

AMENDMENT NUMBER 11
 to License Agreement No. 1107 - 3053
 between MICROSOFT CORPORATION ("MS"), a Washington, USA Corporation
 and COMPAQ COMPUTER CORPORATION ("COMPAQ"), a Delaware, USA Corporation
 Amendment Date: March 27, 1995

Effective as of the Amendment Date indicated above, the below signed parties agree that the indicated portions of the referenced license agreement (hereinafter the "Agreement") are hereby amended by this instrument (hereinafter the "Amendment"), for the purpose of adding the MS software product currently code named "TAZZ" (hereinafter the "Product") to this Agreement. MS currently anticipates that the Product will include the following software features: telephony, answering machine, text to speech, and speech recognition all designed to run on the X86 architecture.

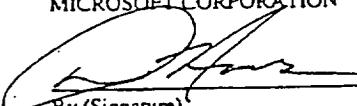
The attached Exhibit C16 adds the Product to the current Agreement.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Amendment supersedes any previous proposals and/or discussions regarding the Product. The terms of this Amendment shall supersede any inconsistent terms contained in the Agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment in duplicate as of the date set forth above. All signed copies of this Amendment shall be deemed originals.

MS reserves the right not to execute this Amendment if not signed and returned to MS by Compaq by May 1, 1995.

MICROSOFT CORPORATION


 By (Signature)
Don Harduck
 Name (Printed)
Group Manager
 Title
April 5, 1995
 Date

COMPAQ COMPUTER CORPORATION

 MT
 By (Signature)
KEVIN BOHREN
 Name (Printed)
VICE PRESIDENT
 Title
APRIL 18, 1995
 Date

ATTORNEY'S EYES ONLY

HIGHLY CONFIDENTIAL

MSS 5132370 CONFIDENTIAL

MS-PCA 9000566

EXHIBIT C16 (SYSTEM AGREEMENT)

PRODUCT: Microsoft TAZZ (current code name)

VERSION NUMBER: 1.XX

PRODUCT TYPE: Authorized Replicator and will include the APM. The APM shall mean a certificate of authenticity, and end user license agreement, a MS product registration card, and/or other materials designated by MS from time to time which COMPAQ may acquire from an Authorized Replicator.

FOREIGN LANGUAGE: All foreign languages made available by MS.

PRODUCT DELIVERABLES:

- (a) Product in executable form.
- (b) Standard documentation that MS delivers with the Product.

PRODUCT SPECIFICATIONS:

The Product will have features as specified in the above-referenced Product documentation.

ROYALTY PAYMENTS AND REPORTING REQUIREMENTS:

(a) Compaq and MS have each participated in an earlier joint development effort related to the Product. In full consideration of MS' effort in this regard, Compaq has provided MS with Four Hundred Fifty (450) circuit boards at a price of Three Hundred Forty Five Dollars (US\$345.00) per circuit board for MS to use to beta test the Product. In full consideration of Compaq's effort in this regard, MS agrees to license the Product to Compaq at a royalty rate which represents MS' royalty obligation to third party supplier(s). The currently anticipated royalty as of the date of this Amendment No. 11 is Fifty Cents (US\$0.50) multiplied by the number of Customer System(s) identified under CUSTOMER SYSTEMS shipped or placed in use by or for COMPAQ. MS reserves the right to adjust this royalty to reflect any changes to such third party royalty obligations upon thirty (30) days prior written notice. Such adjustment shall only be able to occur on or prior to June 30, 1995 and then at most once per each new Version or Update release of Product. In the event any such change to the royalty is not satisfactory to COMPAQ, COMPAQ may terminate its license for Product upon thirty (30) days written notice to MS. In the event MS provides COMPAQ notice of any increase in royalty, then upon request by COMPAQ no more than once per year, MS shall cause its outside auditor to examine MS' underlying contracts with third party suppliers and verify in writing to COMPAQ that COMPAQ's royalty for the Product is an amount no more than MS' payment obligations to such third party suppliers.

- (b) COMPAQ's report shall contain the information set forth in Exhibit R.

CUSTOMER SYSTEMS

COMPAQ's Customer Systems shall be defined to be only those COMPAQ single-user audio-enabled computer systems and/or audio components described below:

Customer System Description

- 1. To be provided by Compaq

ATTORNEY'S
EYES ONLY

MSS 5132371
CONFIDENTIAL

HIGHLY
CONFIDENTIAL

COMPAQ may add and/or remove Customer System(s) listed in this Exhibit C16 by providing a written request to MS at least Sixty (60) days prior to the calendar quarter in which such changes are to occur. MS' approval of such additions and/or deletions shall not be unreasonably withheld or delayed.

ADDITIONAL PROVISIONS:

(a) This Product shall be licensed only for those Customer Systems identified in the Customer Systems Section of this Exhibit C which include audio capabilities.

(b) If COMPAQ distributes Product, Product and Product documentation must ship with the Customer System in the Customer System package.

(c) COMPAQ's rights to distribute this Product shall terminate effective the earlier of: (i) termination or expiration of the Agreement, or (ii) twenty-four (24) months from the end of the calendar quarter in which Compaq first ships Product. Notwithstanding anything to the contrary in the Agreement, COMPAQ's license for this Product shall not extend to any such new Product Release; and, MS shall offer to license such new Product Release to Compaq upon MS's then current terms and conditions.

(d) COMPAQ acknowledges that speech recognition is inherently a statistical process; that recognition errors are inherent in the process of speech recognition; that it is the end user's responsibility to provide for handling such errors and to monitor the speech recognition process and correct errors. COMPAQ shall not distribute any advertising, promotional materials, or other materials related to the Product which contain information inconsistent with the foregoing.

(e) MS intends to provide a localization schedule for language support for French, German, UK English, Spanish and Italian. MS and COMPAQ agree to work in good faith in determining a mechanism for adding additional languages. Such solutions could include, but are not limited to COMPAQ performing the localization for additional languages in which MS would retain all rights to such products.

(f) COMPAQ will support homologation efforts for its own products.

(g) In the event COMPAQ ships Product, MS will pay COMPAQ twenty percent of the Product Upgrade revenue that MS receives as a direct result of joint marketing efforts between MS and COMPAQ when MS sells Product Upgrades to COMPAQ personal computer customers.

(h) COMPAQ will refer to Product under the same final product name that MS uses.

(i) COMPAQ will issue a press release announcing their support and intent to ship Product as a preferred telephony solution, and will coordinate press tours and marketing messages with MS.

(j) COMPAQ and MS intend to conduct joint Human Factors testing and/or will share all results of their respective Human Factors testing.

(k) COMPAQ shall in no case ship more than one (1) copy of the Product listed in this Exhibit C16 per each Customer System.

PRODUCT NAME AND ASSOCIATED TRADEMARKS:

To be provided by Microsoft