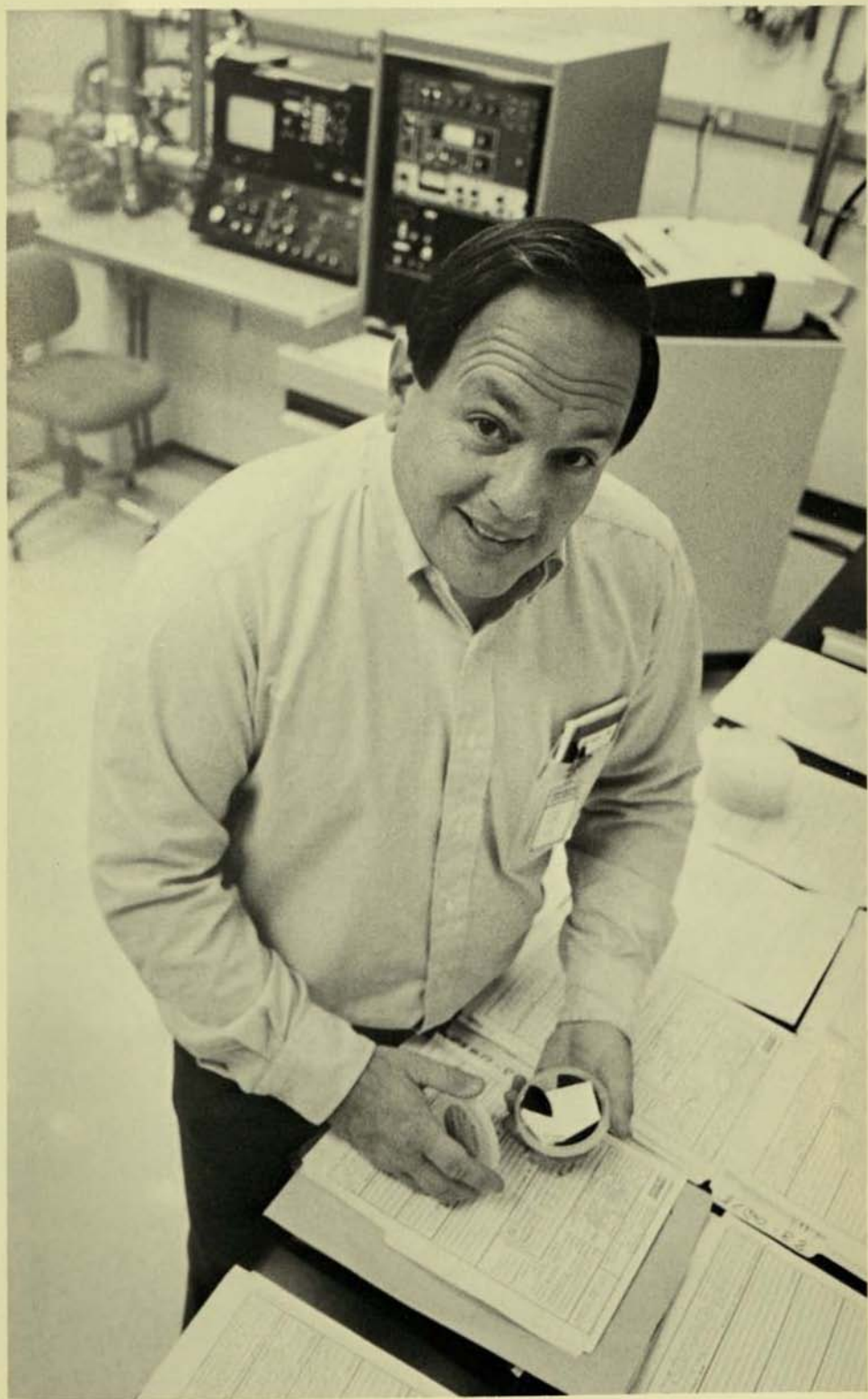
Library

There are libraries at many Digital facilities throughout the country. They offer general, technical and business reference services, conduct on-line searches of external data bases, and provide reprints of journal articles.

If your facility does not have a library, you may call any of the corporate libraries for assistance. Look in the Digital Telephone Directory for a complete listing.

METPAY Insurance

Digital has arranged with Metropolitan Insurance Company to provide you with the option of buying automobile, homeowner or apartment insurance on a payroll deduction plan. Payments are deducted in equal installments from your weekly salary. There are no interest fees charged.



BUSINESS ETHICS

Honesty and personal responsibility are the foundation of Digital Equipment Corporation's operating principles. In every country where we do business, we strive to instill confidence in our customers by reinforcing Digital's ability to meet our commitments. Actions that might raise questions about Digital's business ethics are unacceptable.

Although Digital's corporate headquarters is in the United States, we do business in some 40 countries on five continents. We expect employees to conduct worldwide activities well within the standards of Digital's U.S. business ethics and values. Digital will, of course, comply fully with local laws in the countries where we operate.

The company expects employees to be honest and thorough in the completion of all government import-export or international travel papers. Digital expects that employees will not give bribes or gifts and that vendors and subcontractors will have equal access to potential work from the

company. We expect employees will not criticize competitors publicly.

As representatives of the company, Digital employees must conform to the company's business principles. Digital wants to be proud of every action taken by employees. We want to surface every borderline issue so decisions can be made in an open and conscious way.

If employees see or hear of an action that seems questionable, they should consult with their supervisor about its appropriateness. This process should continue upwards in the company until the appropriateness of each action is assured by senior management. Throughout this procedure, all decisions should be documented to provide a clear record for future reference.

(This is a summary of Digital's business ethics, which are detailed in the Corporate Policies book.)



digital

digital

P07622A
065367 695 100 MLO1-4/F13
CAROL A MURPHY
DIGITAL EQUIP CORP
146 MAIN ST.
MAYNARD MA 01754