



NOVELL®

August 21, 1995

Mr. William H. Gates
Chairman and CEO
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Dear Bill:

Thank you for your letter of July 20. I appreciate your response to the issues that stand as barriers to a better relationship between Novell and Microsoft. These issues are not trivial to Novell. Most importantly, we do not want these issues to prevent the best integrated, fully functional, and supported networking solutions from reaching the customer.

We have carefully read your letter, and we want to pursue further the five topics you suggested ought to be discussed, which are:

- (1) A Patent Cross-License;
- (2) A Windows 95 and Windows NT Client License that will allow Microsoft to continue its development of NCP-compatible software;
- (3) An acknowledgment from Novell of Microsoft's ability to use NCPs;
- (4) Finalizing the Mutual Beta Product Exchange Agreement; and
- (5) Completion of the Mutual Customer Support Agreement.

Further, there are two antitrust issues that must be addressed. First, Novell continues to have a strong antitrust claim against Microsoft that it will not forsake simply because Microsoft refuses to acknowledge it. Second, the equal access issue must be addressed. Novell, as well as other software applications companies, should be given access to Microsoft's operating system equal to that of your applications developers. There are still five or six bugs that Microsoft has refused to fix which would allow WordPerfect to run smoothly with Windows95. We will have Dave Miller send a specific list to Bob Kruger. The result of the lack of equal access costs Novell, and others, months to release products that are Windows95 compatible. These are issues that need to be a major topic of discussion in our meeting.

Novell is eager to resolve these issues. Our hope is that both companies can work together to provide the absolute best integrated customer solutions. These barrier issues must be removed. I would like to arrange a meeting with you to discuss these issues in-depth. Will you please let me know which dates will be best for you.

Sincerely,

Robert J. Frankenberg
Chairman and CEO

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