

Corporate Policies Manual

DOCUMENT IDENTIFIER: A-MN-ELCP793-00-0000 Rev A, 21-Mar-1994

ABSTRACT: Digital's Corporate Policies Manual establishes the philosophy and standards by which the company operates worldwide, both externally with customers and suppliers and internally with employees. These are the highest level policies in the company. All other Digital policies, standards, guidelines, and practices originate from them. These policies are available on VTX CORP_POL.

APPLICABILITY: The policies in this manual apply to all employees of Digital Equipment Corporation worldwide.

STATUS: APPROVED 21-Mar-1994.

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Corporate Policies Manual

DOCUMENT IDENTIFIER: A-MN-ELCP793-00-0000 Rev A, 21-Mar-1994

REVISION HISTORY:

This manual previously existed as an unnumbered document.

Rev A, 21-Mar-1994

Document Management Category:

Corporate Policies (TCP)

Responsible Department:

Office of Ethics and Business Practices

Responsible Person:

Eric Williams

APPROVAL: The policies in this manual have been reviewed and approved by the Executive Committee (prior to 1993) and the senior leadership team.



Eric Williams - Corporate Policy Manager

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Use \$ VTX ELF for the latest location information.

Distribution of this document is limited to members of the senior leadership team. These policies are available to all Digital employees using VTX CORP_POL.

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Subject: STATEMENT OF PURPOSE			Policy No: 1-1		
Preparer: Winston R. Hindle, Jr. Organization: Senior Vice President		DTN: 223-2338 Date: May 1993		Page: 1 of 1	

1-1 STATEMENT OF PURPOSE

Digital's Corporate Policies Manual establishes the philosophy and standards by which the Company operates worldwide, both externally with customers and suppliers, and internally with employees. These are the highest level policy statements in the company. All other Digital policies, standards, guidelines, and practices emanate from Corporate policies.

The policies in this manual are established by Digital's senior leadership team. Each policy has been prepared by those who have the responsibility specific to its topic. New policies or revisions to existing policies may be considered and implemented by a request of any employee to the senior leadership team. All new policies or recommended revisions are subject to acceptance by the senior leadership team.

The Corporate Policies Manual is maintained by the Digital Corporate Policies and Procedures Forum.

Winston R. Hindle, Jr.
Senior Vice President
Office of Ethics and Business Practices

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Subject: MAINTAINING THE CORPORATE POLICIES MANUAL		Policy No: 1-2	
Preparer: Eric Williams Organization: Corporate Policy Manager	DTN: 223-4166 Date: May 1993	Page: 1 of 1	

1-2 PROCESS FOR MAINTAINING THE CORPORATE POLICIES MANUAL

OBJECTIVE

To define a simple process for updating the Corporate Policies Manual and for ensuring that members of the senior leadership team receive printed updates in a timely manner.

PROCESS

1. A new policy or a revision of a current policy is drafted by the appropriate person and submitted to the member of the senior leadership team who has responsibility for maintaining Corporate Policies. Drafting and approval processes are supported by the Corporate Policy Manager responsible for maintaining the Manual.
2. The Corporate Policy Manager circulates the final draft for review and information purposes to the following groups.
 - a. The Law Department. The policy will be reviewed to ensure that it meets all legal requirements.
 - b. The Corporate Policies and Procedures Forum (Digital Policy Managers). The policy will be reviewed to identify possible inconsistencies with other policies in the company and to ensure that functional and organizational policies affected by the new or revised policy will be appropriately changed.
3. The senior leadership team member approves the final draft of the policy or presents it to the entire senior leadership team for approval, as appropriate.
4. The Corporate Policy Manager submits the approved policy to Standards and Methods Control (SMC) to be added to the Corporate Policies Manual, VTX CORP_POL.
5. Once the policy is incorporated into VTX CORP_POL, SMC distributes printed copies of the policy to the members of the senior leadership team.
6. To maintain the cost savings strategy of using VTX, printed copies will be distributed only to the senior leadership team.

Subject: DIGITAL'S CORE VALUES

Policy No: 2-1

Preparer: John Buckley
Organization: Ethics and Business PracticesDTN: 223-5889
Date: 27-Jan-1994

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2-1 DIGITAL'S CORE VALUES

Digital's Objectives are:

- To develop long-term and mutually beneficial relationships with our customers by understanding their business goals and needs and by providing them with high quality, innovative business solutions, products, and services
- To create and sustain an environment for all employees in which we treat each other with respect and value our individual and cultural differences, communicate honestly and openly, reward excellence as essential to company success, develop our capabilities, and continually learn
- To honor the investment decision of our shareholders by managing for profitability and growth through the delivery of innovative customer solutions, products, and services

C o r e V a l u e s

INTEGRITY: We choose to be honest in all our business interactions and transactions and we remain steadfast when challenged.

We are, first and foremost, honest in all our dealings with one another, with customers, business partners, investors, suppliers and the communities in which we operate. We are not only honest in the technical sense of the word, but also seek to ensure that the impressions we leave are accurate. We hold ourselves to the highest level of ethical conduct and conscientiously avoid activity that creates even the appearance of any conflict of interest.

Behaviors

We are honest in our commitments to our customers, business partners, investors, suppliers, communities, and each other, delivering the agreed upon product or service at the agreed upon time, without excuses.

We compete honestly and do not disparage the competition.

We make commitments and reach decisions based on what we know to be true, after thorough research.

We adhere to the truth despite the pressure of deadlines and the requirement to meet business goals.

We keep our customers informed of our progress in meeting our commitments to them.

We avoid any actions that jeopardize or compromise our integrity and reflect poorly on Digital or on each of us as individuals.

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RESPECT FOR THE INDIVIDUAL: We show respect for everyone by what we say and do, and we value our diverse global workforce.

We treat one another with mutual respect. Our actions, behaviors, and attitudes consistently demonstrate our respect for the dignity and worth of each individual. We maintain a work environment that seeks out and values the insight, experience, contribution, and full participation of all employees. We are committed to understanding, valuing, and maintaining a diverse workforce that reflects and responds to the diversity of our customers and our markets.

Behaviors

We listen to and value the viewpoints of others and value differing points of view as a way to improve process, products, and services.

We treat others fairly, appraise their work honestly, and give credit to those who did the work.

We communicate openly and candidly in a manner that respects each individual.

We challenge issues, not people.

Before we act, we understand how our actions will affect people. We communicate in advance with those people affected by our actions.

We ask for help when needed, and we provide help when others request it.

When we have a problem or issue with someone, we first discuss the matter with that person.

We consider the safety and well-being of others in the workplace.

We welcome and value input and feedback based on cultural differences.

We make all employment decisions on the basis of demonstrated excellence, merit, and contribution, and not on the basis of preconceived stereotypes.

EXCELLENCE: We excel at everything we do. We strive aggressively for the highest standard of quality to achieve superior value for our customers.

We never compromise in our quest for excellence, customer satisfaction, and company success. We link excellence with consistently and profitably delivering value to our customers. We aim to be the best and excel in every area in which we choose to focus our attention. We will settle for nothing less.

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Behaviors

We establish clear goals for our performance and measure results on the basis of customer satisfaction and company profitability.

We perform every individual or team task to the best of our ability.

We measure and reward individual and group excellence.

We design all our products, services, and solutions to meet the highest quality standard.

We compete externally by achieving a higher level of excellence than our competition in delivering value to our customers.

We support our fellow workers in their quest for excellence, knowing that we win or lose as a company.

We consistently drive to decrease the time to provide quality solutions to our customers.

We manage intelligent risks necessary to succeed in competitive markets.

We confront and change behaviors or processes that diminish our ability to achieve excellence and competitiveness.

ACCOUNTABILITY: We are responsible for our words and actions. When we commit to do something, we do it - decisively, responsibly, and with urgency, so that others can consistently rely on us.

We exercise care in formulating and meeting our commitments to customers and to each other. We understand that others rely on our commitments and expect us to meet them. When we make commitments to customers, to fellow employees, and to others, we take personal responsibility for fulfilling those commitments. We immediately inform others when we are unable to meet a commitment. We accept, at all times, the consequences of our own performance, behavior, and words.

Behaviors

We make commitments that we are able to carry out honestly and successfully.

We ensure that commitments will happen through contingency planning and by enlisting those people and organizations that can help fulfill the commitment successfully.

When we encounter an unforeseen delay, we openly communicate the situation, and we recommit to the best possible delivery for our external and internal customers.

We remind others of their commitments and expect others to remind us of unfulfilled commitments.

We reward those who consistently fulfill their commitments with excellence.

We are responsible for our words and behavior, as well as our commitments.

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TEAMWORK: We work together, energized by our collective talent. We listen to, trust, share with, and empower team members. We use data to move beyond individual opinions to rapid decisions and effective implementation.

We maintain open, honest dialog at all levels of the company. We understand that vigorous, constructive dialog is an essential element in building effective work teams and the best way to ensure our ability to create and deliver high-quality business solutions for our customers. When a decision is made and a company goal is established, we work collaboratively with others to meet that goal. We recognize that company goals are primary and above group or individual goals.

Behaviors

- In order for the team to achieve the overall goals, we each take responsibility as team members for a subset of the team's goals.
- We listen to each other, respect one another's opinions, encourage open debate based on data that leads to decision-making.
- When we reach a decision on behalf of the company, we all support it.
- We resolve differences quickly through the team's decision-making process, focusing on the needs of our customers.
- We set achievable team goals that can be measured for success to the customer and the company.
- We set a best-in-class model of behavior as a team member, and we encourage others on the team to do the same.
- We reward teams that demonstrate excellence and that use the skills and talents of all team members to achieve results that benefit our customers and our company.

INNOVATION: We encourage and value creative solutions to customer needs. We are fearless in expressing unique ideas and taking actions that will generate successful customer solutions.

We value and encourage innovation and creativity. We make elegant and successful use of existing and new techniques to create new business solutions, products, and services for our customers' requirements. We open up and develop profitable markets where we have leadership. We are empowered to take intelligent risks after carefully weighing potential hazards and benefits to the company. We reward success and expect everyone to learn from those attempts that are not successful, despite our best efforts.

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Behaviors

We encourage innovative thinking in ourselves and others.

We are unafraid of thinking "outside the boundaries" to arrive at unique, useful, and successful solutions for our customers.

We do not penalize failure resulting from thoughtful efforts, but learn all we can from it and apply the learning to future projects.

We stimulate "breakthrough thinking" in ourselves and other team members.

We continually learn and develop skills to apply to innovative thinking and implementation and to stay ahead of the competition.

We reward innovation that leads to customer and company success.

We provide a work environment in which individual and cultural differences are understood and valued as catalysts to innovation and creativity.

CUSTOMER SUCCESS: We help our customers and business partners achieve their business goals through information systems knowledge, industry expertise, networking skills, and consulting. We strive always to surpass the competition in customer satisfaction.

We are committed to having the most satisfied customers and business partners worldwide. We support and assist our customers to be successful in their own competitive environment through innovative business solutions, information systems knowledge, industry expertise, networking skills, and consulting. All of our efforts and decisions are relentlessly focused on maximizing our ability to understand and respond to our customers' needs and expectations.

Behaviors

We actively listen to customers, make sure we understand what they need, respond to their needs, and test to be sure we have provided them with what they want and require for success.

We immerse ourselves in our customers' business goals and needs and help them to anticipate and respond to their future environment.

We make it easy for customers to do business with us.

We have our customers' needs in mind when we design and develop our solutions, products, and services.

We make sure that we provide far better value to our customers than our competitors provide.

Subject: DIGITAL BUSINESS ETHICS (formerly 78-1)		Policy No: 2-2
Preparer: John Buckley Organization: Ethics and Business Practices	DTN: 223-5889 Date: 03-Nov-1993	Page: 1 of 2

2-2 DIGITAL BUSINESS ETHICS (formerly 78-1)

In conducting business, each of us must always remember and adhere to Digital's first principle: to do what is honest, lawful and fair in all that we say and do. This principle is the cornerstone for all of our values and is the foundation on which we build our relationships with customers, business partners, employees, investors, suppliers, and the communities in which we operate. The following additional principles help to define expected behavior for anyone conducting business on behalf of Digital:

- We are, first and foremost, honest in all of our dealings with one another, with customers, business partners, investors, suppliers, and the communities in which we operate. We are not only honest in the technical sense of the word, but we also seek to ensure that the impressions we leave are accurate.
- We never give or accept gifts of more than nominal value (as defined in company or country policy), and we exercise care to ensure that we never give or accept gifts that are intended or perceived to be for purposes of improperly influencing business decisions. We never give or accept bribes of any kind.
- We always comply with applicable law wherever we do business.
- We take special care to comply with the precise regulations governing business conduct in our relationships with governments and their officials, agents, employees, and contractors. We must ensure that the information we provide to them is accurate and that we do nothing to create even an appearance of undue influence.
- We protect and respect the confidentiality of any information provided to us by others, and we neither seek nor accept such confidential information from improper or unauthorized sources.
- We avoid business or personal arrangements that create or appear to create any conflicts of interest or divided loyalty.
- We never use company assets for private or personal gain. We protect the company's assets and ensure that they are used responsibly and in support of the company's business.
- We encourage, expect, and support open, honest dialogue among all employees as a critical part of the decision-making process. Each of us works to ensure that the information we provide during these dialogues is as timely and as complete as possible. In all activities, we record and report all information accurately and honestly.
- We treat each other with respect and dignity. We work together in teams to make Digital successful, and we recognize that the success of the company takes precedence over individual success or the success of any single organization. We never secure individual success at the expense of our colleagues or the company.

Subject: DIGITAL BUSINESS ETHICS (formerly 78-1)		Policy No: 2-2
Preparer: John Buckley Organization: Ethics and Business Practices	DTN: 223-5889 Date: 03-Nov-1993	Page: 2 of 2

- We reward performance. Promotions and other advancement decisions are based on competence and demonstrated contribution.
- We respect and support our business partners because of the work they do, the investments they make, and the risks they take to be successful in the marketplace. We take special care in negotiating and meeting our commitments to our business partners because we understand that they and our customers rely on us once those commitments are made.

As employees working in a global corporation, we are sometimes confronted with complex ethical issues as we engage in the daily conduct of our business. Complexities can arise from differences in customs or practices in the countries and cultures in which we do business, or from established standards in the industries and businesses in which we operate. We will strive to respect these customs and practices but only to the extent that they are consistent with our ethical principles.

Similarly, we are sometimes confronted with situations that appear to require us to make choices between complying with these principles and completing a given business transaction. In these situations, we should always try to identify alternatives that will allow us to complete the transaction and adhere to our ethical principles. In all cases, however, these principles must be followed.

Determining the correct response in these situations is not always easy, but it is always worth the effort. Doing what is right for our customers, business partners, shareholders, employees, and the communities in which we live and work is of foremost importance to us. It is expected that all employees will adhere to these standards. The response that each of us makes to these issues helps to establish Digital's reputation. If we are to continue to succeed, we must maintain a very high standard of ethical behavior.

All of us are responsible for adhering to our ethical principles and for reporting violations to appropriate company officials. Each of us is also expected to take personal responsibility for understanding what is required by these ethical principles and by applicable laws. Employees should know that a failure to comply with these ethical standards will result in disciplinary action and possibly legal action. Managers have a special responsibility for acting in ways that demonstrate their commitment to these principles and for creating a work environment that supports and assures the highest level of ethical conduct and respect for law. Managers are particularly responsible for communicating these principles and ensuring that everyone in their organization follows them.

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Subject: CORPORATE CONTRIBUTIONS (formerly 79-3)		Policy No: 2-3	
Preparer: Nancy Dube, Manager Organization: Corporate Community Relations		DTN: 223-2221 Date: April 1991	Page: 1 of 2

2-3 CORPORATE CONTRIBUTIONS (formerly 79-3)

Philosophy and Objectives

Digital Equipment Corporation accepts responsibility for being involved in the world in which it functions. This involvement is designed to achieve both business and social goals. We believe that these goals are not only compatible, they are inseparable. Simply stated, being a responsible corporate citizen is good business.

Our involvement is motivated not so much by a sense of obligation as by a desire to take advantage of opportunities to advance the interest of our employees, our shareholders, those communities in which our employees live and work, and the general public. We also seek to encourage appropriate levels of public involvement on the part of our individual employees.

At Digital Equipment Corporation, we view corporate giving as more than philanthropy or social responsibility. We see corporate giving as an investment in the future of both the company and the community. We believe the continued well-being of one is linked inseparably to the continued well-being of the other.

We recognize that we cannot solve all the problems in the world, cannot meet every challenge or pursue every opportunity. Thus, we have designed a thoughtful program of public involvement which focuses company resources in those areas of opportunity in which we feel we can make meaningful impact on behalf of the company and the community.

To achieve its contributions goals, Digital supports a range of selected programs and institutions with direct money grants, equipment grants, scholarships, and human resources.

We concentrate our support in five program areas:

- Education
- Culture
- Health Care
- Disabilities
- Civic/Environmental

Within each program area we have identified priorities and objectives. We prefer to support specific programs and projects that meet those objectives. We will, on occasion, consider unrestricted operating support.

We also reserve a portion of our resources for support of innovative approaches to critical issues of importance to both the corporation and the community.

Subject: CORPORATE CONTRIBUTIONS (formerly 79-3)		Policy No: 2-3
Preparer: Nancy Dube, Manager Organization: Corporate Community Relations	DTN: 223-2221 Date: April 1991	Page: 2 of 2

Corporate contributions continues to act as a catalyst to seed programs which address emerging issues and priorities. Once seeded, support may be terminated or transferred to another Digital group for continued investment.

We recognize the importance of involving our employees in the giving process through our Matching Gifts and United Way programs. We try to balance the employee driven programs with corporate strategic programs.

In addition to the program areas outlined above, local contributions committees assess local community needs and make contributions to a variety of local community organizations and activities. All this is done within the framework of Corporate policy and guidelines.

Communications efforts are a vital part of Corporate Contributions. Visibility enhances the company's image and leverages awareness of the company's commitment to community.

Responsibility

The Corporate Contributions Committee is responsible for proposing contributions policies to the Executive Committee for approval, for considering all cash requests not within the province of local facilities, for consideration of all equipment contribution requests, and for distributing approved contributions.

Requests for corporate contributions must be forwarded in writing to the Corporate Contributions Manager, Digital Equipment Corporation, 111 Powdermill Road, Maynard, MA 01754.

The interpretation of eligibility, and application and administration of the Corporate Contributions Program shall be determined by the Corporate Contributions Committee.

The requesting organization may be asked to submit additional information where necessary to clarify its eligibility for a contribution.

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Subject: SUBSIDIARY BOARD, DIRECTORS, OFFICERS		Policy No: 2-4	
Preparer: Art Fisher, Asst. Gen'l Counsel/GIA	DTN: 244-6805	Page: 1 of 2	
Organization: Law Department	Date: April 1991		

2-4 SUBSIDIARY BOARD, DIRECTORS, OFFICERS (formerly 85-2)

Background

This policy statement establishes a philosophy and a process to be followed in the appointment of directors and officers for all legal entities formed by Digital or in which Digital is a partner.

Digital has a need, from time to time, to establish new legal entities both within and outside of the United States in order to efficiently transact its business. These entities, be they subsidiaries or joint ventures, may serve one or many functions depending upon the country in which they are established. By law, each of these entities requires individuals to serve in some capacity as officers or directors responsible for the affairs of that entity.

Policy

Digital has always followed the policy of complying with all relevant laws applicable to each new entity by the appointment of individuals with the appropriate responsibility and signature authority.

Many existing Digital entities function for years without the need for any change in the individuals serving in these capacities; however, as certain of these entities mature, the appointment of senior country managers to serve as members of local subsidiary boards and/or the appointment of lesser subsidiary officerships, such as vice presidents or the equivalent, may also be necessary to be competitive with our major competitors in that local market. In many Sales/Service subsidiaries with substantial government business, these types of appointments may be necessary in order to be viewed and treated as a major computer supplier in that country. These appointments may also be necessary to attract and maintain the caliber of management necessary to maintain and increase the respective country business.

Prior to the establishment of a new legal entity by Digital or one in which Digital is a partner, or if a change in a directorship(s) or an officership(s) is desired, a written proposal must be prepared with the names of the individuals, the positions in which these individuals will serve, and the relevant information described below. This proposal must be submitted to the General Counsel of the Corporation and the Corporate Vice President for Personnel. This requirement does not eliminate the need to submit for approval by the appropriate Digital committee a written proposal and business justification for the establishment of the new entity in which the individuals will be serving.

Subject: SUBSIDIARY BOARD, DIRECTORS, OFFICERS		Policy No: 2-4
Preparer: Art Fisher, Asst. Gen'l Counsel/GIA Organization: Law Department	DTN: 244-6805 Date: April 1991	Page: 2 of 2

Process

In those cases where the new entity is being established for technical, tax, legal, or similar such reasons, the senior area manager functionally responsible for that entity shall submit the proposal with the names of the individuals, the positions in which these individuals will serve, and the business reasons why these are the most appropriate individuals in the matter presented.

In those cases where the proposal is submitted for other operational reasons, (whether it be for a new or existing entity), the senior area manager responsible for that entity shall submit the proposal with additional information, such as competitive data demonstrating the need for the particular appointments. This data shall include specifics relevant to those companies which that manager normally views as Digital's competitors within the locale of that proposed or existing entity. In addition, information on the management structure of the entity and the impact on the working relationship of the management team of that entity shall be included.

In all of the above cases, the proposal must be reviewed, with comment where appropriate, by the Law Department serving the area manager making the proposal.

Approval Process

Any proposal under this policy shall be submitted in accordance with the stated procedure to the General Counsel of the Corporation and the Corporate Vice President for Personnel for final approval.

Before each of the individuals named in the approved proposal assumes the responsibilities of the position in which he or she is named, the Law Department which reviewed the proposal shall fully apprise that individual of all the legal responsibilities and liabilities of that position under the laws of the applicable jurisdiction, as well as of the fact that the appointment is tied to the position of the individual and not to the individual personally.



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Subject: CONFIDENTIALITY (formerly 75-2 & 84-3)		Policy No: 3-1	
Preparer: Vic Thuotte, Manager	DTN: 223-8714	Page: 1 of 3	
Organization: Corporate Information Security	Date: February 1991		

3-1 CONFIDENTIALITY (formerly 75-2 & 84-3)

Objective

Digital encourages the free and open exchange of ideas. However, premature or inappropriate disclosure of information to persons outside the company may result in substantial business and economic problems; for example:

- Digital's classified information used by outsiders to make decisions on buying or selling Digital's stock, leading to potential criminal liability of the company and/or the disclosing employee. (See also Corporate Policy 3-5, *Insider Trading*.)
- A loss of Digital's competitive advantage should the results of costly research or engineering development be disclosed, or should strategic business plans become known.
- A disruption of plans to maximize market impact by premature disclosure.
- Forcing Digital to react to leaked information rather than benefiting from initiating well-planned marketing strategies.
- Violating confidentiality agreements with customers and vendors, resulting in loss of confidence, breached agreements, and adverse legal judgments. (See Related Documentation, below.)

Information is a critical resource necessary for the continued viability and profitability of Digital Equipment Corporation. This policy specifies the general protection to be provided to Digital information in any and all forms.

Scope

This policy applies to all information developed or used in the course of Digital business operations. Such information is private to the company and requires protection. This policy applies to all information forms (paper, microfilm, electronic).

Policy

- A. All Digital information, whether or not marked with a Digital classification, is private to the company. Certain information requires the assignment of a Digital information classification, which indicates the relative risk value or sensitivity of that information and the protection required. (For details regarding Digital information classification, see Corporate Security Standard 10.1, *Information Protection*.)
- B. Digital information may not be disclosed unless formally released to the public by appropriate Digital managers having authority to do so. Although Digital contracts and agreements may cover protection requirements for certain information disclosed orally or in other forms to Digital employees, contractors, and third parties, an appropriate

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Digital information classification may also be required as delineated by Corporate Security policies and standards.

C. All employees should refrain from:

- Discussing Company business with stockholders, stock analysts, news reporters or any other person in a position to influence the investing public. Refer inquiries from such people to the Investor Relations Department.
- Discussing Company business at social gatherings.
- Disclosing Digital classified information, printed or otherwise, to people outside the company without management approval, and then only after having them first executed a proper non-disclosure agreement. (see Corporate Security Standard Standard 10.1, *Information Protection*, and Corporate Policy 3-2, *Disclosure of Proprietary Information*.)
- Leaving Digital classified memos, documents, drawings, accounts or other information in open, public or unsecured areas.
- Disclosing Digital classified information to Digital employees who do not have a need to know such information.
- Placing classified information in corporate or organizational publications (*Sales Update*, *DECworld*, *Digital This Week*, and so on) which are likely to be disclosed to outsiders.

D. Significant breaches of confidentiality or instances where Digital classified information is compromised should be reported immediately to Corporate Security.

Related Documentation

Corporate Policy Manual

- *Disclosure of Proprietary Information*, Policy 3-2
- *Insider Trading*, Policy 3-5

Corporate Security Standards

- *Information Protection*, Standard 10.1

Customer Services Management Committee Policy

- *Non-Disclosure: Non-Digital Confidential Information*, Policy 20.02
- *Non-Disclosure: Mean Time To Repair (MTTR)*, Policy 20.03

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U.S. Sales/Operations Policies and Procedures

- *Proprietary Information Disclosure (PID)*, Policy 1.4.1
- *Receipt of Information from Non-Digital Parties*, Policy 1.4.5

Software Services Practices

- *Non-Disclosure Agreements, Practice BP501*

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Subject: DISCLOSURE OF PROPRIETARY INFO. (formerly 80-1)		Policy No: 3-2	
Preparer: Dan Bernstein Organization: Law Department		DTN: 223-6219 Date: January 1991	Page: 1 of 2

3-2 DISCLOSURE OF PROPRIETARY INFORMATION (formerly 80-1)

Objective

Digital often has good business reason for sharing future product strategies and directions with customers and other third parties, but must at the same time maintain confidentiality, preserve our legal rights to patents and trade secrets, and protect Digital in the event product directions change.

The purpose of the Proprietary Information Disclosure (PID) Policy is to ensure that proper balance is maintained between protecting Digital's interests and meeting the customer's need for information.

Scope

This policy applies to all presentations to customers and other third parties in which Digital proprietary information will be disclosed.

Policy

- A. Presentations in which Proprietary Information will be disclosed must be developed and written under the guidance of, and reviewed and approved by, the Vice President in charge of the product, information, or strategy. When information comes from multiple Vice Presidents' organizations, it must be approved by each those groups.
- B. Each Geography (U.S., Europe, GIA) will establish a process for reviewing, authorizing, and tracking events in which Proprietary Information Disclosures are made to customers and other third parties.
- C. All presenters of Proprietary Information Disclosures will ensure they are:
 - Aware of their legal responsibilities
 - Content knowledgeable
 - Disclosing only information released through the established Vice President's process
 - Disclosing only to customers and other third parties authorized through the Geography's process
 - Disclosing only when a Non-Disclosure Agreement is in place
- D. To protect Digital's interests, each organizer of a Proprietary Information Disclosure activity will ensure that a valid Non-Disclosure Agreement has been signed by the audience for each specific event, and that Corporate Proprietary Information Disclosure Policy has been followed.

Subject: DISCLOSURE OF PROPRIETARY INFO. (formerly 80-1)

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Preparer: Dan Bernstein
Organization: Law DepartmentDTN: 223-6219
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Related Documentation

Corporate Policy Manual

- *Confidentiality*, Policy 3-1

Customer Services Management Committee Policy

- *Non-Disclosure: Non-Digital Confidential Information*, Policy 20.02
- *Non-Disclosure: Mean Time To Repair (MTTR)*, Policy 20.03

U.S. Sales/Operations Policies and Procedures

- *Proprietary Information Disclosure (PID)*, Policy 1.4.1
- *Receipt of Information from Non-Digital Parties*, Policy 1.4.5

Software Services Practices

- *Non-Disclosure Agreements*, Practice BP501

digital [™]		CORPORATE POLICIES MANUAL	
Subject: CASE STUDIES OF DIGITAL (formerly 80-4)		Policy No: 3-3	
Preparer: Gail Mann, Senior Attorney Organization: Law Department		DTN: 223-2206 Date: May 1993	Page: 1 of 1

3-3 CASE STUDIES OF DIGITAL (formerly 80-4)

OBJECTIVE

To establish a policy under which a Digital employee may participate in a case study that is generated either externally or internally, the results of which will be published externally.

SCOPE

This policy applies all employees of Digital Equipment Corporation and its subsidiaries.

POLICY

- a. Digital will participate in case studies or any other similar research or teaching-type projects about the Company only if:
 1. Such study, research, or project ("study") is in conjunction with an educational institution or for legitimate academic purposes. The responsible person at the educational institution should be recognized in his or her field for having a high level of professionalism.
 2. Digital retains the right to ensure, before publication, that the Company is accurately and fairly represented, that personal and company confidential information is protected, and that Digital personnel policies are not violated.
- b. Approval for participation and release will be granted only if the above criteria can be met, and the use of Digital management's time will be reasonable.
- c. A member of the Senior Leadership Team (SLT) and the Vice President of Ethics and Business Practices must approve a case study prior to Digital committing to participate. The approving SLT member and the Vice President of Ethics and Business Practices must also review the results of the study and approve their release.

digital TM		CORPORATE POLICIES MANUAL	
Subject: COPYRIGHT COMPLIANCE (formerly 84-4)		Policy No: 3-4	
Preparer: Tom Siekman, VP, Gen'l Counsel Organization: Corporate Law Department		DTN: 223-4422 Date: February 1989	Page: 1 of 2

3-4 COPYRIGHT COMPLIANCE (formerly 84-4)

Objective

To insure Digital employees do not violate the copyrights of other companies or individuals.

Background

Many individuals and companies (including Digital) use copyright law to protect their publications from unauthorized reproduction. They do this by placing a copyright notice (the "c" encircled or the word "copyright") on the document. For example:

© Digital Equipment Corporation, 1988

Copyright protection usually extends at least fifty years or more from the date on the notice.

Copyright law protects the way the ideas are expressed in a document, but not the ideas themselves. The ideas or underlying concepts in a copyrighted document can be discussed freely; however, the expression, the exact form and wording of the document usually cannot be reproduced without the copyright owner's permission.

Generally, the copyright owner, whoever is named in the notice, can sue anyone making unauthorized copies. The law, however, provides some limited exceptions for "fair use" copying.

Policy

In general, Digital employees should not reproduce or copy the copyrighted documents of others without obtaining the copyright owner's written permission. In some cases, limited copying may be permissible without this permission under the fair use exception but only if both the amount copied and the number of copies made are very limited.

The following guidelines should be used in determining whether the fair use exception applies to a proposed use of others' copyrighted material:

1. Copying or quoting a few short excerpts or a few bits and pieces of a document is normally considered fair use.
2. Copying an entire document is normally not fair use.
3. The scope of the fair use exception varies with the nature of the documents and how the copies are used:
 - a. Several excerpts reproduced from a scholarly research work for internal, reference use are more likely to be considered fair use.
 - b. Several excerpts reproduced from a periodical or commercially sold magazine or book are less likely to be considered fair use, especially if the copying is done primarily to avoid buying another subscription or copy.

Subject: COPYRIGHT COMPLIANCE (formerly 84-4)		Policy No: 3-4
Preparer: Tom Siekman, VP, Gen'l Counsel Organization: Corporate Law Department	DTN: 223-4422 Date: February 1989	Page: 2 of 2

- c. If excerpts are copied for use in a publication Digital uses for the sale and promotion of its products, the copying may not be fair use.
4. Reproducing books, magazines or newsletters in their entirety, in large quantities, on a systematic basis, without the owner's permission may not be fair use and may be considered infringement, subjecting Digital to the risk of lawsuit.

As this indicates, fair use is a fairly complex issue in copyright law. Furthermore, this policy and these guidelines on the fair use exception only apply to printed, typed or written material copyrighted by others.

Special rules, with different exceptions apply to software programs, videotapes or sound recording, certain copies made by Digital libraries, copies made by non-profit educational institutions, and copies or quotes included in Digital publications.

If you are not sure what applies to your particular situation, ask your manager if specific guidelines exist for your group, or consult the Law Department.

digital™		CORPORATE POLICIES MANUAL	
Subject: INSIDER TRADING (formerly 84-2)		Policy No: 3-5	
Preparer: Gail Mann, Senior Attorney	DTN: 223-2206	Page: 1 of 2	
Organization: Corporate Law Department	Date: February 1991		

3-5 INSIDER TRADING (formerly 84-2)

Introduction

It is essential, in the interests of all concerned including potential investors in Digital stock, potential sellers of Digital stock, current investors, as well as Digital vendors, customers and employees, that material information relating to Digital business and financial matters be maintained in the strictest confidence until a full and coordinated disclosure is made to the business and investment community. Not only is this a good and fair business practice, but failure to adhere to this practice may lead to both company and personal liability.

Two areas of concern that Digital shares with all companies are: (1) timely disclosure of material company information by the appropriate individuals, and (2) prevention of insider trading. Insider trading is the buying and selling of a company's stock or other securities by a person possessing or having access to material, non-public information about the company.

Guidelines

The following guidelines are applicable to all company employees, including employees of Digital and its subsidiaries around the world.

1. No employee shall disclose "material, non-public information" relating to Company matters (information to which the average investor would attach importance in deciding whether to purchase or sell the Company's stock) to either employees or non-employees who have no need to know the information, until the information has been effectively disclosed by designated individuals in a manner sufficient to ensure its availability to the investing community as a whole. The U.S. securities laws provide substantial criminal and civil penalties for violations of insider trading laws.

Examples of non-public information which might be considered material are as follows.

- Information concerning Digital's budgets
- Projections of future revenues, earnings or losses
- Changes in such projections
- Plans for a public offering of securities
- Changes in dividend policies
- Declaration of a stock split
- Extraordinary management developments or changes
- Major non-routine litigation
- Acquisitions or dispositions of substantial assets
- Significant changes in Digital's markets or products

Subject: INSIDER TRADING (formerly 84-2)		Policy No: 3-5
Preparer: Gail Mann, Senior Attorney Organization: Corporate Law Department	DTN: 223-2206 Date: February 1991	Page: 2 of 2

This list is not exhaustive; other types of information may be material at particular times depending upon all the facts and circumstances.

2. A director, officer or employee possessing material, non-public information ("insider") must abstain from trading securities while material information of which he or she has knowledge remains undisclosed to the investment community. It is equally important that insiders make no favorable or unfavorable recommendations relative to Digital common stock to outsiders, since a person can be held legally responsible for the unlawful trades of those whom the person "tips" with inside information, even if the "tipping" person does not benefit from the trade and does not know that the person he or she "tips" intends to trade based on it.

Persons subject to this policy should assume that insider trading restrictions apply not only to shares held directly by them, but also to stock held by their spouses, minor children, other persons living in their homes or who are dependents, and any other persons who hold shares over which they have some control.

3. The Company identifies groups of employees considered to have access to undisclosed financial information presumed to be material. On a regular basis these employees receive a reminder of their responsibility to refrain from buying or selling Digital securities during specified periods.

However, the persons identified will not necessarily include all persons who may have access to material inside information. With over 120,000 Digital employees worldwide, even the most rigorous procedures may fail to identify every employee who may have access to material inside information. It is, therefore, the personal obligation of each individual to act prudently and lawfully with respect to undisclosed corporate information and stock transactions.

4. The same restrictions that apply to trading in Digital stock also apply to any trades made in the stock of companies with whom Digital does business. A director, officer or employee who learns of material, non-public information about a company with whom Digital does business should not trade in the company's securities until the information becomes public. For instance, any person subject to this policy who knows that Digital is about to announce a major contract with a supplier should not trade in the supplier's stock until the information becomes public.
5. Transfer of shares may be monitored to assure compliance with this policy.

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Subject: COMMENCING LITIGATION (formerly 87-1)		Policy No: 3-6	
Preparer: Tom Siekman, VP, Gen'l Counsel Organization: Corporate Law Department	DTN: 223-4422 Date: April 1988	Page: 1 of 2	

3-6 COMMENCING LITIGATION (formerly 87-1)

Introduction

Starting a lawsuit against another party is a serious matter requiring careful consideration. In most cases a lawsuit arises out of some prior relationship between the parties (such as buyer-seller) and consideration must be given to whether litigation is the optimum solution. Digital's philosophy concerning litigation is not to sue unless other steps aimed at protecting our rights and interests have failed.

The policy identifies the approval powers and process for initiating litigation.

Authorization to Approve Litigation

Executive Committee - must authorize all litigation brought by Digital and/or its subsidiaries in the U.S., Europe or GIA with the following exceptions:

U.S./Europe/GIA Area Managers - may authorize all litigation within their areas which (a) does not have a financial or legal impact outside the Area, or (b) does not involve an asset or area sales/marketing practice that affects the entire corporation.

Country Manager - may authorize all litigation within the Country which (a) does not have a financial or legal impact outside the Country, or (b) does not involve an asset or local country sales/marketing practice that affects the entire area.

U.S. Problems Account Manager - may authorize U.S. collection cases.

Questionable Situations - the proposal to start a lawsuit should be elevated to the Executive Committee for approval.

Process For Commencing Litigation

1. The Executive Committee will consider approving litigation when a proposal is made by the Vice President responsible for protecting the particular rights or assets being affected with the approval (or disagreement with the reasons for it) of the General Counsel. Cases being authorized at the Area or Country level require the approval (or disagreement with reasons) of the appropriate Area or Country Legal Counsel. Proposed tax litigation must have the approval (or disagreement with reasons) of the Treasurer or its designated representative.
2. When litigation is authorized, the approving authority should indicate to whom it is delegating responsibility for strategic decisions in the case including settlement terms.
3. After authorization is given, the Law Department (or the Tax Department, as the case may be), together with the individual responsible for strategic decisions, will manage the litigation.

Subject: COMMENCING LITIGATION (formerly 87-1)**Policy No: 3-6****Preparer: Tom Siekman, VP, Gen'l Counsel**
Organization: Corporate Law Department**DTN: 223-4422**
Date: April 1988**Page: 2 of 2****Suits Against Digital—Bringing Counterclaims**

Sometimes when Digital or its subsidiaries are sued, there may be counterclaims which should be brought against the other party. Authorization for the counterclaim if it were being brought as an independent lawsuit, unless the counterclaim is part of the litigation strategy, in which case the Law Department (or the Tax Department) will coordinate the action with the designated strategic manager.

digital™		CORPORATE POLICIES MANUAL	
Subject: GOVERNMENT INQUIRIES (formerly 81-6)		Policy No: 3-7	
Preparer: Tom Siekman, VP, Gen'l Counsel	DTN: 223-4422	Page: 1 of 1	
Organization: Law Department	Date: January 1991		

3-7 GOVERNMENT INQUIRIES (formerly 81-6)

Background

Governments are increasingly involved, on a worldwide basis and at all levels, in all aspects of Digital's business. Multiple, and at times inconsistent, regulations and reporting requirements add to the difficulty of responding to various governmental inquiries in a prompt, coherent and consistent fashion.

Inquiries from government agencies requiring information about our business enter into the Company at many different points. Often, for example, a business manager who is known to government regulators will be the recipient of an information request.

Policy

The Executive Committee has determined that the Law Department shall serve as a "clearing house" to coordinate Digital's response to all government inquiries consistent with our objectives of maintaining the correct legal posture and abiding by the spirit of voluntary cooperation which characterizes our relationships with all levels of government.

The Law Department's "clearing house" review supplements the review conducted by the appropriate operations or functional manager. Response to the government inquiry should not be made until Law Department clearance has been received.

Accordingly, any Digital employee receiving a written or oral inquiry from a government agency should, in addition to following other appropriate notification procedures, notify the Law Department as follows:

Within the U.S.	General Counsel
Within Europe	Subsidiary Legal Counsel (or Area Headquarters Counsel, as appropriate)
Within GIA	Subsidiary Legal Counsel (or Regional Counsel, as appropriate)

Exception - All inquiries from government security/intelligence agencies should be immediately directed to Corporate, European, or GIA Security, as appropriate.

The Law Department is responsible for excluding from this policy categories of government inquiries which are routine in nature and for which Law Department review is not needed (for example, U.S. Bureau of Census Reports).



digital™		CORPORATE POLICIES MANUAL	
Subject: PARTICIPATION IN CONFERENCES, TRADE SHOWS		Policy No: 4-1	
Preparer: Winston R. Hindle, Jr. Organization: Senior Vice President	DTN: 223-2338 Date: April 1991	Page: 1 of 1	

4-1 PARTICIPATION IN CONFERENCES, SEMINARS, AND TRADE SHOWS (formerly 75-5)

Each year there are many conferences, seminars, and industry trade shows in which employees wish, or are invited, to participate. Digital generally wishes to encourage employees to participate. However, the employee has an obligation to obtain approval in advance of committing himself/herself, or Digital to such participation.

We have always asked employees considering attending such a conference or show, to obtain their manager's prior consent. In the case of larger shows (NCC, DECUS, Digital Sales Meetings, etc.), where several employees plan participation, we have occasionally appointed a corporate coordinator with responsibility to manage our overall participation. These practices will continue unchanged. When participation requires travel, current travel policies will apply.

When, however, employees are invited to submit, or would like to submit on their own, papers for presentation at a conference, or for publication, the employee is expected to obtain prior clearance from the appropriate vice president before making a commitment. In addition, all papers must be reviewed by an attorney in the Law Department to assure that disclosure of information will not jeopardize patent filings, or expose Digital to future legal action.

digital™		CORPORATE POLICIES MANUAL	
Subject: LIABILITY IN SALES CONTRACTS (formerly 78-2)		Policy No: 4-2	
Preparer: John Buckley Organization:		DTN: 223-5889 Date: February 1978	Page: 1 of 3

4-2 LIMITS OF LIABILITY IN SALES CONTRACTS (formerly 78-2)

NOTE

This policy expresses a limitation on the company's accepted levels of liability, and it is not intended as a mere guideline for routine negotiation. We should continue in our efforts to sell under our standard terms and conditions.

Preface

Digital's standard Sales and Service terms and conditions disclaim liability for special, indirect, or consequential damages, and any damages a customer might suffer which result from the loss of use, data, or profits. In addition, these terms and conditions limit the amount for which we may be liable for direct damages (and other damages in some countries) directly resulting from our negligence. This limit is the specific dollar amount stated in the contract. There are two techniques for amending these provisions.

1. By agreeing to indemnify (insure) our customers for a loss other than those for which we accept Liability under our Standard Terms and Conditions, and/or
2. By increasing the dollar limit

While in many cases Digital can contractually disclaim and/or limit its liability to a customer, it cannot prevent suits by third parties who are not party to the contract.

Policy

Digital should sell its products and services in accordance with its standard terms and conditions. Except as provided in the "Exception Procedure" below, Digital will not accept liability for consequential damages, nor will it agree to indemnify a customer for any losses which the customer may suffer. In some countries, we do indemnify (with proof that the damage was the direct result of our products, or proof of negligence). Digital accommodates customers by specifying in its Standard Terms and Conditions the limitations on liability for direct damage only (in some countries, this limit also applies to personal injury). These Terms and Conditions also limit Digital's liability to damages directly resulting from our negligence (in some countries, we accept liability for contributory negligence). These limitations do not exceed the equivalent of U.S. \$1 million or the purchase price of the products that were the subject of the claim. Any modification of this exclusion does not constitute an agreement to indemnify the customer for such damages. It simply means the customer is not prevented from bringing an action against Digital to recover up to the stated limit.

Subject: LIABILITY IN SALES CONTRACTS (formerly 78-2)		Policy No: 4-2
Preparer: John Buckley Organization:	DTN: 223-5889 Date: February 1978	Page: 2 of 3

Exception Procedure

A. Direct Damages

In the event that the absence of other viable alternatives forces Digital to consider:

1. Providing additional indemnification to a customer, or
2. Accepting liability for direct damages in excess of that specified in the applicable Standard Terms and Conditions,

then a written request for such deviation must be sent to the responsible person(s), identified below, for approval.

Requests should:

1. Contain the name of the individual who accepts responsibility for Digital's performance under the contract (i.e., the individual requesting the deviation),
2. Involve a single sale of at least U.S. \$250,000 of standard products, or a Digital Business Agreement involving the sale of at least U.S. \$1 million (or local currency equivalents),
3. Include a business evaluation and recommendation by an appropriate sales, services and/or Area Manager.

The following approvals are required if a proposed deviation could result in Digital accepting the risk of liability up to the following amounts:

Condition	Approval Required
Deletion of direct damage cap for national, state or local government agency	In U.S. - Area Sales and/or Service Manager. Outside U.S. - Subsidiary Sales and/or Service Manager.
Up to the greater of \$5 million (or local currency equivalent), or the purchase price	In U.S. - U.S. Sales, Sales Operations or Service Manager may delegate up to this level of approval to an Area Sales or Service Manager. Outside U.S. - The Area Manager may delegate up to this level of approval to a Subsidiary Sales and/or Service Manager or manager of a group of subsidiaries (that is, Regional or District Manager).

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Condition (continued)

Up to the greater of \$20 million (or local currency equivalent), or the purchase price

Over the greater of \$20 million (or local currency equivalent), or the purchase price

Approval Required (continued)

In U.S. - U.S. Sales, Sales Operations, or Service Manager.

Outside U.S. - Area Sales and/or Service Manager.

Vice President, Field Operations or delegate thereof.

B. Consequential Damages

In the event that the absence of other viable alternatives forces Digital to consider accepting some contractual obligation for incidental or consequential damages, then a written request for such deviation must be sent to the Vice President, Field Operations or delegate thereof for approval. Requests must also comply with the provisions of Section A above.

The authorized individual may approve or disapprove the proposed deviation and/or seek additional guidance from such functions as Legal, Operations, Insurance, Engineering, Marketing, Sales, Customer Service, and so forth.

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Subject: SELLING/SERVICING: SPEC. APPLI. (formerly 81-5)		Policy No: 4-3	
Preparer: Joe Arayas, Manager	DTN: 244-6386	Page: 1 of 3	
Organization: Internatl. Accounts Marketing	Date: April 1990		

4-3 SELLING OR SERVICING IN SPECIAL APPLICATIONS MARKETING (formerly 81-5)

Preface

Digital has taken action to allow sales to be made into particular application areas where it may be exposed to greater than normal financial risks. It has done this by creating a process, along with special Terms and Conditions, which reduces the risk of liability when participating in certain Special Applications.

Policy

Any application in the defined "Special" Applications, markets (see below), where Digital may be exposed to excessive financial risk, must be reviewed and decided upon at the appropriate Geography, Country, or Corporate Management level and may require additional contractual protection.

The following markets are covered by this policy:

- Nuclear
- Airspace Management and Aircraft Products
- Rail Transportation

Digital continuously evaluates the evolving risk of doing business in certain markets in which the potential financial exposure to Digital in the event of a catastrophic event is large. This financial burden may result from the loss of life, the loss of property or the discontinuation of normal business operations.

This policy exists to maintain Digital's financial liability when participating in these markets at an acceptable level, one that is comparable to that associated with other markets. The goal is to ensure that the ability of Digital to sell into these markets and the Risk associated with the implementation of the applications are balanced.

Scope

The following three market areas have been specifically identified to date as "Special Applications."

1. Nuclear

Commercial Nuclear Power Generation, Nuclear Fuel Enrichment, Nuclear Waste Disposal, Nuclear Waste Handling, and Nuclear Decontamination Facilities.

Subject: SELLING/SERVICING: SPEC. APPLI. (formerly 81-5)**Policy No:** 4-3**Preparer:** Joe Arayas, Manager
Organization: Internatl. Accounts Marketing**DTN:** 244-6386
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2. Airspace Management and Aircraft Products

a. Airspace Management

- Air Traffic Control (ATC) and systems utilized by ATC, including (but not limited to) Computer Controlled Radar Systems, Meteorological Data Systems, Aircraft Onboard Avionics, Flight Information Systems, ATC Training and Communication Systems.
- Air Defense
- Air Surveillance
- Command Control Information

b. Aircraft Products (including missiles or spacecraft and ground support or control systems used therewith)

3. Rail Transportation Systems

Responsibilities

Local Sales and Service Management has the primary responsibility for identifying "Special" applications in the defined markets, and the ongoing role of identifying other market areas that may expose Digital to substantial financial risk.

U.S., European, and GIA Geography Management Teams are responsible for the implementation of this Policy in their Geographies.

A Corporate Special Applications Committee (SAC) is responsible for setting policy, recommending policy changes to the Executive Committee and consulting with the Field on interpretation of issues.

Responsibilities of Corporate Special Applications Committee (SAC)

1. Set Corporate policy, recommend changes to existing policy relative to intent and markets covered.
2. Ensure proper administrative procedures are in place.
3. Monitor and evaluate evolving legislative trends and legal theories.
4. Ensure proper levels of training exist to educate the sales force on what a "Special Application" is and how to sell into those markets.
5. Ensure availability of appropriate documentation and training, outlines of areas where we want protections, and guidance on how to obtain appropriate levels of financial protection.
6. Act as consultants on matters related to risk management, legal issues, and technology.
7. Hire outside consultants, where necessary, to complement available skills.

Subject: SELLING/SERVICING: SPEC. APPLI. (formerly 81-5)**Policy No:** 4-3**Preparer:** Joe Arayas, Manager
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8. Meet at least quarterly to review action items, progress, and so on, on a worldwide basis.
9. Ensure consistent use of the policy worldwide, and send minutes to the secretary of each Geography committee.

Responsibilities of Field Subcommittees

1. Implement policy in respective Geography, consistent with the Corporate guidelines, including the structure of a subcommittee; and review the proposed implementation plan with the Corporate SAC.
2. Review all application forms in defined market areas.
3. Negotiate contracts with customers.
4. Develop procedures for review and audit.
5. Send a representative to the quarterly meeting.
6. Keep local geographic data base updated and supply information to the Corporate SAC Committee on an as-needed basis including:
 - All minutes of meeting
 - Concise customer input forms
 - All decisions for Normal Sale, Special Sale, and No Sale

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CORPORATE POLICIES MANUAL

Subject: EXECUTIVE "SAME DAY" RESPONSE (formerly 80-3)

Policy No: 4-7

Preparer: Elaine Navedonsky, Group Manager
Organization: Corporate Customer RelationsDTN: 244-6449
Date: December 1992

Page: 1 of 2

4-7 EXECUTIVE "SAME DAY" RESPONSE (formerly 80-3)

Policy Statement

Digital Equipment Corporation will acknowledge receipt, within 24 hours, of all customer issues that escalate to the Company President and/or Vice Presidents. This requirement applies to both telephone calls and letters.

Acknowledgment, consisting of a formal message guaranteed to arrive at the customer's location, will be sent under the President's and/or Vice President's name the same day the complaint is registered with the executive's office.

The acknowledgment should be a personal message from the person to whom the call or letter was directed, ensuring that action will be taken by an identified manager within a specified time. The letter should also identify a Corporate-level contact who is fully aware of the customer's concerns and empowered to act on behalf of the President and/or Vice President.

Responsibilities

- A. Corporate Customer Relations' responsibility is to administer this policy and work in concert with the Response Manager and appropriate organizations to ensure that the customer is satisfied. Corporate Customer Relations is responsible for:
1. Ensuring that the acknowledgment message is sent.
 2. Keeping the resolution process timely and in the best interest of Digital and the customer.
 3. Following up with the customer, when appropriate, to ensure that satisfaction has been attained.
- B. The Response Manager, a member of the organization directly answerable for the customer's concerns, is responsible for communicating with the customer and Corporate Customer Relations to ensure that resolution is timely, appropriate, and in the best interest of both the customer and Digital. The communications with the customer shall be made within 48 hours. Sales Management must be made aware of all customers handled through this process and receive copies of all correspondence.
1. Sales, ultimately responsible for the customer and customer needs, should provide the Response Manager in most instances.
 2. If Corporate Customer Relations determines that the resolution of a customer complaint falls outside the responsibility of the Sales Organization, the appropriate Corporate Group Management will be asked to act as Response Manager.

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Preparer: Elaine Navedonsky, Group Manager Organization: Corporate Customer Relations	DTN: 244-6449 Date: December 1992	Page: 2 of 2

3. The Response Manager for Sales issues will be the Account Group Manager. When the Account Group Manager has been involved with an issue prior to a letter being sent to a Digital Executive, the Area Vice President will act as the Response Manager.
- C. When Digital receives a complaint from the customer's lawyer(s), the Regional Law Department where the customer is located is responsible for all responses. The Regional Law Department works with other organizations, as required, supplying Corporate Customer Relations with copies of all correspondence.

If a customer writes a complaint letter threatening Digital with litigation, the Regional Law Department where the customer is located shall receive a copy. All responses to the customer should be reviewed by the Regional Law Department before being delivered.

The Digital Law Department is contacted when it is unclear who maintains regional responsibility.

Subject: ANTITRUST COMPLIANCE/COMMUNICATION

Policy No: 4-8

Preparer: Cary Armistead, Assistant Counsel
Organization: Law DepartmentDTN: 223-3980
Date: February 1989

Page: 1 of 1

4-8 ANTITRUST COMPLIANCE/COMMUNICATION WITH COMPETITORS (formerly 85-1)

Antitrust Compliance

Digital employees must comply with the antitrust (competition) laws of the countries where we do business. These laws allow us to compete vigorously in free and open markets, and compliance is consistent with the ethical business practices that Digital seeks to maintain.

Communications with Competitors

The most serious antitrust violations involve agreements between competitors that restrain competition. Therefore, Digital employees must take great care in all their dealings and communications with competitors and be mindful that the companies with which Digital has marketing arrangements, such as Corporative Marketing Partners (CMPs), System Cooperative Marketing Partners (SCMPs), Original Equipment Manufacturers (OEMs), and other resellers, are often competitors as well.

Some communications with competitors or potential competitors are legitimate and necessary because they are also Digital's customers, vendors, fellow members of trade associations, licensees, licensors, or co-participants in joint ventures. Communications directly related to these specific relationships do not normally raise significant antitrust concerns. However, since any contact with a competitor provides an opportunity for improper communications that might result or appear to result in a serious antitrust violation, Digital employees should not discuss the following topics with any competitor:

1. Pricing policies, terms and conditions, or the prices at which products are resold to third parties
2. The amount of a bid or an intention to submit a bid
3. Profits, profit projections, profit margins, or costs
4. Unannounced products or an intention to enter or exit a particular market
5. Market share or production capacity
6. Distribution practices or the selection, rejection, or termination of customers or suppliers

Digital employees who feel that discussion of any of these topics is necessary in connection with a particular customer, vendor, license, or joint venture relationship should first consult the Law Department.

digital™		CORPORATE POLICIES MANUAL	
Subject: INVESTMENT IN OTHER COMPANIES (formerly 87-2)		Policy No: 4-11	
Preparer: Ilene Jacobs, Treasurer Organization: Treasury	DTN: 223-3400 Date: December 1991	Page: 1 of 1	

4-11 INVESTMENT IN OTHER COMPANIES (formerly 87-2)

OBJECTIVE

To state the Company's policy on investment in or acquisition of other companies.

POLICY

Digital will consider external investment in or acquisition of other organizations when such an investment supports a significant business opportunity for the Company.

Approval levels are to be based on financial and/or non-financial criteria. Non-financial criteria include, but are not limited to, transactions involving significant business issues such as Company image, trademark infringement, possible legal liability, labor issues, environmental concerns, cross-licensing and other forms of proprietary technology transfer.

Any investment not requiring Board of Directors approval may be brought to the Board as an informational item at the discretion of the Executive Committee.

The Executive Committee is responsible for first approving all investments which ultimately require approval by the Board of Directors, and for approving the maximum and minimum parameters for negotiation purposes of investments requiring approval by the Board of Directors. (See *Corporate Accounting and Reporting Policy 307-09, "Investment in Other Companies"* for approval matrices.)

REFERENCES

Corporate Accounting and Reporting Manual

- *Investment in Other Companies, Policy 307-09*
- *External Investment Process: Guidelines, Policies and Analysis Techniques, Corporate F&A. (EF-B0045-50)*



Subject: INDUSTRY & STANDARDS COMMITTEES (formerly 75-7)

Policy No: 5-1

Preparer: Robert Bismuth
Organization: Corporate StandardsDTN: 381-2744
Date: December 1991

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5-1 PARTICIPATION IN INDUSTRY AND STANDARDS COMMITTEES (formerly 75-7)

- A. Digital will participate as an active member in many national, regional, and international accredited Standards Developing Organizations (SDOs). Participation in these committees is based upon Digital's belief that standards provide a significant business benefit to Digital, its users, and the industry. It is company policy to adhere to standards that serve the business needs of our customers, and to encourage the use of SDO-developed standards by national, regional, and international bodies.
- B. The company will not participate in creating or embracing external standards that are expressly designed to either restrict competition or limit technological innovation. No activity which may be seen as collusion with another provider nor any activity which may be viewed as anti-competitive will be tolerated in a committee in which Digital participates. No delegate should permit this type of activity to occur in a committee in which Digital participates; if the activity does occur, the Digital delegate is expected to protest the action formally, insure that the protest is registered, and then leave the meeting.
- C. Delegates to standards meetings represent the corporation; no Digital employee may attend a meeting as an individual.
- D. Participation in any external standards committee (SDO) must be approved by the Manager of Corporate Standards and Consortia. The Manager of Corporate Standards and Consortia is responsible for insuring that Digital participation is coordinated and proper, and for insuring that Digital delegates to these meetings are aware of the code of conduct required for delegates.

Additionally, the Manager of Corporate Standards and Consortia should insure that positions taken by delegates are technically sound and mirror the needs and requirements of Digital's standards strategy. Digital employees should not discuss Digital products as part of an SDO meeting, nor should they disclose the intellectual property of the Corporation without explicit permission.

- E. Delegates are expected to make a reasonable effort to influence the standard into agreement with the Corporate architectural strategy and the business and technical needs of their engineering group. The Delegate should understand what compromises in the technical specification of the standard may be necessary and which compromises Digital can accept.
- F. In no case should a Digital delegate attend to merely slow or stop progress of a standard; if the proposed standard is not acceptable to Digital, the delegate must either counterpropose to the committee and convince them to adopt a standard more friendly to Digital or alert the impacted engineering group within Digital that a incompatibility exists between Digital's architecture and the solution proposed by the market.

Subject: INDUSTRY & STANDARDS COMMITTEES (formerly 75-7)**Policy No: 5-1****Preparer: Robert Bismuth**
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- G. Finally, delegates should understand that participation in an SDO is a strategic business issue for the corporation, and that decisions made in SDOs are decisions that Digital will have to deal with for many years.

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5-2 PHASE REVIEW (formerly 79-1)

Background

The Phase Review Process provides a framework that enables various functional groups within the Company to develop and communicate mutual commitments to product strategies and plans, and to execute those plans in support of the Company's commitment to quality and customer satisfaction, by producing excellent products, delivered on time and within budget.

Policy

The Phase Review Process applies to the Life Cycle Management of all Digital products, including buyouts and external alternatives or technologies, that are selected to complement Digital's capabilities and support its strategies.

Life Cycle Management of products is represented by six distinct phases:

- Phase 0 - Strategy and Requirements
- Phase 1 - Planning and Preliminary Design (Business Plan of Record)
- Phase 2 - Implementation and Design
- Phase 3 - Qualification
- Phase 4a - Ramp-Up
- Phase 4b - Steady-State Operation
- Phase 5 - Product Retirement (Service Continues)

This segmentation of the product life cycle provides:

- A means to set expectations and define deliverables that cross functional boundaries
- A common language and measurement criteria to efficiently communicate and address cross-functional issues
- A means for management to approve the level of investment at defined major decision points

References

- *Corporate Phase Review Process Guide*, December 1988.
Document Identifier ELCP356-00-0, Rev. B.

January 1993 Note:

- **ELCP356-00-0 will be phased out and ultimately replaced by VTX PRP.**
- *Digital Services Administration Phase Review Process*

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- *Digital Guide to Software Development*

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Subject: BUSINESS CONTROLS (formerly 81-2)		Policy No: 5-4	
Preparer: Amit Nanavati	DTN: 244-6201	Page: 1 of 5	
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5-4 BUSINESS CONTROLS (formerly 81-2)

Objective

To ensure that business controls are adequate to safeguard all assets, promote operational efficiency, measure adherence to company policies and philosophy, and result in accurate and reliable operating and financial reporting.

Scope

Worldwide

Policy

The Foreign Corrupt Practices Act of 1977 requires that all companies listed with the Securities and Exchange Commission have a system of internal controls in place. Digital management maintains a system of business and accounting controls that is designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with management's policies for conducting business. This system includes policies that require adherence to ethical business standards and compliance with all laws to which the Company is subject. The business controls process is continuously monitored by direct management review and an internal audit program under which periodic independent reviews are made.

It is Digital policy that management within each operating unit will establish and maintain a process of business controls that provides reasonable assurance that:

- Operational efficiency is promoted and achieved.
- Company policy and philosophy are adhered to.
- Access to assets is permitted only in accordance with management's general or specific authorization.
- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are recorded in order to:
 - prepare external financial statements conforming to generally accepted accounting principles
 - prepare internal reports
 - maintain accountability for assets
- The recorded accountability of assets is compared with the physical existence of the assets at reasonable intervals.

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Organization: Corporate Financial ReportingDTN: 244-6201
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Responsibilities

The ultimate responsibility for the business controls program is with the Board of Directors, who must assure that management acknowledges its responsibility regarding the Company's financial statements and the system of business controls. The Functional Vice President of each operation ensures that business controls are adequate and operating effectively within their function. Responsibility for controls passes down to the business units where business controls are an integral part of the day-to-day operations. It is the responsibility of all managers to ensure that an environment conducive to a good system of business controls is in place for their unit.

Documentation

The focus of the business controls process is at the operating unit level because controls are implemented at that level. Each unit is required to document its operation and business controls. Such documentation includes, but is not limited to, organizational charts, flowcharts of the operation, narratives of operational procedures, plans, budgets, job descriptions, and goals and objectives statements. Documentation should be revised and updated as changes and reorganizations occur.

Compliance

Controls should be reviewed on an ongoing basis, annually at a minimum, and should be tested for compliance at least every other year. Anytime a process, procedure, or system is added or changed, it should be reviewed and tested. Compliance tests are designed to provide reasonable assurance that the business controls are working as they are intended to work. There is no one tool for compliance testing, but the testing must be adequate enough to test the control, must be performed on a routine basis, and must have proper review and approval. Documentation and workpapers should be retained in accordance with the Corporate Record Retention Schedule (Corporate Records Retention Schedule 03-00010). If a control weakness is identified, a corrective action plan should be developed and implemented. Once the corrective action plan is implemented, the control should be retested.

Reporting Requirements

- Quarterly reporting to the Assistant Corporate Controller is to be on an exception only basis. By the twentieth working day after the close of the first, second, and third quarters, the President's direct reports, or their designees, are to submit a report to the Assistant Corporate Controller that highlights all new issues and/or changes in corrective action.
- By the tenth working day after the close of the fiscal year, the President's direct reports are to submit to the Assistant Corporate Controller a compliance statement indicating the state of business controls. (See exhibit #1.) The statement is to be signed by the Senior Leadership Team Member and their Senior Finance Manager. The statement

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should be supported by similar compliance statements signed by the Senior Management Team at the business/operating unit level. The compliance statement should include a general statement about the status of business controls in the operation. Material weaknesses in the system of business controls should be identified in the statement, along with the potential impact. A status of corrective action plans for the operating units should be attached to the statement.

References

Corporate Accounting and Reporting Manual
Policy No. 301-04 "Investigation and Reporting of Fraud"
Policy No. 301-23 "Business Ethics"
Policy No. 306-09 "Balance Sheet Reviews"
Policy No. 310-04 "Foreign Corrupt Practices Act" (FCPA)

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EXHIBIT 1
-----DIGITAL EQUIPMENT CORPORATION
YEAR END COMPLIANCE LETTER

FY-XX

To: CEO and President

The following is my year-end statement of the business control status of my organization, with a focus on responsibilities, control reviews in place, weaknesses found, and corrective actions required.

1. EFFECTIVENESS AND EFFICIENCY OF OPERATIONS

I understand my responsibilities for effectiveness and efficiency of operations, including business performance, profitability and competitiveness goals. An effective business control process includes establishing and influencing the control consciousness of the organization. This includes the influencing of ethical values, integrity and competence of the people, assessment of risk, communication of necessary information (including pertinent policies), monitoring activities, establishment of objectives and plans, providing reliable forecasts, establishing security and contingency plans, and other vital control activities. I have adequate business controls to reasonably ensure compliance to these responsibilities.

2. RELIABILITY OF FINANCIAL REPORTING

I understand that transactions must be executed in accordance with management's authorization and that external reporting must conform to generally accepted accounting principles and company policy. In my opinion, there are adequate business controls to provide reasonable assurance that financial statements or reports issued by the function for which I am responsible are accurately and fairly represented and that there are no material weaknesses.

3. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

I understand that significant legal compliance requirements apply to operations and activities in the corporation, including all material (US and non-US), state and local export/import laws, environmental health and safety laws, various national government procurement laws, and laws governing business practices, including anticorruption (such as US Foreign Corrupt Practices Act), antiboycott, antitrust and competition laws. The Corporation has in place and monitors compliance management systems designed to assure compliance with appropriate legal requirements. I have made available training and technical resources in support of these compliance systems.

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CONTROL REVIEW SUMMARY

Various control programs are in place in my organization to provide reasonable assurance that control objectives are attained and that weaknesses are identified. Some of the key control processes in place include the business controls program, balance sheet reviews, internal audits, external audits, export compliance reviews and others. The major weaknesses indicated by the reviews and the status of corrective action plans are attached.

Operating Manager

Finance Manager

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Subject: HOST MANAGEMENT (formerly 81-1)		Policy No: 5-5	
Preparer: Dick Fishburn, Vice President	DTN: 276-8332	Page: 1 of 2	
Organization: CFP&A	Date: February 1991		

5-5 HOST MANAGEMENT (formerly 81-1)

- A. Many Digital locations have more than one function operating within the local facility or cluster of facilities. Often the primary reporting line for these groups is to functional management outside of the location. In such circumstances there are clear benefits from having a designated "Host Manager" with administrative responsibility to:
1. Provide a clear, management focal point for the total location. This includes making sure that the combined operations are conducted in a uniform manner according to Digital policies, local laws, and sound business practices, so that we can be proud of the way the total location represents Digital to customers, employees, government and the surrounding community.
 2. Insure that there is a positive environment of teamwork at the location so that support services are shared rather than duplicated by the functions operating at the location, and that each group receives its fair share of support.
 3. Assure that Digital employees and assets are adequately protected. An individual at each site should be asked to accept appointment as the site's designated Security manager or Security coordinator. Appointment should be made in writing and clearly communicated to the workforce.
 4. Apply common sense in determining what degree of sharing should take place. However, examples of sharable services might include:
 - Facilities Management
 - Space Planning
 - Office Services
 - Administration
 - Telecommunications
 - Personnel
 - Accounting
 - Information Services
 - Purchasing
 - Community and Government Relations
 - Security
 - Public Relations

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Preparer: Dick Fishburn, Vice President Organization: CFP&A	DTN: 276-8332 Date: February 1991	Page: 2 of 2

- B. The Host Manager must make sure that the above support groups have long-range plans that fit the needs of the functions residing at the location, and that, to the extent possible, varying needs are addressed and consolidated into an organizational or site-wide program. The Host Manager should also ensure that the support groups are integrated into the local management structure so that they are responsive to both local needs and Corporate functional policies.
- C. A cluster or facility council made up of Host Manager, other Tenant Managers, and site Personnel, Security, and Facility Managers should meet regularly to raise issues and concerns and resolve problems relating to services in the facility.
- D. The role of Host Manager should be seen as a part of the general management responsibilities of the location's functional management team, and not as a new layer of management. The designated Host Manager has broad general responsibility to "wear the corporate hat" and to question and "push back" on any aspect of the location's operations which seems inappropriate. Additionally, the Host Manager should be a strong influence on the groups having direct spending responsibilities for the location so that their expenditures produce maximum benefit in terms of both work environment and business efficiency for the total company.
- E. Some multiple facility locations may require a Host Manager for each facility and/or an overall Host for the cluster. The CFP&A Organization will make recommendations as to the requirements for host management at individual locations, and will maintain a listing of designated Host Managers for each of Digital's locations.

digital™		CORPORATE POLICIES MANUAL	
Subject: PURCHASE OF COMPETITIVE EQUIPMENT		Policy No: 6-1	
Preparer: Bob Paul Organization: Corporate Purchasing	DTN: 223-7915 Date: October 1991	Page: 1 of 1	

POLICY 6-1 PURCHASING OF COMPETITIVE HARDWARE OR SOFTWARE (formerly CPM 84-1)

The nature of Digital's business encourages many of our groups to acquire computer hardware or software from competitors for various reasons.

Competitive hardware or software is defined as the full range of computer hardware (from CPU through Add-on Memory) to software and options such as printers and terminals that competes with hardware or software made or distributed by Digital.

Groups which need access to competitive hardware or software should investigate the following alternatives:

1. Free use at a customer site
2. Timesharing service
3. Rent or lease

Acquisition of such hardware or software should be for one of the following purposes.

1. Technological assessment (architecture);
2. Performance testing for marketing positioning and pricing of Digital products; OR
3. Coexistence with competitive systems.

Any technological assessment of software should be conducted in accordance with existing guidelines or copyright law.

Groups should adequately justify the need to acquire competitive hardware or software to their Business Vice President and control the physical existence of hardware or access to the software once acquired.

The Business Vice President responsible for the group proposing the acquisition of competitive hardware and software must approve of the purchase in writing in advance.

In dealing with competitors, the Law Department should review all terms and conditions (other than Digital's standard terms and conditions) which impose confidentiality obligations on Digital or attempt to restrict Digital's ability to create similar hardware or software products. The Law Department's review of other terms and conditions applicable to a competitive purchase should be governed by those Purchasing Policies and Procedures which apply to all purchases generally.

This policy does not apply to competitive hardware or software embedded in other purchased equipment, or to competitive hardware or software purchased for resale or in support of Digital Services' non-Digital product services or Enterprise Integration Services. In such cases, only the approvals necessary for capital asset or inventory acquisition are required.

digital™		CORPORATE POLICIES MANUAL	
Subject: AGREEMENTS TO ACQUIRE SOFTWARE (formerly 85-3)		Policy No: 6-2	
Preparer: Bob Paul	DTN: 223-7915	Page: 1 of 1	
Organization: Corporate Purchasing	Date: April 1989		

6-2 AGREEMENTS TO ACQUIRE SOFTWARE (formerly 85-3)

The importance of software to Digital is increasing and we frequently must acquire the rights to use, distribute or sell software which is owned by others. These rights are granted and documented in a software license agreement. These agreements are complex and may place the Corporation in a position of serious operational, financial and/or legal risk.

Software that is owned by others may not be brought into Digital or used for Digital's benefit by Digital's employees, consultants or agents of Digital without a software license.

To maintain proper control in this area, the organization desiring a software license must specify the technical requirements. Software License rights must then be negotiated, acquired and approved by Purchasing.

Prior to execution, all software license agreements must go through a formal approval process as defined in the respective geographies by the U.S. Software Acquisition Policies and Procedures Manual, European Software Acquisition Reference Manual, and General International Area Reference Manual.

A corporate officer must execute software license agreements. Corporate officers may delegate this signatory authority by notifying, in their respective geographies, Corporate Software Acquisition Resources (CSAR), European Software Acquisition (ESA) or General International Area Software Acquisition (GIASA) in writing of the names of the delegates. The responsibilities of these organizations are defined in their respective policies, procedures, and reference manuals.

Any waivers, exceptions or modifications to the above policy must be approved in writing or electronically by Purchasing.

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