



RULES OF CONDUCT

To protect DRI employees, products, and property, conventional rules of conduct will be observed. Misconduct of the following nature may subject you to disciplinary action, up to and including immediate dismissal.

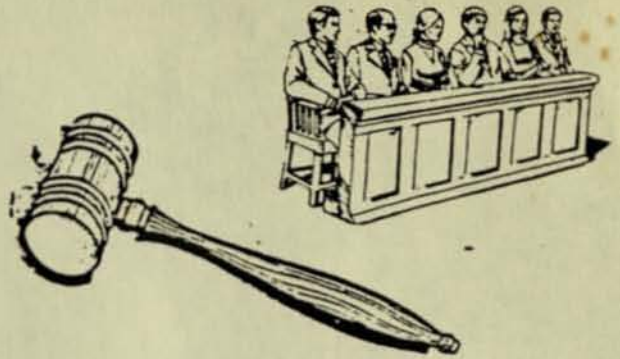
Unacceptable Conduct

Absenteeism/tardiness: Failing to notify your immediate Supervisor/Manager when absent one hour after the workday has started, having excessive tardiness or absenteeism, walking off the job for reasons other than sickness without prior approval of your Supervisor/Manager, and being absent from work for three scheduled work days without notifying your next level of authority.

Quality and Quantity of Work Performed: Making repetitive mistakes after appropriate warnings, failing to meet acceptable quantity and quality of work standards, violating established safety and operating rules, and failing to carry out work assignments in a responsible manner.

Insubordination: Failing to comply with reasonable work requests.

Personal Conduct: Fighting on company property, using abusive or threatening language, stealing or willfully damaging DRI property or another employee's work tools or personal property, removing company products, property, or material from the designated location without authorization of the proper supervisor, conducting personal business during working hours, unreasonable personal use of company phone, possession, sale or use of illegal drugs and narcotics while on company property, intoxication which prevents the effective performance of an employee of jobs duties and responsibilities, possessing or bringing firearms, weapons, or explosive materials on company premises, falsifying verbal or written information, making entries on another employee's time card, sleeping on the job, unsafe use of motor vehicles on DRI property, or smoking by employees on company premises (including conference rooms) during normal working hours except in restrooms, outside areas or the employee lounge.



SHORT TERM ABSENCES

Digital Research encourages maximum attendance at work. The company also recognizes the necessity for you to be absent from work for reasons beyond your control. The intent of this policy is to define these areas which are considered authorized absences.

Definition

An authorized absence is defined as an absence where proper notification is given, and proper approval is obtained. Any type of absence must be phoned in daily unless the supervisor specifically authorizes you otherwise. Should you fail to notify the appropriate contacts regarding your absence for more than two days, it will be classified as unauthorized, and may be subject to disciplinary action or termination.

Family Emergency

Should you experience a death, severe accident or critical illness in the immediate family, you may be granted up to a maximum of five working days paid leave. Immediate family includes spouse, parents, grandparents, children, brothers and sisters, and parents, grandparents, brothers and sisters of your spouse.

Paternity Leave

You may also be granted up to three working days paid leave for delivery of the baby, visitation purposes and bringing the child and mother home from the hospital.

Jury Duty

You will be paid your normal wage each day you serve as a juror or witness. Compensation is limited to a maximum of 8 hours per day not including Saturdays and Sundays.

Be sure to notify your supervisor upon receipt of summons or subpoena and submit a copy for their records. Endorse any fees (checks) received for services/expenses excluding mileage, to the supervisor who will transit the check to the Payroll Department. Additional situations, such as being subpoenaed out of state, will be handled on an individual basis.

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Introduction



TO OUR EMPLOYEES:

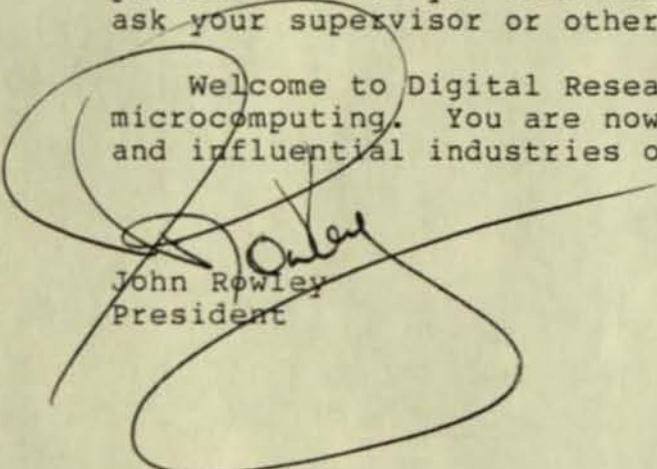
I would like to welcome you, on behalf of all your fellow employees, to Digital Research. I am sure that you'll find your new position to be personally and professionally rewarding.

Our company is one of the most successful in the field of microcomputer software products. Our record of growth, although rapid, is nevertheless proceeding along planned and controlled guidelines -- making for a strong, stable organization with assured future success.

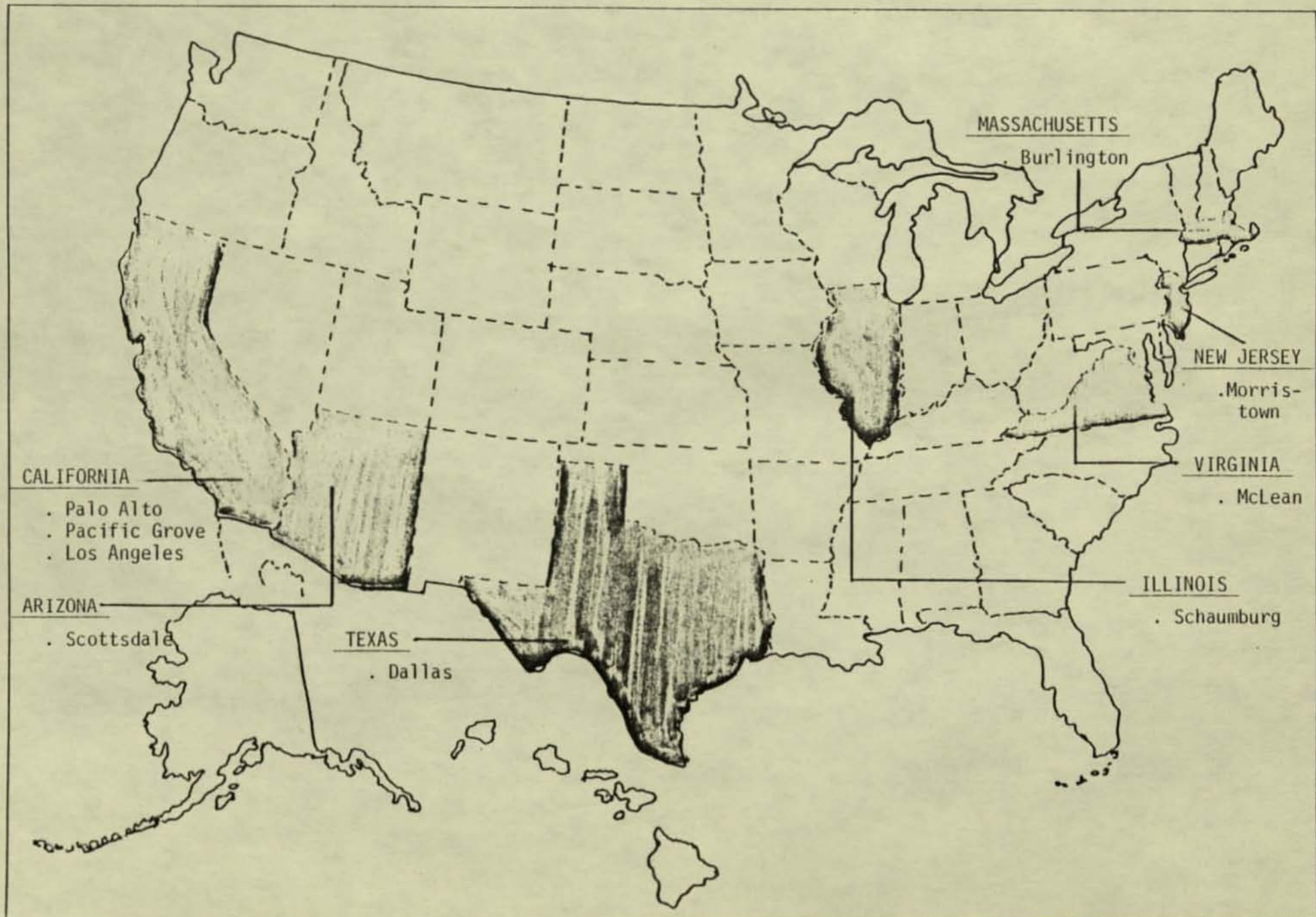
You will find that this atmosphere generates a great deal of pride and dedication among our employees. I hope you will catch this spirit, too. Digital Research is a friendly place to work, even when workloads are heavy, and I think you will appreciate the way all of us work together for common goals.

This handbook attempts to answer all your general questions about our broad range of benefits and our basic policies and procedures. If you need more detailed information, feel free to ask your supervisor or others in appropriate departments.

Welcome to Digital Research -- and to the exciting world of microcomputing. You are now a part of one of the most interesting and influential industries of our time!

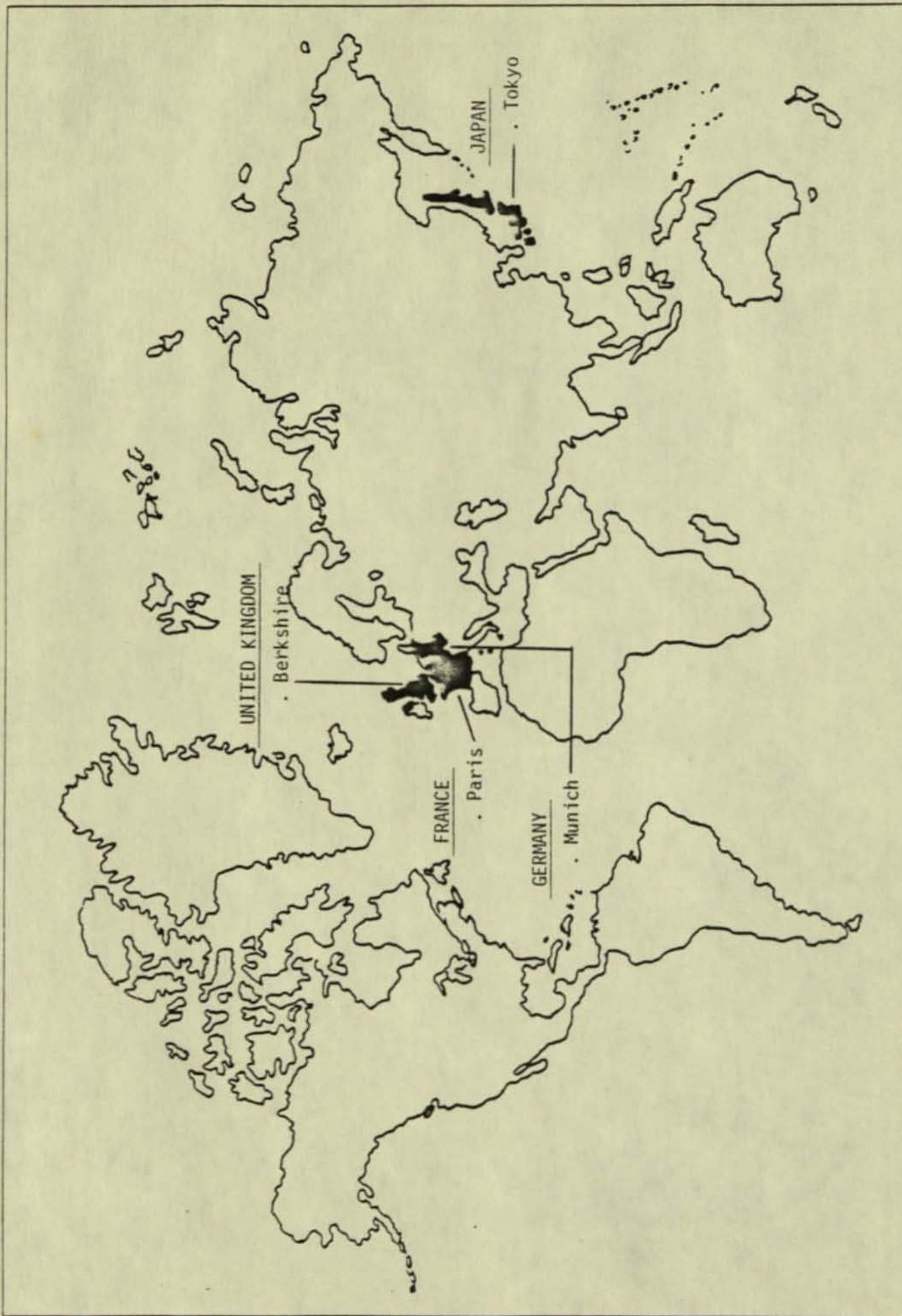

John Rowley
President

U. S. OFFICES

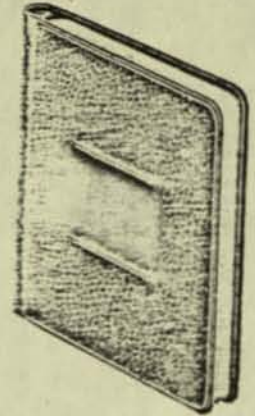


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FOREIGN OFFICES



Foreword

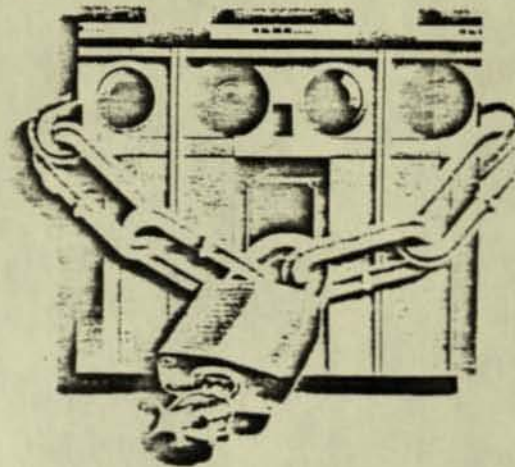


ABOUT YOUR HANDBOOK

We are pleased to provide you with this new Employee Handbook which summarizes your benefits, and defines the policies and procedures practiced at Digital Research.

Take the time to read the material. Use it as a reference. You will find that items that you initially found to be of no interest to you, now have new meaning and could represent either personal or career growths. There are many benefits available to you as an employee of our company and we encourage you to take advantage of the programs provided.

It should be noted that the issuance or acceptance of this handbook does not constitute a contract. NO contractual obligation on the part of the Company for any employee will result from the employment relationship. Our relationship is one of voluntary employment "at will."

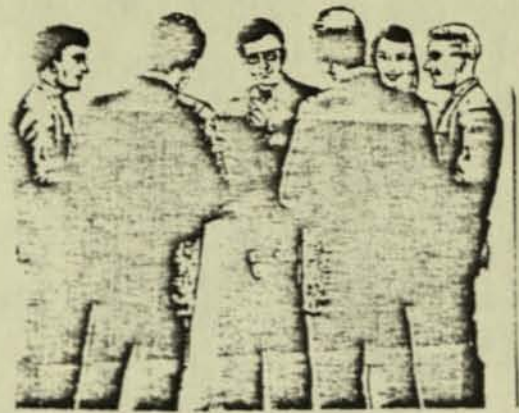


CONFIDENTIAL INFORMATION

Practically every job has certain areas where confidential information must be protected. This is a field that one must constantly observe. In a highly competitive industry such as ours, as in any business, everything of a confidential nature must be protected. Information about new products, marketing plans, costs or earnings is critical to the success of Digital Research.

Documents which are of a classified nature should be identified and secured at the close of business each day.

Your compensation and stock grants should also be considered personal and confidential. Please do not discuss it with anyone except your supervisor or other authorized personnel.



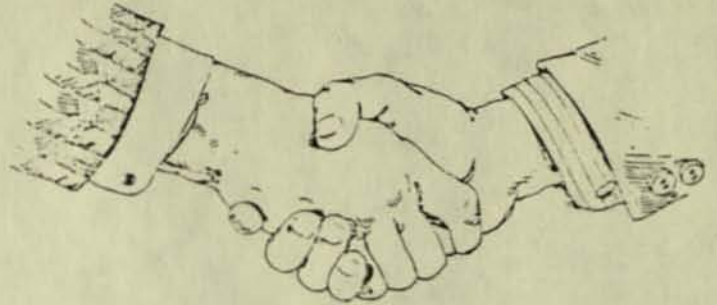
COMMUNICATING WITH MANAGEMENT

The overall success of Digital Research's operations depends on an environment of mutual understanding, cooperation, and objectives. Our philosophy is that the interests of you and the corporation are best served by handling employee relations matters on an individual basis. We understand that personal relationships between employees and supervisors are often affected because people fail to communicate with each other. If a work-related problem, question, or complaint exists, it can best be resolved by honest and prompt discussion.

Objective/Procedure

We want every employee to receive fair treatment. Our objectives can be accomplished much faster with a happy and enthusiastic team of workers. If you have a problem concerning your job, you are encouraged to discuss it with your supervisor. If you still do not feel satisfied, feel free to discuss your situation with the next level of supervision, proceeding through the regular line of authority up to the division manager. At any time, while following the normal channels, you may seek advice and guidance of the Personnel Director or Administrator. If the matter is of such a personal or confidential nature that you do not want to discuss it with your line supervisor or manager, you may go directly for advice and guidance to the Personnel Director or Administrator.

We appreciate our employees. If you have a complaint, let's work it out together. We emphasize that you will not be penalized nor will your interests be prejudiced in any way for following the procedures in presenting a job-related problem, question, suggestion, or complaint, or for appealing an answer given. A suggestion box is also available in the employee lounge located at the main office building.

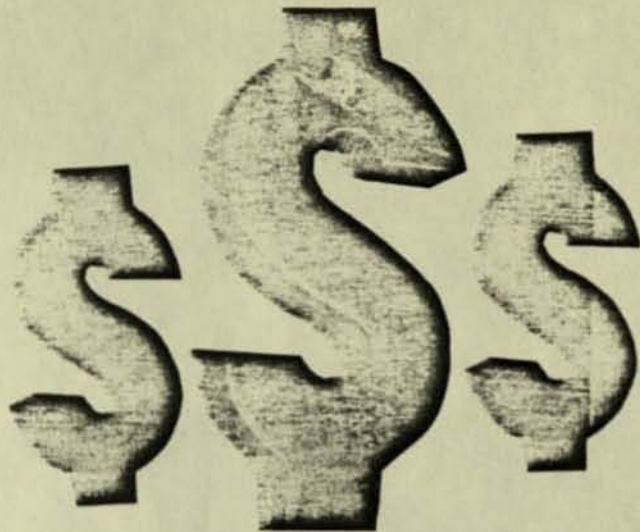


EQUAL EMPLOYMENT OPPORTUNITY

Digital Research, Inc. maintains a commitment to equal opportunity in all of its employment practices. We will not engage in practices which exclude any person for employment or employment opportunity on the basis of race, creed, color, religion, national origin, marital status, sex, age, veteran status or handicap, except as provided by law.

All Company sponsored programs regarding job, social and recreational matters, are required to be non-discriminatory in their implementation and effect. Personnel practices and actions such as compensation, benefits, company-sponsored programs, education and tuition assistance will be administered on the same aforementioned basis.

You & Your Pay



SALARY ADMINISTRATION

Digital Research wishes to compensate its employees with pay structures that are competitive with comparable labor markets for work performed requiring similar skills.

Classification

You will be classified within an approved title and position description that reflects the duties you are performing. The appropriate paygrade for that classification is determined by making a comparison with other jobs requiring a similar level of skill, and with rates for similar positions within the industry, as well as the local area.

Your manager may discuss the grade and salary range for your current job, as well as the grade/range for the next level in your job ladder.

Salary Reviews

Salary reviews are conducted at Digital Research according to the following schedule. However, in unusual cases, and at the discretion of the manager, reviews may be performed at intervals other than those listed below.

Regular, non-exempt employees.....March and September.
Regular, exempt employees.....April.

Normally, pay increases for regularly scheduled annual and semi-annual reviews will be effective at the end of the month in which performances are reviewed. No more than 2 merit increases may be granted within a 6-month period.

Types of Salary Increases

Merit: Merit increases are usually given after the regular scheduled reviews are conducted. The amount of the increase is based on your performance rating and contributions to the company. They are not automatically given at the end of 3 or 6 months of service.

Equity: These are given to employees whose current salaries are below the appropriate salary range for their jobs, and for those whose salaries are substantially below that of their peers in the same grade/range based on their performance rating.

Downgrading

Downgrading may occur when a position is eliminated due to misclassification, or reorganization or business change, or performance is unacceptable. An appropriate salary determination will be made between the immediate supervisor, division manager and the Personnel Director.



HOURS AND PAY

It is the policy and intent of the Company to maintain regular schedules and hours of employment consistent with the demands of business and in compliance with Federal and State Laws. DRI maintains salary levels that are competitive with levels prevailing in the industry and the area; and as an equal opportunity employer, our pay policies are designed to reward meritorious performance without regard to race, creed, color, national origin, religion, sex, marital status, age, veteran status or handicap.

State and Federal Labor Laws

All employees receive at least the applicable minimum wage as established under federal law, whether they are on regular, full-time schedules or are working part-time. If the minimum wage for the state is greater than the federal minimum, you will be paid the greater amount.

Employees are defined as exempt or non-exempt according to the requirements of the Federal Fair Labor Standards Act. Exempt personnel are executives, administrators, professionals and salespersons. Exempt employees are not required by law to be paid overtime. Non-exempt employees are covered by the law and receive overtime pay.

Work Hours

Our standard week consists of a period of seven consecutive twenty-four hour days starting at 12:01 AM on Sunday of each week and ending on the following Saturday at midnight. The normal work schedule is Monday through Friday 8:30 a.m. to 5:00 p.m. However, certain departments and locations may have slightly different work schedules.

Although the normal work day for a full-time employee is actually 7 1/2 hours, we base your pay on an 8-hour day for a total of 40 hours per week.

Rest Periods - Non-Exempt Employees

You are entitled to one 10-minute rest period for every four hours or major fraction of four hours you work. Rest periods need not be scheduled if the day's work will be completed in less than 3 1/2 hours. You may work up to six hours with a break but without a lunch period if that six hour period will complete the

working day. Breaks are considered "time worked" and are paid.

If you work over six hours per day, you must have a lunch break of not less than 1/2 hour.

Shift Differential

Should you work in a department where a swing or graveyard shift has been established, you will be paid a shift differential in addition to your base pay. (This differential will cease to be paid if you are transferred to the day shift.)

Overtime (Non-exempt Employees)

As a non-exempt employee, you will be paid at one and one-half your base rate of pay for hours worked in excess of 40 straight time hours in any one work week, or 8 straight time hours in any one work day. (If the "normal" workday is from 8:30 a.m. to 5:00 p.m., overtime is not paid until after 5:30 which is the end of 8 hours of work in a day.)

Overtime at twice your base rate of pay is calculated for hours in excess of 12 hours in any one day or over 8 hours on the 7th consecutive work day within the work week. This rate will also be used in computing payment for hours worked on company paid holidays. Employees working 30 hours or less in a week may be compensated for work done on the 7th day at straight time if they did not work more than 6 hours on any day during the work week.

Time off work for illness, accidents, personal leave, medical leave or vacation (with or without pay) will not be considered as time worked for overtime purposes. Company paid holidays will be considered as time worked in computing overtime payments.

ALL OVERTIME REQUIRES THE PRIOR APPROVAL OF THE IMMEDIATE SUPERVISOR/MANAGER.

Compensatory Time Off (Exempt Employees)

Exempt employees are not entitled to overtime pay, but they may be granted compensatory time off under unusual circumstances when overtime is worked. This is not necessarily on a one for one hourly basis. Your manager will exercise discretion when granting compensatory time off since your compensation generally reflects the additional overtime requirements of your job. DRI is under no obligation to grant compensatory time off for extra hours worked.

Unforeseen Circumstances

If you are asked to report for a regularly scheduled workday but do not receive at least half a day's work, you will be paid a minimum of 4 hours at your base rate of pay to a maximum of 4 hours except in those cases beyond the Company's control (such as public utilities failure or destruction of property precluding work).

If it is necessary to suspend work for reasons beyond the Company's control, and you are notified a minimum of two hours prior to the beginning of the workday that the regular scheduled work is suspended for one or more days, you will not be eligible for pay during this suspended period.

Time Sheets

Non-exempt employees are required by law to record hours worked per day. Supervisors must approve these sheets before being submitted to Payroll. They are due on the Monday morning following the end of the pay period.

Exempt employees are expected to submit time sheets on the last Friday morning of the pay period.

Payday

Our pay schedule is on a biweekly basis. Normally, you will be paid every other Thursday for work performed during the preceding two work weeks (if a holiday falls on a Thursday, you will usually be paid on Wednesday). This time interval is needed for the preparation of time sheets, payroll records, and, of course, the paychecks themselves.

Your checks are normally sent to a designated official in your department and distributed. However, if you so desire, you may have your entire payroll check deposited by "Direct Deposit" into your bank.

The law requires DRI to make Social Security and income tax deductions from your pay and to forward the amounts withheld to the Federal and State governments. The amount of taxes withheld depends upon your earnings and the number of dependents you have indicated on the W-4 form you completed. Contributions for dependent benefits and other specified deductions are also withheld.



EVALUATION PERIOD

To insure job satisfaction and proper placement on behalf of yourself and Digital Research, the first 3 calendar months of employment are considered the Evaluation Period. This period gives you and your supervisor the opportunity to become aware of the mutual expectations, level of performance, and the demands of the position.

Performance Review - New Employees (Non-exempt)

Your Supervisor will provide adequate orientation and/or training to acquaint you with company operating procedures and the rules and regulations governing the employer/employee relationship. If during the Evaluation Period, it becomes evident that you are unable to perform the job or your performance is unsatisfactory, termination may take place after counseling and/or corrective action has failed to produce the desired results.

At the completion of the 3 months, a performance appraisal will be conducted by your immediate Supervisor/Manager. (During this period, non-exempt employees are not eligible for sick leave or vacation pay). Generally, performance appraisals for exempt employees will be completed after 6 months of employment.

Performance Review - Transferred or Promoted Employees

Whenever you are transferred or promoted to a substantially different or more responsible position, an appraisal may be conducted on your performance approximately 3 months following the change in your status.



INDIVIDUAL PERSONNEL RECORDS

The Personnel Department will maintain a permanent file on every individual employed by Digital Research. This does not apply to individuals hired on a contract basis.

Information Retained

Specific information maintained in your file will include only information pertinent to your work performance and employment status.

You should notify the Personnel Department immediately of any changes affecting dependents, beneficiaries, address or telephone number, and additional courses or degrees attained.

Who Has Access

Your Supervisor/Manager will need to review your file periodically to assess your progress when evaluating for promotions or other courses of action. From time to time, other Supervisors/Managers may ask to see information available in your file on a "need to know" basis (for instance, when you are being considered for a transfer to another department).

You are welcome to review your personnel file by making an appointment with the Personnel Department, and may request copies of any document in your file except those excluded by law from a member of the department. However, under no circumstances will you be allowed to remove or destroy documents. You may add appropriate information if you desire. The viewing of the files must be done during regular business hours on your own time.

Disclosure of information to outside sources will be permitted with your written authorization or upon presentation of a subpoena.



HOLIDAY PAY

Digital Research observes 9 paid holidays during the year. In order to qualify for holiday pay, you must be classified as a regular full-time or part-time employee. (Regular part-time employees will be paid the equivalent of their normal part-time hours if they are generally scheduled to work on the day the holiday is observed). Temporary employees are not eligible.

Fixed Holidays

Digital Research observes the following holidays:

- New Year's Day
- President's Day (Washington's Birthday)
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving & the Friday following
- The day before or after Christmas
- Christmas Day

If a holiday falls on a Saturday or Sunday it will normally be observed on the Friday before or the Monday after. A list will be issued by the Personnel Department for each calendar year.

Personal Holidays

In addition to the above company-observed holidays, you are permitted one day off for your birthday and another for your anniversary date of hire. Your personal holidays may be taken on any business day or in conjunction with vacation or another company holiday. The personal holidays will be forfeited if not taken by the last day of the following month of the occurrence of the birthday or anniversary date of hire. No carryover is allowed.

Eligibility

Holiday pay is available to regular employees who worked the business day before and after the holiday except when either day is an authorized, paid vacation day, personal holiday, or for required jury duty. Holiday pay will not be available if you are on a leave of absence for medical, personal or military duty.



VACATION

It is Digital Research's policy to provide you with adequate time for rest and recreation in recognition of your contributions to the company. It is also our policy to reward you with increased vacation time as years of service are accumulated.

Employee Eligibility

As a full-time or part-time regular employee working a minimum of 21 hours per week, you are eligible for vacation accrual based on your continuous length of service from your date of hire. This accrual will begin from the first day of your employment. Non-exempt employees are not eligible for a paid vacation until the completion of the first three months of continuous employment. There is no waiting period for exempt employees. Both exempt and non-exempt employees may not take vacation in advance of accrual. You will only be paid for hours that you have accrued.

Vacation Accrual For Regular, Full-time Employees

NON-EXEMPT

1st through 3rd year.....	2 weeks (80 hours)
4th through 5th year.....	3 weeks (120 hours)
6th year and after.....	4 weeks (160 hours)

EXEMPT

1st through 3rd year.....	3 weeks (120 hours)
4th through 5th year.....	4 weeks (160 hours)
6th year and after.....	5 weeks (200 hours)

Vacation Accrual For Regular, Part-time Employees

If you work at least 21 hours a week, the years-of-service schedule would be the same as a full-time employee but you will accumulate your vacation hours at 1/2 the full-time rate.

Vacation Scheduling

Your requests for vacation should be made four weeks prior to the first day of vacation and must be approved by your Manager/Supervisor. This is to ensure that undue pressure is not placed on fellow workers or the department because of prior commitments.



PAID SICK LEAVE

Digital Research provides you with reasonable income protection in case you become ill or injured. This is available as paid sick leave.

Eligibility

You must be a regular full-time or part-time employee working at least 21 hours a week in order to qualify for this benefit. To be eligible for payment, you must personally contact your immediate supervisor within one hour of the start of your normal workday each day of your absence.

Accrual

You accrue paid sick leave at the rate of $\frac{5}{6}$ of a day per month of completed service as a full-time employee, and at $\frac{1}{2}$ that rate as a part-time employee. The maximum number of days that will accrue in a year is 10. These hours may be accumulated from one year to the next to a maximum of 240 hours.

Although sick leave will accrue, a newly hired non-exempt employee will not be paid for absences during the first 90-days of employment. There is no waiting period for newly hired exempt employees.

Usage

You may use your paid sick leave credits for personal or immediate family illness, or medical appointments. To be eligible for payment, you must personally contact your immediate manager/supervisor within one hour of the start of your normally scheduled work day should you be unable to appear for work.

It should be noted that frequent absences whether paid or not may be grounds for disciplinary action; and that you may not be paid for more sick leave than has actually been accrued.

Insurance



YOUR GROUP COVERAGE PLAN (MEDICAL/DENTAL/VISION)

Digital Research selected your Health Plan to protect you against the financial burden of unforeseen medical expenses. DRI pays the entire cost of your Health Plan and over 50% of the cost for dependent coverage.

Employee Eligibility and Enrollment

You are eligible for the Health Plan if you are a regular full-time or part-time employee working at least 21 hours a week. Exempt employees are covered as of their starting date. Non-exempt employees become eligible for coverage 30 days following their starting date.

Dependent Eligibility and Enrollment

If you are eligible for this benefit, you may obtain coverage for your qualified dependents, including legal spouse, unmarried children under 19 years of age if they are entirely dependent upon you for support (to age 23 if they are attending school and dependent solely upon you for support), and unmarried children of any age if incapable of self-support due to mental retardation or a physical handicap which began prior to reaching the limiting age.

To enroll your dependents, you must complete the Group Benefits Enrollment Card within 30 days of your start date. No physical examination is required if you enroll dependents at that time. If you fail to enroll eligible dependents during this period, Evidence of Insurability must be submitted to the insurance company for approval on each of the dependents you wish to enroll.

Your eligible dependents' coverage begins on the same day as yours unless he/she is confined at home, in a hospital, or elsewhere because of injury or disease, or has been confined in a hospital within 31 days prior to that date. Should this be the case, coverage will be postponed until the end of a 31-day period during which there has been no confinement.

Newborns are covered at birth if dependent coverage is already in effect. In addition, if you elect dependent coverage within 31 days of your marriage date, Evidence of Insurability is not required for your spouse.

Deductibles and Limits

There is a calendar year deductible which must be met before the insurance company will make payments towards applicable expenses. The table outlines the necessary deductibles you must meet and the maximum limit on some of the coverage.

Deductible.....	\$ 100.00
(The first \$100 will be applied towards your deductible. It can be either medical, dental or vision; or any combination of the three. This deductible is per person, per calendar year.)	
Family Deductible Limit.....	200.00
Coinsurance Limit.....	400.00
(Should your portion of expenses exceed \$400, in addition to the deductible, per person in a calendar year, future expenses normally payable at <u>80%</u> during that calendar year will be paid at 100% by the insurance carrier.)	
Emergency Accident.....	500.00
Dental (Calendar year max.).....	1000.00
Orthodontic Treatment (Lifetime max.).....	1000.00

The deductible is waived on the 1st \$500 for emergency treatment; and oral examinations and cleanings.

Benefit Payments

The insurance will pay 80% of covered Medical, Dental and Vision expenses; and 50% for out-of-hospital treatment of mental or nervous disorders and certain dental/vision expenses after deductibles have been met.

Claim forms are available in Personnel for your use. These forms may be submitted either by you or your physician/hospital. Should you have any questions related to the forms or the insurance policy, the department staff will be happy to assist you.

Termination

Your participation in this plan ends under any of the following circumstances:

The day you no longer are a regular employee working at least 21 hours a week.

After 4 months while on a Disability or Maternity Leave of Absence.

After 30 days on other Leave of Absence unless arrangements are made through Personnel for payment of coverage.

The end of the month upon terminating employment at DRI

When the group contract discontinues the coverage.

Your dependent coverage terminates should any of the above situation exist or any of the following circumstances arise:

Upon discontinuance of all dependents coverage under the group contract.

When such person ceases to meet the plans definition of dependent.

Conversion Privileges

You may apply for an individual policy within 31 days after coverage terminates if you have been on the plan for at least 3 months and have not used up your maximum benefit. The option to convert is available under certain conditions for medical and life. This conversion excludes the temporary disability, AD&D, dental, vision, and prescription drug expense benefit.

NOTE: The next several sections will give you a general understanding of the benefits available in the different areas (i.e. medical, dental or vision).



COMPREHENSIVE MEDICAL EXPENSE BENEFIT

This plan will pay Comprehensive Medical Expense Benefits for covered medical expenses incurred in connection with a non-occupational disease or injury.

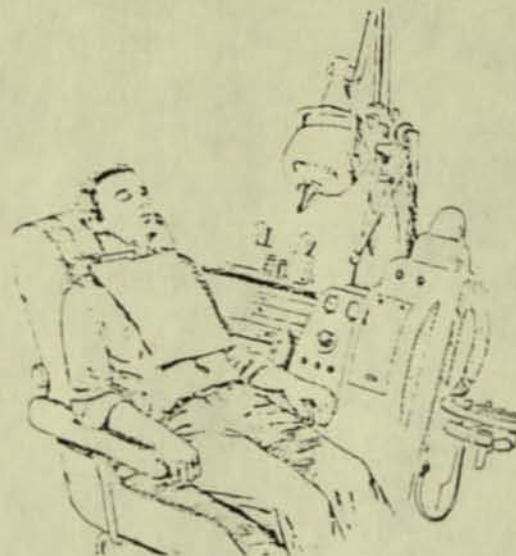
Benefits

The benefits will be payable at 80% of reasonable and customary charges in a calendar year after the deductible has been met. However, a limitation applies to Covered Medical Expenses incurred for treatment of a mental or nervous condition while not confined in a hospital or similar institute. For these expenses, any benefits provided after the deductible in a calendar year will be payable at 50% rather than 80% with a \$1000 calendar year maximum.

Charges incurred in hospitals or similar institutions will be payable at semi-private rates. (Semi-private rates means the daily board and room charge that applies to the greatest number of beds in semi-private rooms with 2 or more beds.) If the institution has no semi-private rooms, the most common semi-private rate for similar institutions in the area will be used.

Medical expenses for a physician, or registered graduate nurse (but not by one who resides in your home or is a member of your family); services and supplies such as prescription drugs, diagnostic laboratory and x-ray examinations, isotope therapy, anesthetics, rental of medical or surgery equipment, ambulance service to hospital, and certain artificial limbs are payable under your health plan.

Other charges such as convalescent facilities, and home health care including services and supplies may be covered. Consult your group insurance handbook for definitions and limitations.



COMPREHENSIVE DENTAL EXPENSE BENEFITS

A valuable part of your health care benefit, is your Comprehensive Dental Benefit. It is designed to provide financial assistance to you, and encourage good dental care practices for you and your family.

Eligibility

The qualifications for eligibility are the same as those stated in the MEDICAL BENEFIT section.

Pre-Estimate of Benefits

If your dentist proposes a treatment plan which will cost \$150 or more, a dental claim form including a description of the dental care and an estimate of your dentist's charges may be submitted to the Insurance Company. The Insurance Company will then determine the estimated benefits payable for covered dental expenses expected to be incurred, and advise you and your dentist before treatment begins.

Emergency treatment, oral examinations including prophylaxis, and dental x-rays are considered part of a course of treatment, but these services may be rendered before predetermination is made.

Dental Benefits Available

- | | |
|------|--|
| 100% | Oral examinations, including prophylaxis (scaling and cleaning of teeth), but not more than one in any period of 6 consecutive months. |
| 80% | X-rays, (limited to one full mouth series every 36 months and one set of supplementary bitewings every 6 months), fillings, extractions, oral surgery, anesthesia (necessary in connection with oral or dental surgery), periodontic treatment (excluding extracoronary & other splinting) endodontic treatment, and repairs or recementing of crowns, inlays, bridgework or dentures. |

50%

Replacement of or additions to bridgework or dentures, initial installation of fixed bridgework and partial or full removable dentures, and extracoronary and other splinting when an integral part of a complete course of periodontal treatment. Orthodontic treatment will be covered if treatment is to move or reposition the teeth, or realign or reshape the jaw when alignment is caused by an accidental injury or is due to abnormal development.

Your Deductible

The deductible for this portion of your health plan will be integrated with the MEDICAL and VISION expenses to meet the provisions of the policy.



COMPREHENSIVE VISION CARE

Coverage for vision care is provided in your health plan. This plan pays a benefit equal to 80% of the covered expenses incurred in a calendar year which are in excess of your deductible.

Benefits

Charges for services and supplies which are received in connection with vision care are payable under your plan. The recognized expenses are:

Complete eye examination by a legally qualified ophthalmologist or optometrist (must include refraction);

Lenses prescribed for the first time, or

New lenses required because of a change in prescription, and

Charges for contact lenses are covered to the extent of the sum of the charge for single vision lenses, plus the charges that would be covered for frames.

If contact lenses are required to correct visual acuity to 20/40 or better in the better eye and such correction cannot be obtained with conventional lenses, or

If aphakic lenses are prescribed after cataract surgery the maximum amount payable for such lenses for the life of the recipient is \$200.00. Not more than \$20 will be considered towards frames.

Not more than one eye examination, 2 lenses, and one set of frames will be considered during any one period of 24 consecutive months.



LIFE/ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Digital Research provides financial protection for you and your family under our Life and Accidental Death & Dismemberment Insurance plan. As a regular full-time or part-time employee working at least 21 hours, you are automatically enrolled in these plans. This is totally non-contributory.

Life Insurance Benefits

Your plan will pay a Life Insurance benefit in the amount equal to 100% of your basic annual salary. But in no event will the amount of coverage exceed \$300,000. The amount of your Life Insurance will be reduced to the lesser of \$5,000 or 50% on the first day of the month in which you attain 70 years of age.

Your Life Insurance will be payable to your beneficiary upon proof of your death from any cause, at any place or time while you are insured. Payment will be made in one sum unless you have elected an optional method of settlement by agreement in writing with the Insurance Company. A similar agreement can be negotiated by your beneficiary.

YOU MAY REQUEST A CHANGE OF BENEFICIARY AT ANY TIME.

Accidental Death and Dismemberment Benefits

This portion of your insurance is payable for losses due to accidents. The benefits are payable for the loss of your life, hand or foot, or permanent and complete loss of sight of an eye. The occurrence must be within 90 days after your accident which causes an injury to you while you are insured and results directly from that accident.

<u>Loss</u>	<u>Benefit</u>
Life	100% of the amount for which you are insured
Hand, foot or eye	50% of the amount for which you are insured

NO MORE than your PRINCIPAL sum will be paid for all your losses through one accident. The same age reduction rules mentioned in the Life Insurance portion applies to AD&D. See your Insurance Policy for more details.



INSURANCE BENEFITS UPON RETIREMENT

When you retire after age 65 and have worked 10 continuous years with Digital Research, the company will continue to pay for group medical insurance benefits. However, if you should retire at age 65 with less than the required 10 years, you may continue group medical insurance at your own cost. Payment would be made to Digital Research on a monthly basis to the Personnel Department.

Group life insurance and A.D. & D., group dental/vision care, and Short Term Disability, terminates upon retirement. Group life insurance may be converted to an individual policy at your expense. Application and payment for conversion must be made within 31 days of retirement. (A.D. & D. cannot be converted).

EMPLOYEE RETIREMENT INCOME SECURITY ACT

As a participant in the benefit plans sponsored by Digital Research you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974.

Rights

"ERISA" provides that all plan participants shall be entitled to:

- . Examine, without charge at the plan administrator's office, all plan documents, including insurance contracts, plan texts, and other documents filed with the U.S. Department of Labor.
- . Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.
- . Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

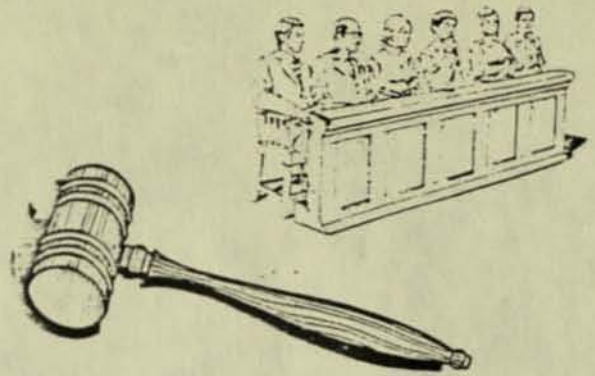
In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plans. These people who operate your plans, called "fiduciaries" of the plans, have a duty to do so prudently and in the best interest of you and other plan participants and beneficiaries.

If you or your beneficiary are improperly denied a benefit in full or part you may file suit in a state or federal court.

Exercising your rights and obtaining benefits will not interfere with your employment status at Digital Research.

If you have any questions about your benefit plans, contact the plan administrator at DRI. If you have any questions about your rights under ERISA, contact the nearest office of the U.S. Labor-Management Services Administration, Department of Labor.

Benefits



SHORT TERM ABSENCES

Digital Research encourages maximum attendance at work. The company also recognizes the necessity for you to be absent from work for reasons beyond your control. The intent of this policy is to define these areas which are considered authorized absences.

Definition

An authorized absence is defined as an absence where proper notification is given, and proper approval is obtained. Any type of absence must be phoned in daily unless the supervisor specifically authorizes you otherwise. Should you fail to notify the appropriate contacts regarding your absence for more than two days, it will be classified as unauthorized, and may be subject to disciplinary action or termination.

Family Emergency

Should you experience a death, severe accident or critical illness in the immediate family, you may be granted up to a maximum of five working days paid leave. Immediate family includes spouse, parents, grandparents, children, brothers and sisters, and parents, grandparents, brothers and sisters of your spouse.

Paternity Leave

You may also be granted up to three working days paid leave for delivery of the baby, visitation purposes and bringing the child and mother home from the hospital.

Jury Duty

You will be paid your normal wage each day you serve as a juror or witness. Compensation is limited to a maximum of 8 hours per day not including Saturdays and Sundays.

Be sure to notify your supervisor upon receipt of summons or subpoena and submit a copy for their records. Endorse any fees (checks) received for services/expenses including mileage, to the supervisor who will transit the check to the Payroll Department. Additional situations, such as being subpoenaed out of state, will be handled on an individual basis.

Personal Time

Normally, Digital Research does not approve time off for personal reasons. However, in rare instances, it may be granted without pay, at the discretion of the department and division manager for no more than five working days. You must submit a written request to your supervisor specifying the reason and dates for your leave.

Military Reserve Duty

You will be allowed time off if you are required to serve on temporary military reserve duty or for short-term activation for civil disasters and disorders (two weeks or less). You will be paid the difference between your regular, base wages and any military pay received during the duty period.

Workers' Compensation

If you are injured while performing prescribed duties for the company, you will be paid for all normal scheduled hours missed from work up to a maximum of three days at your normal rate of pay. (This will not be deducted from your accrued sick leave.) After the 1st three days of absence due to a work-related injury or condition, you will be compensated by our Workers' Compensation Plan.



LEAVE OF ABSENCE

To allow you time away from your work should an extended illness or a compelling personal reason arise, DRI has established a policy which will grant you a period of time off without pay. It is subject to the requirements of the policy, and will be granted at the discretion of management with due consideration for your needs.

Definition and Procedure

A leave of absence is a period of time off without pay in excess of five working days or in excess of accrued sick leave. Some acceptable reasons for a LOA are: personal illness or accident, maternity, compelling personal reasons, or military reserve duty. A request for a LOA must be in writing and approved by your department and division managers, and the Personnel Department.

Disability Leave

After 3 months of continuous employment, you may be granted a leave of absence for extended disability up to 4 months. This leave must be supported by written certification by your attending physician. If you are able to return to work by the end of the approved leave, consideration will be given to reinstate you to a like position, grade and salary at the discretion of your manager.

Maternity Leave

Maternity leaves are subject to the same conditions as other leaves. However, in view of the potential health hazards to you and the child, medical certification of fitness for the work to be performed must be provided by your attending physician by the seventh month of pregnancy. This certification should also include a statement from your physician advising DRI as to when you should begin your leave of absence. You should also inform your supervisor as to when you plan to begin your leave of absence.

Digital Research will make every effort to place you in suitable work if you are not able to continue your regular assignment but still are able to perform other duties. Maternity leave may be granted for up to 4 months; and employment will be guaranteed for a like position, grade and salary upon returning to work.

Personal Leave

In rare instances, a leave of absence up to two months may be granted for compelling personal reasons such as illness in the immediate family if you have completed a minimum of 3 months continuous service at DRI. Reinstatement of employment would be at the discretion of your manager.

Educational Leave - Stanford TVI Program

For those of you who qualify for the Stanford Honors Coop educational program, (see Educational Assistance section for details) an educational LOA to spend one full quarter on the Stanford Campus is available. You must complete 18 units before an absence will be granted for the on-campus quarter, and prior approval must be obtained from your department/division manager. During this leave, you will receive full payment of your regular base wage to be paid on normal paydays; and will be guaranteed employment to a similar position of like status, grade and salary.

Returning From A Leave of Absence

You may return to work, upon prior notification (3 to 5 working days) to your manager and Personnel, at any time before the end of the leave period. Except in the case of maternity and educational leave, no guarantee of employment is made.

If your job could not be held for the duration of your absence, consideration will be given to reinstate you to an available job for which you are qualified. If no position is available upon your return, or you are not interested in any open positions, employment at Digital Research will be terminated.

Failure to return from an approved leave of absence at the time indicated will result in termination. Your termination will be classified as "Voluntary Termination...unable to return from approved leave of absence"; and eligibility for rehire will be determined by your immediate supervisor.



DISABILITY INCOME

Digital Research has established various disability benefit plans to provide for a continuing income in the event you become disabled and unable to work. The entire cost for these programs are paid by the Company. It is designed to pay you a weekly benefit if you are totally disabled because of injury or illness.

Short Term Disability

As a regular full-time employee, you will be eligible for this benefit should you become disabled for more than 10 calendar days. This income protection will continue up to 60 calendar days from the first day of your disability. However, in order to qualify, non-exempt employees must complete six months of continuous employment prior to the disability; and exempt employees three months.

After all available sick leave has been paid, this plan will pay up to 60% of the first \$7500 of your monthly base wages from the 10th to the 61st day of disability. (You may elect to use accrued vacation if sick leave is not available for the first 10 days). Integration from other sources will be allowed up to 70% of your regular base wage.

In California, you must apply for State Disability Insurance benefits in order to receive Short Term Disability benefits. The integration between SDI and STD will determine your benefits.

You and your physician must complete a claim form and submit it to Personnel for review and approval.

Long Term Disability

This plan provides income for you in the event of a serious disability of long duration. The monthly income protection under this provision is 60% of the first \$7500 of your monthly base wage, with integration from other sources, to 70% of your monthly base salary.

The eligibility requirement for a non-exempt employee is one month of service from the starting date. Exempt employees become eligible on the first day of active employment.

Benefits begin on the 61st day of disability and are payable as long as you are disabled up to age 65. You and your physician must complete a LTD claim form and submit it to the insurance company for approval. Benefit payments will be made directly from the insurance company to you. Payment will be integrated with other income benefits (Workers' Compensation, Social Security and any other form of disability coverage).

If you have been insured under our Long Term Disability Insurance policy for at least twelve consecutive months, you may be eligible to convert your coverage to an individual policy. The amount of monthly benefit will be equal to 50% of your last monthly earnings to a maximum of \$1,000. Your benefit may be reduced by any benefits received from other sources.

PLEASE CONSULT YOUR GROUP POLICY FOR MORE DETAILS



WORKERS' COMPENSATION

Digital Research realizes that regardless of the precautions taken by both parties, injuries can occur. A no-fault insurance plan paid for by the Company and supervised by the State of California takes care of your medical expenses and pays you money for living expenses until you can return to work should you incur an injury or illness as a result of your job.

Who is Covered & When?

All employees of Digital Research are covered by Workers' Compensation. Coverage begins the first minute you're on the job and continues anytime you're working. You don't have to work a certain length of time, or earn a base dollar amount in wages to qualify for protection.

What is Covered?

Any injury is covered if it's caused by your job - not just serious accidents, but even first-aid type injuries. Illnesses are also covered if they're related to your job.

Benefits

California law guarantees you three kinds of workers' compensation benefits:

- Medical care to cure the injury.
- Rehabilitation services necessary to return to work.
- Cash payments for lost wages.

Procedure

Report the injury to your supervisor/manager immediately. There are no reports for you to fill out, no forms to sign. Just tell him/her what, where, when and how it happened - enough information so that he/she can arrange medical treatment and complete the necessary reports through Personnel.

You are entitled to be treated by your own personal physician if you've notified your employer in writing of the physician's name before the injury. Otherwise, Digital Research will choose the hospital or physician to be used for treatment.

Prompt reporting is essential. Benefits are automatic but nothing can happen until we know about the injury.

CONSULT YOUR "FACTS ABOUT WORKERS' COMPENSATION" PAMPHLET FOR DETAILED INFORMATION OR CONTACT THE PERSONNEL DEPARTMENT.



PROFIT SHARING PLAN

We have established a Deferred Profit Sharing Plan which is designed to afford all eligible employees the opportunity to share in DRI's economic success and to gain a measure of economic security for retirement beyond that provided by contributions made to the Federal Social Security program.

Administration

The Board of Directors appoints a committee to administer the plan. The assets of the the plan will be held in Trust by the Trustee and annually, the Trustee will render an accounting of the funds in the plan and determine the value of the assets in the Trust. Each fiscal year, the Board will determine the contributions to the Deferred Profit Sharing Plan based on profits for the year, which means that the contributions will vary yearly.

Participation

To become a participant, you must satisfy the following requirements:

- . You must have completed 1 year of continuous service with Digital Research during which you worked 1000 hours.
- . If you are an employee of any subsidiary corporation of DRI who participates in any pension or retirement plan of such subsidiary corporation shall not participate in this plan.

If you meet the requirements above, you will become a participant on scheduled entry dates. (The four entry dates are: March 1, June 1, September 1, and December 1, of each year.) To continue to be an active participant, you must perform at least 1000 hours of service in each plan year.

When you become eligible to participate in the plan, you will be notified by Personnel. You will be sent an enrollment form and a Summary Plan Description.

Vesting

Vesting is a nonforfeitable interest in a benefit. You will be vested according to the following schedule...

<u>Years of Service</u>	<u>Plan Vesting</u>
1	0%
2	10%
3	20%
4	40%
5	70%
6	100%

This schedule is used to determine the amount of benefits to be distributed to you upon termination of employment for reasons other than retirement.

Loan

As a participant of the plan, loans are available on your accrued benefit. Please consult your Summary Plan Description and the Personnel Director on the loan provisions.

Retirement Benefits

The "Normal Retirement Age" is 65 years of age. You will become fully vested should you retire on the "Normal Retirement Date" or the "Deferred Retirement Date". Should you remain with DRI, you will continue to participate in the plan and no distribution will be made until such time as you retire.

Retirement benefits will generally be paid in a lump sum, however, the Administrative Committee may allow normal retirement benefits to be distributed in equal installments.

Disability and Death Benefits

In the case of total and permanent disability; or death, you or your beneficiary will be entitled to 100% of your account valued as of the previous anniversary date.

THIS IS ONLY A SUMMARY, PLEASE CONSULT THE PLAN OR PERSONNEL FOR MORE DETAILS.



EDUCATIONAL ASSISTANCE

Digital Research encourages you to continue your personal and professional development through additional education and training in your career field. To help you pursue your academic goals, the company provides financial assistance to eligible employees.

Employee Eligibility and Qualifications

To be eligible for this benefit you must be a regular, full-time employee with a minimum of three months continuous employment and a satisfactory performance rating. The selected school, subject matter, and number of subjects to be taken must be approved by your immediate Manager/Supervisor. Subjects studied must be related to your present or possible future job or be required for a job-related degree.

Reimbursement

Digital Research will initially pay 85% of your educational costs and fees. However, upon completion of the course, the company will reimburse you for your portion of the incurred expenses as follows:

Grade A	100%
Grade B.....	50%
Grade C, D, or F..	0%

If you receive a D, F, or incomplete grade, you will be expected to reimburse DRI for all company incurred expenses through payroll deductions over a 6-month period following the end of the course.



STANFORD TVI

Digital Research provides an opportunity for eligible employees to obtain a graduate degree or enhance current job skills in the computer science area through the Stanford TVI Program.

Eligibility

This benefit is open only to employees in a technical position in software engineering or support. To be eligible, you must be a regular, full-time employee with a minimum of three months continuous employment and with a satisfactory performance rating.

Reimbursement

The necessary approvals and grade requirements as outlined in the basic educational assistance section must be met in order to qualify for financial reimbursement.



ADDITIONAL BENEFITS

Digital Research provides benefits for either a recreational or a child care program. You will be reimbursed up to the current reimbursement allowance for outside activities. You may contact Personnel for information concerning the amount currently being recognized for these benefits.

Recreational

Generally, structured classes or courses of a recreational nature; or facilities such as tennis clubs or health spas will qualify for reimbursement. Should you have any questions or doubts regarding the eligibility of an outside activity, please contact the Personnel Department prior to enrolling or paying initiation fees.

Child Care

An option you may wish to consider in lieu of recreational reimbursement is our child care reimbursement benefit. The expenses incurred must be as a result of your working hours at DRI.

Eligibility

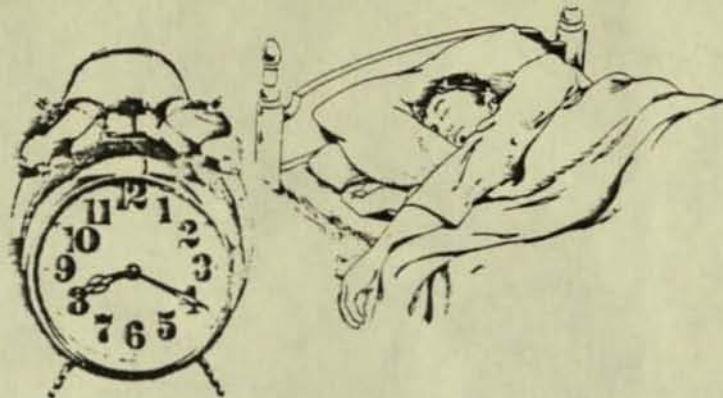
As a regular full-time employee, you qualify for the above mentioned benefits.

Procedure

You must submit all benefit related "Request for Cash Disbursement" forms with an accompanying receipt or copy of cancelled check to the Personnel Administrator for approval.

As a convenience, applications can be obtained in Personnel should you decide to join a club that has an active DRI account. A list of these clubs, as well as detailed information will be supplied upon request.

General



ATTENDANCE

Every employee at Digital Research is expected to maintain an acceptable attendance record. While illness and urgent personal matters may, on occasion, cause absenteeism or tardiness, consistent patterns of absenteeism and/or tardiness, regardless of cause, are not in the best interest of the company. DRI, therefore, must establish standards, and take any necessary action to correct the attendance problem.

Definitions

Tardiness is defined as not being at your work station at the start of the workday, or leaving it prior to the end of the workday. You may also be considered tardy if you are late in returning from an allotted rest period (break) or meal period. Should your tardiness exceed 25% of your normal workday, it will be considered as an incident of absence.

Absence is defined as missing more than 25% of a normal workday, or, an absence of one or more days involving the same reason.

Notifying Supervisor

You must notify your Supervisor/Manager personally within one hour of the start of the workday. Disciplinary action may be taken for poor attendance and/or failure to call in. More than 2 tardies in a month may be considered excessive by your Manager/Supervisor depending on the cause. You may be docked for the amount of time absent due to tardiness or may be expected to make up the time lost.

Termination may result should you be absent for three days without notifying the company of the reason for the absence. Your file will indicate "Voluntary Termination - Quit Without Notice, not eligible for rehire".



EMPLOYEE SERVICES AND FACILITIES

A number of special services and facilities are available for use by Digital Research employees. We hope that you will feel free to make use of them.

Employee Lounge

An employee lounge is located in many of our buildings and is open during working hours for your convenience. Coffee and tea are provided by the Company free of charge to all employees. You will also find reading material such as periodicals, newspapers, and DRI bulletins and news releases in many of our lounges. The lounge is yours to enjoy and if you bring your lunch, you are invited to use the facilities.

Vending Machines

For your convenience, vending machines have been supplied for your use in the lounge.

Library

We maintain a full-time, in-house library, as well as provide an audio/visual center for internal viewing of video tapes and DRI corporate slides. It is also stocked with technical and DRI product references; and you'll find a selection of industry related news articles, magazines, and journals. The library is open for your use during regular scheduled hours.

Publications

We also have a full line of publications available to you. Many are distributed as they are published, to keep you informed of our new products, the company's performance and sales strategy in the market place, and achievements in the industry. THE DIGITAL DIALOGUE, an employee newsletter, is published both monthly and quarterly to keep you abreast of what's happening in-house. New employee profiles, births, promotions, acknowledgements, party schedules, and many more bits of information are printed JUST FOR YOU. We encourage you to contribute newsworthy articles or items of interest for this publication.

Bulletin Boards

An employee bulletin board is located in the lounge of the main office building and other designated locations. You will find notices of interest, and important information posted. They are provided for the purpose of communicating with employees. You are welcome to place personal notices at any time. Be sure to date your material. Management has the authority to remove any outdated or inappropriate notices.

To notify you of current job openings in the company, a job listing is distributed to all office locations to be posted on designated bulletin boards.

Parking

Parking lots are provided for Company employees and visitors. Digital Research will not be liable for fire, theft, damage, or other personal injury involving employees' automobiles. Protect your property by locking your car doors.

You are expected to drive safely.

DIGITAL RESEARCH WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSS OF PERSONAL PROPERTY.



RULES OF CONDUCT

To protect DRI employees, products, and property, conventional rules of conduct will be observed. Misconduct of the following nature may subject you to disciplinary action, up to and including immediate dismissal.

Unacceptable Conduct

Absenteeism/tardiness: Failing to notify your immediate Supervisor/Manager when absent one hour after the workday has started, having excessive tardiness or absenteeism, walking off the job for reasons other than sickness without prior approval of your Supervisor/Manager, and being absent from work for three scheduled work days without notifying your next level of authority.

Quality and Quantity of Work Performed: Making repetitive mistakes after appropriate warnings, failing to meet acceptable quantity and quality of work standards, violating established safety and operating rules, and failing to carry out work assignments in a responsible manner.

Insubordination: Failing to comply with reasonable work requests.

Personal Conduct: Fighting on company property, using abusive or threatening language, stealing or willfully damaging DRI property or another employee work tools or personal property, removing company products, property, or material from the designated location without authorization of the proper supervisor, conducting personal business during working hours, unreasonable personal use of company phone, appearing on company property while intoxicated or under the influence of illegal drugs or narcotics, possession, sale or use of illegal drugs/narcotics or alcoholic beverages during business hours, possessing or bringing firearms, weapons, or explosive materials on company premises, falsifying verbal or written information, making entries on another employee's time card, sleeping on the job, unsafe use of motor vehicles on DRI property, or smoking by employees on company premises (including conference rooms) during normal working hours except in restrooms, outside areas or the employee lounge.

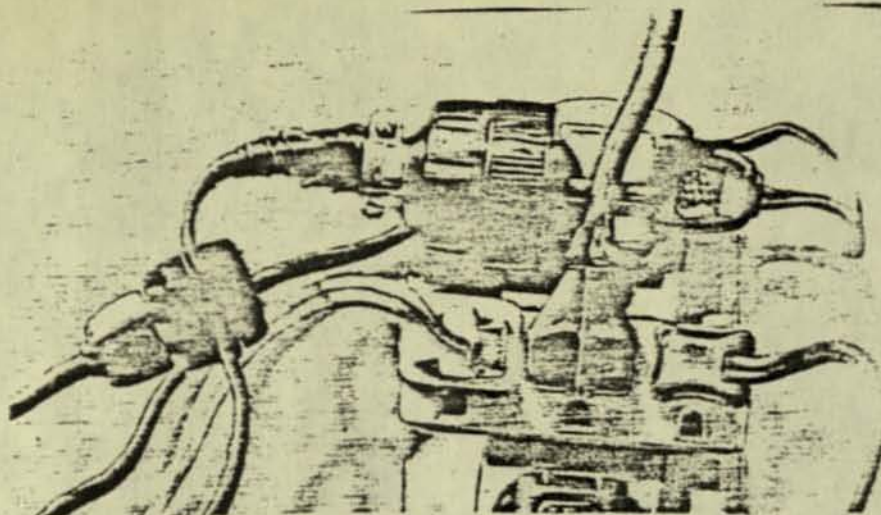
Solicitation: Solicitation of employees for the sale of items, donations, or contributions during working hours, unless authorized by the Chief Operating Officer, or soliciting membership on behalf of any fraternal, social, political, religious or other organization during an employee's working time*

* Notices may be posted on company bulletin boards but they must be dated. Personnel and managers may remove outdated or inappropriate notices or items from the bulletin boards at any time. Outside solicitors will not be permitted on company premises unless authorized.

Security: Trespassing in restricted areas, failing to provide proper identification upon request of any authorized individual, assisting individuals who are not employees to enter the facility without approval, photographing company documents, records or materials without management's written permission or loitering on company property.

Management Action

Supervisors/Managers will usually issue disciplinary warnings to give you an opportunity to meet proper standards. However, serious misconduct may be cause for immediate disciplinary action up to and including termination. The degree of severity of the the disciplinary action will be suited to the degree of the offense.



SAFETY

Everyone is entitled to a safe place in which to work. To this end, every reasonable effort will be made in the interest of accident prevention, fire protection, and unhealthful conditions.

Accident Reporting

You have a responsibility to prevent accidents to yourself. With respect to others, you have a responsibility to do your work in a manner that will not endanger others. When you observe others in hazardous positions or following unsafe work methods, you have an obligation to protect the welfare of your fellow employees by calling such conditions to their attention. Be on the lookout for unsafe conditions and unsafe practices on the job. Every employee is responsible for reporting all accidents involving injuries to Personnel or hazardous conditions to the Facilities Department immediately.

Should an injury occur, your immediate Supervisor/Manager will obtain First Aid or proper medical care as soon as possible. If you are sent to a clinic or hospital, you will be supplied with a Workers Compensation notice form.

General Safety Rules

The following basic rules have been established for your protection. Violation of these are grounds for disciplinary action.

Equipment shall be operated, modified, adjusted or repaired only by persons authorized to do so.

There will be no running in aisles, hallways, or in any other part of the company property. And they are to be kept clear of all material, rubbish or equipment at all times.

No office file drawers are to be left open and unattended.

No horseplay or practical jokes will be tolerated.

Solicit help in lifting any heavy or bulky object.

ALL SAFETY RULES INSTITUTED BY SUPERVISORS MUST BE COMPLIED WITH.