

**WINDOWS 95 - Based PC Market Development Agreement**

This Market Development Agreement ("Agreement") is made and entered into this 31st day of January, 1995 ("Effective Date") by and between MICROSOFT CORPORATION, a Washington Corporation ("Microsoft") and IBM CORPORATION.

WHEREAS Microsoft and IBM desire to establish and promote personal computer systems which are "Plug and Play" ("PNP") compatible and which are designed to take full advantage of features contained in MS Windows 95 ("WINDOWS 95 - Based PC Systems");

WHEREAS Microsoft intends to license Microsoft Windows 95 to its OEM Customers for distribution with WINDOWS 95 - Based PC Systems;

WHEREAS for each Milestone Activity relating to WINDOWS 95 - Based PC Systems completed by IBM, Microsoft is willing to offer IBM royalty reductions in the amounts stated below from royalties for Windows 95 licensed on a Per System basis. For purposes of this Agreement "Per System" shall be defined as Windows 95 preinstalled on the hardfile or shipped on floppy disks included in the CPU box.

NOW, THEREFORE, the parties agree as upon IBM's completion of a Milestone Activity described below, IBM shall be entitled to the corresponding royalty reductions for MS Windows 95 units licensed on a Per System basis and shipped after the first day of the month immediately following the period ending ninety (90) days after MS release to manufacturing of MS Windows 95 ("RTM"):

**WINDOWS 95 - Based PC Milestone Activities**

	<u>Royalty Reduction (per activity)</u>	
<ul style="list-style-type: none"> <li>• All IBM Aptiva, PC300, PC700 and any new desktop systems that ship after September 1st, 1995 which are eligible to qualify for the Windows 95 logo, must pass the Windows 95 System Compatibility Tests (SCT) and must be in compliance with the requirements listed in the attached Table 1: Windows 95 based PC Requirements (Desktop PC) with the exception of the variances listed in Exhibit A.</li> </ul>	\$3.00	
<ul style="list-style-type: none"> <li>• Participate with Microsoft in the following:               <ul style="list-style-type: none"> <li>A) PC95 Showcase at Fall Comdex (November 1994)</li> <li>B) PC95 Display in IBM booth at Fall Comdex (November 1994)</li> <li>C) PC95 Display in IBM booth at CEBIT, Hanover Fair (March 1995)</li> </ul> </li> </ul>	\$1.00	
<ul style="list-style-type: none"> <li>• Reference to Windows 95 in IBM product advertisements <i>Minimum</i> - List Windows 95 as one of several OS offered</li> </ul>	\$1.00	
<ul style="list-style-type: none"> <li>• Participate in MS-developed "Train the Trainer" Windows 95 support program and institute plan for training all support personnel within the IBM PC Company supporting operating systems by August 1, 1995.</li> </ul>	\$1.00	
<ul style="list-style-type: none"> <li>• By October 1, 1995, complete One "How to sell Microsoft Windows 95 and WINDOWS 95 - Based PC systems" training session for sales force or sales trainers and develop a follow-up plan to train 100% of IBM PC Company Fighter Pilots. This plan must have a minimum requirement of distribution of sales materials to all sales people by October 1, 1995.</li> </ul>	\$1.00	ATTORNEYS EYES ONLY
<ul style="list-style-type: none"> <li>• Customize IBM System Help and IBM's applets/utilities for Windows 95.</li> </ul>	\$1.00	

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IBM and MS agree that by April 1, 1995, should IBM have failed to comply with the PC 95 logo requirement specific to DMA Parallel ports or MS fail to modify the DMA PC 95 specification, both parties agree to meet and reach an agreement on whether or not an exception will be granted for DMA Parallel ports.

IBM must release a Windows 95 Trade Press Announcement as defined in Exhibit B.

Between the dates of February 1, 1995 and February 28, 1995, IBM may submit via written notice additional royalty reduction activities to Microsoft. The activities must be of high value to both parties, must support Windows 95 and will be at Microsoft's sole discretion to approve. Should Microsoft approve the activities, the appropriate royalty reductions will be added to the Windows 95 Marketing Development Agreement through an Addendum.

IBM shall work with Microsoft OEM Sales to monitor status of Milestone Activities. This cooperation will include supporting information where necessary. IBM agrees to make a written progress report to MS on February 28, 1995, April 1, 1995, July 1, 1995 and 90 days after RTM stating the Milestone Activities completed and those in progress. MS and IBM shall determine in reasonable discretion as to whether IBM has satisfactorily completed each Milestone Activity. The corresponding royalty reduction shall be calculated based upon Milestone Activities completed by the first day of the month immediately following the period ending ninety (90) days after RTM and the royalty reduction shall be applicable to MS Windows 95 units shipped after that day. IBM agrees to keep records relating to completion of each Milestone Activity.

The term of this Agreement shall commence upon the Effective Date and shall terminate upon the termination of IBM's license agreement for MS Windows 95.

Neither party shall disclose the terms and conditions of this Agreement or the existence of this Agreement without a written approval from the other party. However, IBM and Microsoft may disclose the terms and conditions of this Agreement in confidence to its immediate legal and financial consultants as required in the ordinary course of IBM's and Microsoft's business. In the event of any breach of confidentiality by either parties, IBM or MS may terminate this Agreement and IBM shall not be entitled to any compensation or other consideration in exchange for its participation in the above described Milestone Activities.

This Agreement does not create and is not intended to create a license for MS Windows 95. Nothing in this Agreement requires IBM to perform Milestone activities, and IBM shall determine whether to pursue any of such Milestone Activities, in its sole discretion. Further, the royalty discounts described above shall be applicable only in the event Microsoft and IBM enter into a license agreement for MS Windows 95 on a Per System basis. Such discounts shall not be applied to any other products currently licensed or which may be licensed in the future from Microsoft, nor shall IBM be entitled to any other compensation or other consideration in exchange for its participation in the above described Milestone Activities.

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

MICROSOFT CORPORATION

Mark Barber

By (Signature) MARK BARBER

Name (Print) OEM GROUP MANAGER

Title 2/6/95

Date

IBM CORPORATION

James R Miller

By (Signature) JAMES R MILLER

Name (Print) Manager, Contract Operations

Title 2/3/95

Date

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**Exhibit A**

IBM Desktop System variances to the HDG:

- EduQuest
- Microchannel

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**Exhibit B  
Press Release**

1. IBM shall:
  - Develop and release a Windows 95 Press Release on or before May 15, 1995.
2. IBM shall not:
  - Use terms such as "Chicago-ready" or "Windows 95-ready" in it's Windows 95 press release.
  - Use any Windows 95 logo or portion or facsimile thereof.

IBM agrees to make a Windows 95 specific Press Release, which shall include at a minimum IBM statements specific to: Windows 95 Product Support, Plug and Play 1.0A compliance and IBM's Windows 95 Customer Support Plans.

In the above referenced Windows 95 press release, IBM shall be prohibited from any statements that state or imply that MS has verified, certified or in any way committed that IBM's SYSTEM is a WINDOWS 95 - BASED PC System.

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**Table 1: Windows 95 Logo Requirements (Desktop PC)**

Feature	Logo Requirement	Requirement Notes (Page numbers refer to PC95 Hardware Design Guide v 1.0)
1. CPU	386 architecture	See pp. 49 for more information
2. System RAM	4MB	See pp. 49 for more information
3. System BIOS	PnP 1.0a	Must be capable of reading back and reporting all resources on the motherboard and provide: 1. Accurate information about motherboard devices. 2. Motherboard device configuration if BIOS-configurable devices are present. 3. Power management control of individual devices known to the system BIOS if the system BIOS utilizes APM 1.1. See pp. 231-261 for more information
4. Option ROMs	Use PnP header info	See pp. 263-268 for more information
5. Icons	Molded, printed or permanently applied stickers	1. Required on system only, not required on cables. 2. No specific set of icons is required. See pp. 52-53 for more information
6. Display Adapter	VGA 640x480x8bpp color	1. Must contain a packed pixel frame buffer to enhance graphics performance. See pp. 51 for more information
7. Audio Circuitry	** (see note below)	1. Capability to produce 22kHz, 8-bit, monaural, output-only sound. 2. Support of either SoundBlaster or MS Windows Sound System compatibility, or provide a 32-bit Windows 95-compatible driver. 3. Use of a 1/8" mini-jack wired for stereo as the output connector. 4. Mapping of base I/O address to configurations compatible with either SoundBlaster or MS Windows Sound System. 5. Support of the IRQ signals used with either SoundBlaster or MS Windows Sound System. 6. Selection of at least three available DMA channels, either 8-bit or 16-bit channels, if DMA is supported 7. Capability of being disabled. See pp. 127-131 for more information
8. Floppy Disk Controller	** (see note below)	1. Use of at least static I/O addresses 3F2h, 3F4h, 3F5h. 2. Support of IRQ6. 3. Support of at least DMA2, if DMA is used. 4. Capability of being disabled. See pp. 118-120 for more information
9. IDE and/or SCSI Controller	** (see note below)	1. The system may include either or both controllers. 2. Requirements vary depending on type of controller. See pp. 122-126 for more information

\*\* This feature is NOT a logo requirement for the system, however if it is implemented as an integrated system component, it must meet the requirements listed in the appropriate Requirement Notes.

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**Table 1: Windows 95 Logo Requirements (Desktop PC) - cont'd**

Feature	Logo Requirement	Requirement Notes (Page numbers refer to PC95 Hardware Design Guide v 1.0)
10. Parallel Port	One standard parallel port, supporting nibble mode	<ol style="list-style-type: none"> <li>1. Support compatibility mode and nibble mode protocols of the IEEE P1284 specification.</li> <li>2. Map base I/O address to at least 378h and 278h.</li> <li>3. Support of at least IRQ5 and IRQ7.</li> <li>4. Selection of at least two available DMA channels, if DMA supported.</li> <li>5. Capability of being disabled.</li> </ol> see pp. 110-115 for more information
11. Serial Port	One standard serial port	<ol style="list-style-type: none"> <li>1. Support 115.2k baud or better.</li> <li>2. Map base I/O address to at least 3F8h, 2F8h, 3E8h and 2E8h.</li> <li>3. Support of IRQ3 and IRQ4.</li> <li>4. Capability of being disabled.</li> <li>5. If the system does not contain an integrated pointing device and the requirement for a pointing device port is met with a serial port then the system must contain at least two serial ports.</li> </ol> see pp. 49 and pp.115-118 for more information
12. Keyboard Port	Standard	<ol style="list-style-type: none"> <li>1. Either PS/2 or ACCESS.bus port.</li> <li>2. Requirements vary based on type of keyboard port.</li> </ol> See pp. 137-138 for more information
13. Pointing Device	Either pointing device port or integrated pointing device	<ol style="list-style-type: none"> <li>1. Either PS/2, serial or ACCESS.bus port.</li> <li>2. Capable of being disabled.</li> <li>3. Requirements vary based upon type of port.</li> </ol> see pp. 134-137 for more information
14. Networking	** (see note below)	<ol style="list-style-type: none"> <li>1. Capability of enabling the adapter as either a boot device or a non-bootable device, if the adapter is designed for RIPL.</li> <li>2. Support of the NDIS 3 network device driver.</li> <li>3. No hooking of the INT18 or INT19 on ISA bus systems until instructed by the system BIOS.</li> <li>4. Mapping of the I/O addresses to at least seven locations and disable.</li> <li>5. Support for at least seven IRQ signals and disable.</li> <li>6. Selection of at least three available DMA channels, either 8-bit or 16-bit, if DMA is supported.</li> <li>7. Capability of being disabled.</li> </ol> See pp. 131-134 for more information
15. Expansion Cards	A Windows 95 logo'd system may ship with non-PnP (legacy) cards.	<ol style="list-style-type: none"> <li>1. If legacy cards are included it is strongly recommended that they ship with a Windows 95 certifiable driver.</li> </ol> See pp. 143-188 for more information
16. Motherboard device drivers	32-bit Windows 95-based	<ol style="list-style-type: none"> <li>1. All devices integrated on the motherboard must ship with a Windows 95-based 32-bit device driver that enables the system to pass System Compatibility Test.</li> </ol>

\*\* This feature is NOT a logo requirement for the system, however if it is implemented as an integrated system component, it must meet the requirements listed in the appropriate Requirement Notes.

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