

WINDOWS 95 LICENSE SUMMARY SHEET

DATE:	May 22, 1995
ACCOUNT MANAGER:	Michael Oldham
CUSTOMER NAME:	Gateway 2000

CUSTOMER SUMMARY:

Gateway 2000 has committed to 100,000 shipments of Windows Products per month, which is a very attainable number considering their current run rates. They focused on many of the operational elements of the agreement as well as Sections 5 and 12.

EFFECTIVE START DATE:	May 1, 1995	
EXPIRATION DATE:	June 30, 1996	
PRODUCTS & PRICE:	Windows 95	
	<20%	\$47.50
	>20% and <40%	\$46.00
	>40% and <60%	\$44.00
	>60% and <80%	\$43.00
	>80%	\$42.00

Gateway contact is Marty Kinnick @605-232-2638

ESTIMATED MONTHLY VOLUME FOR WINDOWS PRODUCTS: 100,000

CONTRACT SUMMARY:

1. 1 (d) Customer Systems are subject to this Agreement and single user is further defined.
2. 2 (b) Thirty day notice for Subsidiaries has been removed to be effective upon delivery and receipt of Exhibit X by MS.
3. 2 (c) MS will notify GATEWAY of intent to disallow AR's to fulfill orders should orders exceed a certain level and MS decides to disallow.
4. 2 (c) License rights may be suspended should GATEWAY fail to comply within 30 days once MS has provided written notice of breach.
5. 3 (a) Struck the reference to \$10,000 administrative fee.
6. 3 (b) Struck the Initial Payment section.
7. 3 (c) GATEWAY will report and pay quarterly through December 31, 1995; thereafter they will use best efforts to report and pay monthly.
8. 3 (c) (i) Monthly report receipt extended from 15 days to 30 days.
9. 3 (c) (ii) GATEWAY may submit royalty reports in an alternative format if acceptable to MS.
10. 3 (d) Ten percent late charge has been struck as a trade off for best efforts monthly reporting and payments.
11. 3 (e) Demonstration copies increased from 50 to 200. No royalty for Customer Systems returned within 30 day return policy was added.

Microsoft License No.
4976-5198

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- ✓ 12. 5 (a) All of previous 5 (a) has been struck with language that states MS represents and warrants that it has sufficient right, title and interest to licensed Products.
13. 5 (b) All of previous 5 (b) has been struck. New section identifies specific countries MS will indemnify GATEWAY for trademark, patent and copyright.
- ✓ 14. 5 (c) All of previous 5 (c) has been struck. New section broadens the scope of indemnity.
- ✓ 15. 5 (d) All of previous 5 (d) has been struck. New language broadens trademark replacement and liability language.
16. 6 (a) (i) Additional royalty reduced from 30% to 10% should MS determine GATEWAY has not taken reasonable measures to prevent a breach.
17. 6 (c) EULA notice shall not become effective until September 1, 1995.
18. 10 (a) (c) Default and termination made mutual.
19. 11 (a) Upon termination units may be destroyed. Should units be returned to MS rather than destroyed, MS will reimburse GATEWAY for COGs up to \$100,000.
- ✓ 20. 12 (d) (i) Language added to reflect patents owned, acquired or applied for or which GATEWAY would be entitled to apply for.
- ✓ 21. 12 (d) (ii) Original section has been struck and replace with language that limits Immunity Period to two years after expiration or termination of Agreement.
22. 13 MS shall keep specific GATEWAY information confidential. Either party can distribute information on a need-to-know basis internally.
23. 14 (b) MS must provide notice of an audit. Audit firm must be Big Six or meet other requirements.
24. 14 (d) \$10,000 Material provision struck. Quarterly reports shall be the basis for calculating Material discrepancies. GATEWAY will pay for reasonable, documented out-of-pocket costs. Additional royalty provision for excess of reported amount has been struck.
25. 14 (e) Audits may be conducted on transactions occurring over a two year period.
26. Exhibit B Has been added to reflect specific countries covered under Patent, Copyright and Trademarks.
27. Exhibit C1 Penetration percentages and prices adjusted to reflect an 80% level.
28. Exhibit C1 *** Pricing recognition for partnership activities and investment.
29. "PER SYSTEM" 6. Provision to adjust pricing should GATEWAY begin exceeding its volume commitments.
30. ADDITIONAL PROVISIONS KEY - WINDOWS 95 11. GATEWAY may ship Customer Systems without hard drives provided that shipments are direct to major account customers. GATEWAY estimates this to be less than 1% of sales.

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31. ADDITIONAL PROVISIONS KEY - WINDOWS 95 13. Provision to ship emergency boot disk added.

X 32. ADDITIONAL PROVISIONS KEY - WINDOWS 95 16. Fair and consistent pricing provision. Applies only to Windows 95.

33. ADDITIONAL PROVISIONS KEY - WINDOWS 95, WINDOWS, WINDOWS FOR WORKGROUPS, AND MS-DOS (g) Boot disk provision added for all products.

34. EXHIBIT C1 Model Name or Model Number GATEWAY model names have been added with processors.

35. EXHIBIT C1 Model Name or Model Number GATEWAY may exclude systems with minimum bid requirements and those that are sold to other OEMs with valid MS licenses.

ACCOUNT MANAGER: Verify that all pages have been proofread

X 

2) OEM ACCOUNT ASSISTANT

X _____

3) PETER MILLER

X  7/15/95

4) JAN CLAESON

X  7-24-95

5) OEM FINANCE

X _____

6) JOACHIM KEMPIN

X _____

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