

**DELL INC** (4331)

**8-K**

Current report filing

Filed on 07/19/2012

Filed Period 07/13/2012

THOMSON REUTERS **ACCELUS™**



**THOMSON REUTERS**

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): July 13, 2012**

---

**Dell Inc.**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-17017**  
(Commission  
File Number)

**74-2487834**  
(IRS Employer  
Identification No.)

**One Dell Way, Round Rock, Texas**  
(Address of principal executive offices)

**78682**  
(Zip Code)

**Registrant's telephone number, including area code: (800) 289-3355**

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

---

**Item 5.02 – Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) As described in Item 5.07 of this Current Report on Form 8-K, on July 13, 2012, at the 2012 Annual Meeting of Stockholders of Dell Inc. (the "Company"), the Company's stockholders approved the Dell Inc. 2012 Long-Term Incentive Plan (the "2012 LTIP"). The 2012 LTIP was approved by the Company's Board of Directors on May 15, 2012, subject to receipt of stockholder approval, and became effective upon receipt of stockholder approval on July 13, 2012.

The following description of certain terms of the 2012 LTIP is qualified in all respects by the terms of the 2012 LTIP, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference in this Item 5.02(e).

*Term.* The 2012 LTIP terminates automatically ten years after its effective date, unless it is earlier terminated by the Board.

*Eligible Participants.* Awards may be granted under the 2012 LTIP to individuals who are (1) employees, officers and directors of Dell or any of its subsidiaries or other affiliates, and (2) consultants, contractors and advisers to Dell or any of its subsidiaries or other affiliates who provide services to any of those entities.

*Awards.* The following types of awards may be made under the 2012 LTIP, subject to limitations set forth in the 2012 LTIP:

- Stock options, which may be either incentive stock options or non-qualified stock options;
- Restricted stock;
- Restricted stock units;
- Performance shares or other performance-based awards;
- Dividend equivalent rights;
- Stock appreciation rights;
- Other equity-based awards, including unrestricted stock; and
- Cash awards.

*Shares Available for Issuance.* Subject to adjustment as provided in the 2012 LTIP, the maximum number of shares of the Company's common stock that are available for issuance under the 2012 LTIP is 75 million shares, plus the number of shares subject to awards outstanding under the Company's Amended and Restated 2002 Long-Term Incentive Plan as of July 13, 2012 (the effective date of the 2012 LTIP) which thereafter terminate by expiration, forfeiture, cancellation or otherwise without the issuance of such shares.

A description of the material terms of the 2012 LTIP is set forth in Proposal 4, under the heading "Approval of the Dell Inc. 2012 Long Term Incentive Plan," in the Company's definitive proxy statement on Schedule 14A for the 2012 Annual Meeting of Stockholders, which was filed with the Securities and Exchange Commission on May 24, 2012.

The Leadership Development and Compensation Committee of the Board, which has been delegated the power and authority to administer the 2012 LTIP, has approved, for issuance of awards under the 2012 LTIP, a form of restricted stock unit agreement, a form of deferred stock unit agreement for non-employee directors, a form of restricted stock unit agreement for non-employee

directors, and a form of nonstatutory stock option agreement. The forms of restricted stock unit agreement, deferred stock unit agreement for non-employee directors, restricted stock unit agreement for non-employee directors, and nonstatutory stock option agreement are filed as Exhibits 10.2, 10.3, 10.4 and 10.5, respectively, to this Current Report on Form 8-K and incorporated by reference in this Item 5.02(e).

**Item 5.07 – Submission of Matters to a Vote of Security Holders.**

(a) On July 13, 2012, the Company held its 2012 Annual Meeting of Stockholders (the "2012 Annual Meeting") at which the Company's stockholders voted on the four proposals identified below.

(b) The final voting results with respect to each proposal voted upon at the 2012 Annual Meeting are set forth below. As of the record date for the 2012 Annual Meeting, holders of a total of 1,755,906,248 shares of outstanding common stock were entitled to vote on the proposals.

Proposal 1 – Election of Directors

The stockholders approved the Company's proposal for the election of twelve nominees to the Board of Directors by the affirmative vote of a majority of the shares of common stock present or represented by proxy at the 2012 Annual Meeting, as set forth below:

	<u>For</u>	<u>Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
James W. Breyer	1,255,273,066	35,500,716	5,387,028	203,563,818
Donald J. Carty	1,203,098,766	88,064,191	4,997,853	203,563,818
Janet F. Clark	1,280,636,691	10,547,041	4,977,078	203,563,818
Laura Conigliaro	1,283,922,941	7,255,300	4,982,569	203,563,818
Michael S. Dell	1,253,569,647	38,433,955	4,157,208	203,563,818
Kenneth M. Duberstein	1,263,705,782	27,069,092	5,385,936	203,563,818
William H. Gray, III	1,268,141,065	23,017,175	5,002,570	203,563,818
Gerard J. Kleisterlee	1,265,946,744	25,215,534	4,998,532	203,563,818
Klaus S. Luft	1,271,980,828	19,175,445	5,004,537	203,563,818
Alex J. Mandl	1,272,329,842	18,828,477	5,002,491	203,563,818
Shantanu Narayen	1,276,763,154	14,400,743	4,996,913	203,563,818
H. Ross Perot, Jr.	1,269,938,282	21,266,961	4,955,567	203,563,818

Proposal 2 — Ratification of Independent Auditor

The stockholders approved the Company's proposal for ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2013, as set forth below:

<b>For</b>	<b>Against</b>	<b>Abstentions</b>	<b>Broker Non-Votes</b>
1,475,536,523	18,942,243	5,245,862	-

**Proposal 3 – Advisory Vote on Named Executive Officer Compensation**

The stockholders approved, by a non-binding advisory vote, the Company's proposal to approve the compensation of its named executive officers as disclosed in the proxy statement for the 2012 Annual Meeting, as set forth below:

<b>For</b>	<b>Against</b>	<b>Abstentions</b>	<b>Broker Non-Votes</b>
1,267,093,984	24,292,675	4,774,151	203,563,818

**Proposal 4 – Approval of the Dell Inc. 2012 Long-Term Incentive Plan**

The stockholders approved the Company's proposal to approve the Dell Inc. 2012 Long-Term Incentive Plan, as set forth below:

<b>For</b>	<b>Against</b>	<b>Abstentions</b>	<b>Broker Non-Votes</b>
1,205,349,002	86,208,321	4,603,487	203,563,818

**Item 9.01 – Financial Statements and Exhibits.**

Dell herewith files the following documents as exhibits to this Current Report on Form 8-K:

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
10.1	Dell Inc. 2012 Long-Term Incentive Plan
10.2	Form of Stock Unit Agreement under the 2012 Long-Term Incentive Plan
10.3	Form of Deferred Stock Unit Agreement for Non-Employee Directors under the 2012 Long-Term Incentive Plan
10.4	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the 2012 Long-Term Incentive Plan
10.5	Form of Nonstatutory Stock Option Agreement under the 2012 Long-Term Incentive Plan

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 19, 2012

DELL INC.  
By: /s/ Janet B. Wright  
Janet B. Wright,  
Vice President and Assistant Secretary  
(Duly Authorized Officer)

---

---

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Dell Inc. 2012 Long-Term Incentive Plan
10.2	Form of Stock Unit Agreement under the 2012 Long-Term Incentive Plan
10.3	Form of Deferred Stock Unit Agreement for Non-Employee Directors under the 2012 Long-Term Incentive Plan
10.4	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the 2012 Long-Term Incentive Plan
10.5	Form of Nonstatutory Stock Option Agreement under the 2012 Long-Term Incentive Plan

---

**DELL INC.**  
**2012 LONG-TERM INCENTIVE PLAN**

---



---

**TABLE OF CONTENTS**

	<u>Page</u>
1. PURPOSE	1
2. DEFINITIONS	1
2.1 "Affiliate"	1
2.2 "Applicable Laws"	1
2.3 "Award"	1
2.4 "Award Agreement"	1
2.5 "Benefit Arrangement"	1
2.6 "Board"	2
2.7 "Capital Stock"	2
2.8 "Change in Control"	2
2.9 "Code"	2
2.10 "Committee"	2
2.11 "Company"	2
2.12 "Conduct Detrimental to the Company"	2
2.13 "Covered Employee"	2
2.14 "Disability"	3
2.15 "Dividend Equivalent Right"	3
2.16 "Employee"	3
2.17 "Effective Date"	3
2.18 "Exchange Act"	3
2.19 "Existing Stockholders"	3
2.20 "Fair Market Value"	3
2.21 "Family Member"	4
2.22 "Fully Diluted Basis"	4
2.23 "Grant Date"	4
2.24 "Grantee"	4
2.25 "Incentive Stock Option"	4
2.26 "Non-qualified Stock Option"	4
2.27 "Option"	4
2.28 "Option Price"	4
2.29 "Other Agreement"	4
2.30 "Outside Director"	4
2.31 "Other Equity-Based Award"	4
2.32 "Parachute Payment"	4
2.33 "Performance-Based Award"	4
2.34 "Performance-Based Compensation"	5
2.35 "Performance Measures"	5
2.36 "Performance Period"	5
2.37 "Performance Shares"	5
2.38 "Person"	5
2.39 "Plan"	5
2.40 "Prior Plan"	5
2.41 "Reporting Person"	5
2.42 "Restricted Period"	5
2.43 "Restricted Stock"	5
2.44 "Restricted Stock Unit"	5
2.45 "SAR Price"	5
2.46 "Securities Act"	5
2.47 "Securities Market"	5

		<u>Page</u>
2.48	"Service"	6
2.49	"Service Provider"	6
2.50	"Stock"	6
2.51	"Stock Appreciation Right"	6
2.52	"Stock Exchange"	6
2.53	"Subsidiary"	6
2.54	"Substitute Award"	6
2.55	"Ten Percent Stockholder"	6
2.56	"Unrestricted Stock"	6
2.57	"Voting Stock"	6
3.	ADMINISTRATION OF THE PLAN	7
3.1	Committee.	7
	3.1.1 Powers and Authorities.	7
	3.1.2 Composition of Committee.	7
	3.1.3 Delegation by Committee.	7
3.2	Board.	8
3.3	Terms of Awards.	8
	3.3.1 Committee Authority.	8
	3.3.2 Forfeiture; Recoupment.	9
3.4	No Repricing.	9
3.5	Deferral Arrangement.	9
3.6	No Liability.	9
3.7	Registration; Share Certificates.	9
3.8	Interpretation	10
4.	STOCK SUBJECT TO THE PLAN	10
4.1	Number of Shares of Stock Available for Awards.	10
4.2	Adjustments in Authorized Shares of Stock.	10
4.3	Share Usage.	10
5.	EFFECTIVE DATE; TERM; AMENDMENT AND TERMINATION	11
5.1	Effective Date.	11
5.2	Term.	11
5.3	Amendment and Termination.	11
6.	AWARD ELIGIBILITY AND LIMITATIONS	11
6.1	Eligible Grantees.	11
6.2	Limitation on Shares of Stock Subject to Awards and Cash Awards.	11
6.3	Stand-Alone, Additional, Tandem and Substitute Awards.	12
7.	AWARD AGREEMENT	12
8.	TERMS AND CONDITIONS OF OPTIONS	12
8.1	Option Price.	12
8.2	Vesting.	12
8.3	Term.	13
8.4	Termination of Service.	13
8.5	Limitations on Exercise of Option.	13
8.6	Method of Exercise.	13
8.7	Rights of Holders of Options.	13
8.8	Delivery of Stock.	13
8.9	Transferability of Options.	14
8.10	Family Transfers.	14
8.11	Limitations on Incentive Stock Options.	14
8.12	Notice of Disqualifying Disposition.	14

	<b>Page</b>
9. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS	14
9.1 Right to Payment and Grant Price.	14
9.2 Other Terms.	15
9.3 Term.	15
9.4 Transferability of SARS.	15
9.5 Family Transfers.	15
10. TERMS AND CONDITIONS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS	15
10.1 Grant of Restricted Stock or Restricted Stock Units.	15
10.2 Restrictions.	16
10.3 Registration; Restricted Share Certificates.	16
10.4 Rights of Holders of Restricted Stock.	16
10.5 Rights of Holders of Restricted Stock Units.	16
10.5.1 Voting and Dividend Rights.	16
10.5.2 Creditor's Rights.	17
10.6 Termination of Service.	17
10.7 Purchase of Restricted Stock and Shares of Stock Subject to Restricted Stock Units.	17
10.8 Delivery of Shares of Stock.	17
11. TERMS AND CONDITIONS OF UNRESTRICTED STOCK AWARDS AND OTHER EQUITY-BASED AWARDS	18
11.1 Unrestricted Stock Awards.	18
11.2 Other Equity-Based Awards.	18
12. FORM OF PAYMENT FOR OPTIONS AND RESTRICTED STOCK	18
12.1 General Rule.	18
12.2 Surrender of Shares of Stock.	18
12.3 Cashless Exercise.	18
12.4 Other Forms of Payment.	19
13. TERMS AND CONDITIONS OF DIVIDEND EQUIVALENT RIGHTS	19
13.1 Dividend Equivalent Rights.	19
13.2 Termination of Service.	19
14. TERMS AND CONDITIONS OF PERFORMANCE-BASED AWARDS	20
14.1 Grant of Performance-Based Awards.	20
14.2 Value of Performance-Based Awards.	20
14.3 Earning of Performance-Based Awards.	20
14.4 Form and Timing of Payment of Performance-Based Awards.	20
14.5 Performance Conditions.	20
14.6 Performance-Based Awards Granted to Designated Covered Employees.	20
14.6.1 Performance Goals Generally.	21
14.6.2 Timing For Establishing Performance Goals.	21
14.6.3 Settlement of Awards; Other Terms.	21
14.6.4 Performance Measures.	21
14.6.5 Evaluation of Performance.	23
14.6.6 Adjustment of Performance-Based Compensation.	23
14.6.7 Committee Discretion.	23
14.7 Status of Awards Under Code Section 162(m).	24
15. PARACHUTE LIMITATIONS	24
16. REQUIREMENTS OF LAW	24
16.1 General.	24
16.2 Rule 16b-3.	25

---

		<u>Page</u>
17.	EFFECT OF CHANGES IN CAPITALIZATION	25
17.1	Changes in Stock; Merger.	25
17.2	Adjustments.	26
17.3	No Limitations on Company.	26
18.	GENERAL PROVISIONS	26
18.1	Disclaimer of Rights.	26
18.2	Nonexclusivity of the Plan.	27
18.3	Withholding Taxes.	27
18.4	Captions.	28
18.5	Other Provisions.	28
18.6	Number and Gender.	28
18.7	Severability.	28
18.8	Governing Law.	28
18.9	Foreign Jurisdictions.	28
18.10	Resolution of Disputes.	28
18.11	Section 409A of the Code.	29

---

DELL INC.  
2012 LONG-TERM INCENTIVE PLAN

Dell Inc. (the "Company") sets forth herein the terms of its 2012 Long-Term Incentive Plan (the "Plan"), as follows:

1. PURPOSE

The Plan is intended to (a) provide eligible persons with an incentive to contribute to the long-term success of the Company and to operate and manage the Company's business in a manner that will provide for the Company's long-term growth and profitability to benefit its stockholders and other important stakeholders, including its employees and customers, (b) provide a means of obtaining, rewarding and retaining key personnel and (c) ensure that key personnel act in the best interest of the Company during and after their service to the Company as a condition to enjoying the benefits of such rewards. To this end, the Plan provides for the grant of awards of stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards, and cash. Any of these awards may, but need not, be made as performance incentives to reward the holders of such awards for the achievement of performance goals in accordance with the terms of the Plan. Stock options granted under the Plan may be non-qualified stock options or incentive stock options, as provided herein.

2. DEFINITIONS

For purposes of interpreting the Plan documents (including the Plan and Award Agreements), the following definitions shall apply:

2.1 "Affiliate" means any company or other entity that controls, is controlled by or is under common control with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including any Subsidiary. For purposes of grants of Options or Stock Appreciation Rights, an entity may not be considered an Affiliate unless the Company holds a "controlling interest" in such entity within the meaning of Treasury Regulation Section 1.414(c)-2(b)(2)(i), provided that (a) except as specified in clause (b) below, an interest of "at least 50 percent" shall be used instead of an interest of "at least 80 percent" in each case where "at least 80 percent" appears in Treasury Regulation Section 1.414(c)-2(b)(2)(i) and (b) where the grant of Options or Stock Appreciation Rights is based upon a legitimate business criterion, an interest of "at least 20 percent" shall be used instead of an interest of "at least 80 percent" in each case where "at least 80 percent" appears in Treasury Regulation Section 1.414(c)-2(b)(2)(i).

2.2 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under (a) applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders of any jurisdiction applicable to Awards granted to residents therein and (b) the rules of any Stock Exchange on which the Stock is listed.

2.3 "Award" means a grant under the Plan of an Option, a Stock Appreciation Right, Restricted Stock, a Restricted Stock Unit, Unrestricted Stock, a Dividend Equivalent Right, a Performance Share or other Performance-Based Award, an Other Equity-Based Award, or cash.

2.4 "Award Agreement" means the agreement between the Company and a Grantee that evidences and sets out the terms and conditions of an Award.

2.5 "Benefit Arrangement" shall have the meaning set forth in Section 15.

---

2.6 "Board" means the Board of Directors of the Company.

2.7 "Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Effective Date or issued thereafter, including, without limitation, all common stock, par value \$0.01 per share, of the Company.

2.8 "Change in Control" means the occurrence of any of the following:

(a) a "Person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act), other than the Existing Stockholders, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of more than fifty percent (50%) of the total voting power of the Voting Stock of the Company, on a Fully Diluted Basis;

(b) individuals who on the Effective Date constitute the Board (together with any new Directors whose election by such Board or whose nomination by such Board for election by the stockholders of the Company was approved by a vote of at least a majority of the members of such Board then in office who either were members of such Board on the Effective Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of such Board then in office;

(c) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, other than any such transaction in which the holders of securities that represented one hundred percent (100%) of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction;

(d) there is consummated any direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any "Person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act); or

(e) the stockholders of the Company adopt a plan or proposal for the liquidation, winding up or dissolution of the Company.

2.9 "Code" means the Internal Revenue Code of 1986, as amended, as now in effect or as hereafter amended, and any successor thereto.

2.10 "Committee" means a committee of, and designated from time to time by resolution of, the Board, which shall be constituted as provided in Section 3.1.2 and Section 3.1.3 (or, if no Committee has been so designated, the Board).

2.11 "Company" means Dell Inc.

2.12 "Conduct Detrimental to the Company" shall have the meaning as set forth in an applicable agreement between such Grantee and the Company or an Affiliate.

2.13 "Covered Employee" means a Grantee who is a "covered employee" within the meaning of Code Section 162(m)(3).

---

2.14 "Disability" means that the Committee (1) has determined that the Grantee has a permanent physical or mental impairment of sufficient severity as to prevent the Grantee from performing duties for the Company and (2) has provided written notice to the Grantee that the Grantee's employment is terminated due to a permanent "Disability" pursuant to this section. The Committee, or its designee, may establish any process or procedure it deems appropriate for determining whether a Grantee has a "Disability." Whether a Grantee's employment is terminated due to "Disability" for purposes of this section shall be determined by the Committee in the Committee's complete discretion. With respect to rules regarding expiration of an Incentive Stock Option following termination of a Grantee's Service, Disability shall mean the inability of such Grantee to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

2.15 "Dividend Equivalent Right" means a right, granted to a Grantee pursuant to Section 13, to receive cash, Stock, other Awards or other property equal in value to dividends or other periodic payments paid or made with respect to a specified number of shares of Stock.

2.16 "Employee" means, as of any date of determination, an employee (including an officer) of the Company or an Affiliate.

2.17 "Effective Date" means July 13, 2012, the date on which the Plan was approved by the Company's stockholders.

2.18 "Exchange Act" means the Securities Exchange Act of 1934, as amended, as now in effect or as hereafter amended.

2.19 "Existing Stockholders" means one or more of Michael Dell and his Affiliates.

2.20 "Fair Market Value" means the fair market value of a share of Stock for purposes of the Plan, which shall be determined as of any Grant Date as follows:

(a) If on such Grant Date the shares of Stock are listed on a Stock Exchange, or are publicly traded on another established securities market (a "Securities Market"), the Fair Market Value of a share of Stock shall be the closing price of the Stock as reported on such Stock Exchange or such Securities Market (provided that, if there is more than one such Stock Exchange or Securities Market, the Committee shall designate the appropriate Stock Exchange or Securities Market for purposes of the Fair Market Value determination). If there is no such reported closing price on such Grant Date, the Fair Market Value of a share of Stock shall be the closing price of the Stock on the last preceding day on which any sale of Stock shall have been reported on such Stock Exchange or such Securities Market.

(b) If on such Grant Date the shares of Stock are not listed on a Stock Exchange or publicly traded on a Securities Market, the Fair Market Value of a share of Stock shall be the value of the Stock as determined by the Committee by the reasonable application of a reasonable valuation method, in a manner consistent with Code Section 409A.

Notwithstanding this Section 2.20, Fair Market Value for any purpose under the Plan other than for determining Fair Market Value as of any Grant Date (e.g. determining taxable income and the amount of the related tax withholding obligation pursuant to Section 18.3) will be determined by the Company using any reasonable method; provided, that for any shares of Stock subject to an Award that are sold by or on behalf of a Grantee on the same date on which such shares may first be sold pursuant to the terms of the related Award Agreement, the Fair Market Value of such shares for the purposes of determining taxable income shall be the sale price of such shares on such date (or if sales of such shares are effectuated at more than one sale price, the weighted average sale price of such shares on such date).

---

2.21 "Family Member" means, with respect to any Grantee as of any date of determination, (a) a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of such Grantee, (b) any person sharing such Grantee's household (other than a tenant or employee), (c) a trust in which any one or more of the persons specified in clauses (a) and (b) above (and such Grantee) own more than fifty percent (50%) of the beneficial interest, (d) a foundation in which any one or more of the persons specified in clauses (a) and (b) above (and such Grantee) control the management of assets, and (e) any other entity in which one or more of the persons specified in clauses (a) and (b) above (and such Grantee) own more than fifty percent (50%) of the voting interests.

2.22 "Fully Diluted Basis" means, as of any date of determination, the sum of (x) the number of shares of Voting Stock outstanding as of such date of determination plus (y) the number of shares of Voting Stock issuable upon the exercise, conversion or exchange of all then-outstanding warrants, options, convertible Capital Stock or indebtedness, exchangeable Capital Stock or indebtedness, or other rights exercisable for or convertible or exchangeable into, directly or indirectly, shares of Voting Stock, whether at the time of issue or upon the passage of time or upon the occurrence of some future event, and whether or not in the money as of such date of determination.

2.23 "Grant Date" means, as determined by the Committee, (a) the date as of which the Committee completes the corporate action constituting the Award or (b) such date subsequent to the date specified in clause (a) above as may be specified by the Committee.

2.24 "Grantee" means a person who receives or holds an Award under the Plan.

2.25 "Incentive Stock Option" means an "incentive stock option" within the meaning of Code Section 422, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.

2.26 "Non-qualified Stock Option" means an Option that is not an Incentive Stock Option.

2.27 "Option" means an option to purchase one or more shares of Stock pursuant to the Plan.

2.28 "Option Price" means the exercise price for each share of Stock subject to an Option.

2.29 "Other Agreement" shall have the meaning set forth in Section 15.

2.30 "Outside Director" means a member of the Board who is not an Employee.

2.31 "Other Equity-Based Award" means an Award representing a right or other interest that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, other than an Option, a Stock Appreciation Right, Restricted Stock, a Restricted Stock Unit, Unrestricted Stock, a Dividend Equivalent Right or a Performance Share.

2.32 "Parachute Payment" shall have the meaning set forth in Section 15(a).

2.33 "Performance-Based Award" means an Award of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Other Equity-Based Awards or cash made subject to the achievement of performance goals (as provided in Section 14) over a Performance Period specified by the Committee.



---

2.34 "Performance-Based Compensation" means compensation under an Award that is intended to satisfy the requirements of Code Section 162(m) for "qualified performance-based compensation" paid to Covered Employees. Notwithstanding the foregoing, nothing in the Plan shall be construed to mean that an Award which does not satisfy the requirements for "qualified performance-based compensation" within the meaning of and pursuant to Code Section 162(m) does not constitute performance-based compensation for other purposes, including the purposes of Code Section 409A.

2.35 "Performance Measures" means measures as specified in Section 14.6.4 on which the performance goals under Performance-Based Awards are based and which are approved by the Company's stockholders pursuant to, and to the extent required by, the Plan in order to qualify such Performance-Based Awards as Performance-Based Compensation.

2.36 "Performance Period" means the period of time during which the performance goals under Performance-Based Awards must be met in order to determine the degree of payout and/or vesting with respect to any such Performance-Based Awards.

2.37 "Performance Shares" means a Performance-Based Award representing a right or other interest that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, made subject to the achievement of performance goals (as provided in Section 14) over a Performance Period of up to ten (10) years.

2.38 "Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

2.39 "Plan" means this 2012 Dell Inc. Long-Term Incentive Plan, as amended from time to time.

2.40 "Prior Plan" means the Dell Inc. Amended and Restated 2002 Long-Term Incentive Plan.

2.41 "Reporting Person" means a person who is required to file reports under Section 16(a) of the Exchange Act, or any successor provision.

2.42 "Restricted Period" shall have the meaning set forth in Section 10.2.

2.43 "Restricted Stock" means shares of Stock awarded to a Grantee pursuant to Section 10.

2.44 "Restricted Stock Unit" means a bookkeeping entry representing the equivalent of one (1) share of Stock awarded to a Grantee pursuant to Section 10 that (a) is not subject to vesting or (b) is subject to time-based vesting, but not to performance-based vesting.

2.45 "SAR Price" shall have the meaning set forth in Section 9.1.

2.46 "Securities Act" means the Securities Act of 1933, as amended, as now in effect or as hereafter amended.

2.47 "Securities Market" shall have the same meaning set forth in the definition of "Fair Market Value."

---

2.48 "Service" means service of a Grantee as a Service Provider to the Company or any Affiliate. Unless otherwise provided in the applicable Award Agreement, a Grantee's change in position or duties with the Company or any Affiliate shall result in terminated Service. If a Service Provider's employment or other service relationship is with an Affiliate and the applicable entity ceases to be an Affiliate, a termination of Service shall be deemed to have occurred when such entity ceases to be an Affiliate unless the Service Provider transfers his or her employment or other service relationship to the Company or any other Affiliate. Any determination by the Committee whether a termination of Service shall have occurred for purposes of the Plan shall be final, binding and conclusive.

2.49 "Service Provider" means, as of any date of determination, an Employee, officer, or director of the Company or any Affiliate, or a consultant (who is a natural person), a contractor (who is a natural person) or adviser (who is a natural person) to the Company or any Affiliate who provides services to the Company or any Affiliate.

2.50 "Stock" means the common stock, par value \$0.01 per share, of the Company, or any security which shares of Stock may be changed into or for which shares of Stock may be exchanged as provided in Section 17.1.

2.51 "Stock Appreciation Right" or "SAR" means a right granted to a Grantee pursuant to Section 9.

2.52 "Stock Exchange" means The NASDAQ Stock Exchange LLC or any successor thereto or another established national or regional stock exchange.

2.53 "Subsidiary" means any corporation (other than the Company) or non-corporate entity with respect to which the Company owns, directly or indirectly, fifty percent (50%) or more of the total combined voting power of all classes of stock, membership interests or other ownership interests of any class or kind ordinarily having the power to vote for the directors, managers or other voting members of the governing body of such corporation or non-corporate entity. In addition, any other entity may be designated by the Committee as a Subsidiary, *provided* that (a) such entity could be considered as a subsidiary according to accounting principles generally accepted in the United States of America, and (b) in the case of an Award of Options or Stock Appreciation Rights, such Award would be considered to be granted in respect of "service recipient stock" under Code Section 409A.

2.54 "Substitute Award" means an Award granted upon assumption of, or in substitution for, outstanding awards previously granted under a compensatory plan by a business entity acquired or to be acquired by the Company or an Affiliate or with which the Company or an Affiliate has combined or will combine.

2.55 "Ten Percent Stockholder" means a natural person who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding voting securities of the Company, the Company's parent (if any) or any of the Company's Subsidiaries. In determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

2.56 "Unrestricted Stock" shall have the meaning set forth in Section 11.

2.57 "Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

---

Unless the context otherwise requires, all references in the Plan to "including" shall mean "including without limitation."

References in the Plan to any Code Section shall be deemed to include, as applicable, regulations promulgated under such Code Section.

### 3. ADMINISTRATION OF THE PLAN

#### 3.1 Committee.

##### 3.1.1 Powers and Authorities.

The Committee shall administer the Plan and shall have such powers and authorities related to the administration of the Plan as are consistent with the Company's certificate of incorporation and bylaws and Applicable Laws. Without limiting the generality of the foregoing, the Committee shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan which the Committee deems to be necessary or appropriate to the administration of the Plan, any Award or any Award Agreement. All such actions and determinations shall be made by (a) the affirmative vote of a majority of the members of the Committee present at a meeting at which a quorum is present, or (b) the unanimous consent of the members of the Committee executed in writing in accordance with the Company's certificate of incorporation and bylaws and Applicable Laws.

In the event that the Plan, any Award or any Award Agreement provides for any action to be taken by the Board or any determination to be made by the Board, such action may be taken or such determination may be made by the Committee constituted in accordance with this Section 3.1 if the Board has delegated the power and authority to do so to such Committee.

##### 3.1.2 Composition of Committee.

The Committee shall be a committee composed of not fewer than two directors of the Company designated by the Board to administer the Plan. Each member of the Committee shall be a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act, an "outside director" within the meaning of Code Section 162(m)(4)(C)(i) and, for so long as the Stock is listed on The NASDAQ Stock Exchange LLC, an "independent director" within the meaning of NASDAQ Listing Rule 5605(a)(2) (or, in each case, any successor term or provision); *provided* that any action taken by the Committee shall be valid and effective whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 3.1.2 or otherwise provided in any charter of the Committee. Without limiting the generality of the foregoing, the Committee may be the Leadership Development and Compensation Committee of the Board or a subcommittee thereof if the Leadership Development and Compensation Committee of the Board or such subcommittee satisfies the foregoing requirements.

##### 3.1.3 Delegation by Committee.

To the extent permitted by Applicable Laws, the Committee may delegate some or all of its authority with respect to the Plan and Awards to the Chief Executive Officer of the Company, any other officer or officers of the Company, or any other person or persons designated by the Committee, in each case acting individually or as a committee; *provided* that the Committee may not delegate its authority hereunder (a) to make Awards to directors of the Company, or (b) to make Awards to Employees who are (i) "officers" as defined in Rule 16a-1(f) under the Exchange Act, (ii) Covered Employees or (iii) officers or other employees of the Company who are delegated

---

authority by the Committee pursuant to this Section 3.1.3. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation or thereafter. Nothing in the Plan shall be construed as obligating the Committee to delegate authority to any person, and the Committee may at any time rescind the authority delegated to any person appointed hereunder and delegate authority to one or more other persons. At all times, any person delegated authority pursuant to this Section 3.1.3 shall serve in such capacity at the pleasure of the Committee. Any action undertaken by any such person or persons in accordance with the Committee's delegation of authority shall have the same force and effect as if undertaken directly by the Committee, and any reference in the Plan to the "Committee" shall, to the extent consistent with the terms and limitations of such delegation, be deemed to include a reference to each and such persons.

3.2 Board.

The Board from time to time may exercise any or all of the powers and authorities related to the administration and implementation of the Plan, as set forth in Section 3.1 and other applicable provisions of the Plan, as the Board shall determine, consistent with the Company's certificate of incorporation and bylaws and Applicable Laws.

3.3 Terms of Awards.

3.3.1 Committee Authority.

Subject to the other terms and conditions of the Plan, the Committee shall have full and final authority to:

(a) designate Grantees;

(b) determine the type or types of Awards to be made to a Grantee;

(c) determine the number of shares of Stock to be subject to an Award;

(d) establish the terms and conditions of each Award (including the Option Price of any Option), the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the shares of Stock subject thereto, the treatment of an Award in the event of a Change in Control (subject to applicable agreements), and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options;

(e) prescribe the form of each Award Agreement evidencing an Award; and

(f) subject to the limitation on repricing in Section 3.4, amend, modify or supplement the terms of any outstanding Award, which authority shall include the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to make Awards or to modify outstanding Awards made to eligible natural persons who are foreign nationals or are natural persons who are employed outside the United States to reflect differences in local law, tax policy, or custom, *provided* that, notwithstanding the foregoing, no amendment, modification or supplement of the terms of any outstanding Award shall, without the consent of the Grantee thereof, impair such Grantee's rights under such Award.

The Committee shall have the right, in its discretion, to make Awards in substitution or exchange for any award granted under another compensatory plan of the Company, any Affiliate, or any business entity acquired or to be acquired by the Company or an Affiliate or with which the Company or an Affiliate has combined or will combine.

---

### 3.3.2 Forfeiture; Recoupment.

The Committee may reserve the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee with respect to an Award thereunder on account of actions taken by, or failed to be taken by, such Grantee as and to the extent specified in such Award Agreement, including, but not limited to, Conduct Detrimental to the Company as that term is defined in the applicable Award Agreement. The Committee may rescind an outstanding Award if the Grantee thereof is an Employee and is terminated for Conduct Detrimental to the Company as defined in the applicable Award Agreement or for "cause" as defined in any other agreement between the Company or such Affiliate and such Grantee, as applicable.

Any Award granted pursuant to the Plan shall be subject to mandatory repayment by the Grantee to the Company to the extent the Grantee is, or in the future becomes, subject to (a) any Company "clawback" or recoupment policy including, but not limited to, any requirement set forth in this Plan or in an Award Agreement, or (b) any law, rule or regulation which imposes mandatory recoupment, under circumstances set forth in such law, rule or regulation.

### 3.4 No Repricing.

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, distribution (whether in the form of cash, shares of Stock, other securities or other property), stock split, extraordinary cash dividend, recapitalization, change in control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Stock or other securities or similar transaction), the Company may not, without obtaining stockholder approval: (a) amend the terms of outstanding Options or SARs to reduce the exercise price of such outstanding Options or SARs; (b) cancel outstanding Options or SARs in exchange for or substitution of Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs; or (c) cancel outstanding Options or SARs with an exercise price above the current stock price in exchange for cash or other securities.

### 3.5 Deferral Arrangement.

The Committee may permit or require a Grantee to defer receipt of any Stock or cash payment pursuant to any Award into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or Dividend Equivalent Rights and, in connection therewith, provisions for converting such credits into Restricted Stock Units and for restricting deferrals to comply with hardship distribution rules affecting tax-qualified retirement plans subject to Code Section 401(k)(2)(B)(IV), *provided* that no Dividend Equivalent Rights may be granted in connection with, or related to, an Award of Options or SARs. Any such deferrals shall be made in a manner that complies with Code Section 409A.

### 3.6 No Liability.

No member of the Board, the Committee, or an employee shall be liable for any action or determination made in good faith with respect to the Plan or any Award or Award Agreement.

### 3.7 Registration; Share Certificates.

Notwithstanding any provision of the Plan to the contrary, the ownership of the shares of Stock issued under the Plan may be evidenced in such a manner as the Committee, in its sole discretion, deems appropriate, including by book-entry or direct registration (including transaction advices) or the issuance of one or more share certificates.

---

### 3.8 Interpretation

Any interpretation or construction of, and any other determination contemplated to be made under, the Plan, any Award or any Award Agreement shall be made by the Company consistent with the terms of the Plan and shall be final, binding, and conclusive whether or not expressly provided for in any provision of the Plan, such Award or such Award Agreement. Any disputes relating to a decision or determination by the Company shall be resolved in accordance with the dispute resolution provisions of this Plan and any Award Agreement.

## 4. STOCK SUBJECT TO THE PLAN

### 4.1 Number of Shares of Stock Available for Awards.

Subject to the other provisions of this Section 4 and subject to adjustment as provided under the Plan, the total number of shares of Stock that shall be authorized for issuance for Awards under the Plan shall be seventy-five million (75,000,000) shares of Stock plus the number of shares of Stock related to awards outstanding under the Prior Plan as of the Effective Date which thereafter terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares. Such shares of Stock may be authorized and unissued shares of Stock or treasury shares of Stock or any combination of the foregoing, as may be determined from time to time by the Board or by the Committee. Any of the shares of Stock available for issuance under the Plan may be used for any type of Award under the Plan, and any or all of the shares of Stock available for issuance under the Plan shall be available for issuance pursuant to Incentive Stock Options.

### 4.2 Adjustments in Authorized Shares of Stock.

In connection with mergers, reorganizations, separations, or other transactions to which Code Section 424(a) applies, the Committee shall have the right to cause the Company to assume awards previously granted under a compensatory plan by another business entity that is a party to such transaction and to substitute Awards under the Plan for such awards. The number of shares of Stock available for issuance under the Plan pursuant to Section 4.1 shall not be increased by the number of shares of Stock subject to any such assumed awards and substitute Awards. Shares available for issuance under a shareholder-approved plan of a business entity that is a party to such transaction (as appropriately adjusted, if necessary, to reflect such transaction) may be used for Awards under the Plan and shall not reduce the number of shares of Stock otherwise available for issuance under the Plan, subject to applicable rules of any Stock Exchange on which the Stock is listed.

### 4.3 Share Usage.

(a) Shares of Stock subject to an Award shall be counted as used as of the Grant Date.

(b) Any shares of Stock that are subject to an Award shall be counted against the share issuance limit set forth in Section 4.1 as one (1) share for every one (1) share of Stock subject to such Award. The gross number of shares of Stock issued in connection with an Award of SARs shall be counted toward the share issuance limit set forth in Section 4.1.

(c) Notwithstanding anything to the contrary in Section 4.1, any shares of Stock related to Awards under the Plan which thereafter terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares shall be available again for issuance under the Plan.

(d) The number of shares of Stock available for issuance under the Plan shall not be increased by the number of shares of Stock (i) tendered or withheld or subject to an Award surrendered in

---

connection with the purchase of shares of Stock upon exercise of an Option as provided in Section 12.2, (ii) deducted or delivered from payment of an Award in connection with the Company's tax withholding obligations as provided in Section 18.3 or (iii) purchased by the Company with proceeds from Option exercises.

## 5. EFFECTIVE DATE; TERM; AMENDMENT AND TERMINATION

### 5.1 Effective Date.

The Plan shall be effective as of the Effective Date. Following the Effective Date, no awards shall be made under the Prior Plan. Notwithstanding the foregoing, shares of Stock reserved under the Prior Plan to settle awards, including performance-based awards, which are made under the Prior Plan prior to the Effective Date may be issued and delivered following the Effective Date to settle such awards.

### 5.2 Term.

The Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date as provided in Section 5.3.

### 5.3 Amendment and Termination.

The Board may, at any time and from time to time, amend, suspend or terminate the Plan as to any shares of Stock as to which Awards have not been made. The effectiveness of any amendment to the Plan shall be contingent on approval of such amendment by the Company's stockholders to the extent provided by the Board or required by Applicable Laws (including the rules of any Stock Exchange on which the Stock is then listed), *provided* that no amendment shall be made to the no-repricing provisions of Section 3.4, the Option pricing provisions of Section 8.1 or the Stock Appreciation Rights pricing provisions of Section 9.1 without the approval of the Company's stockholders. No amendment, suspension or termination of the Plan shall impair rights or obligations under any Award theretofore made under the Plan without the consent of the Grantee thereof.

## 6. AWARD ELIGIBILITY AND LIMITATIONS

### 6.1 Eligible Grantees.

Subject to this Section 6, Awards may be made under the Plan to any Service Provider, as the Committee shall determine and designate from time to time.

### 6.2 Limitation on Shares of Stock Subject to Awards and Cash Awards.

During any time when the Company has a class of equity securities registered under Section 12 of the Exchange Act:

(a) the maximum number of shares of Stock subject to Options or SARs that may be granted under the Plan in a calendar year to any person eligible for an Award under Section 6 is ten million (10,000,000) shares;

(b) the maximum number of shares of Stock that may be granted under the Plan, other than pursuant to Options or SARs, in a calendar year to any person eligible for an Award under Section 6 is three million (3,000,000) shares; and

(c) the maximum amount that may be paid as cash-settled Performance-Based Awards shall not exceed 0.5% of the Company's aggregate consolidated operating income in the immediately preceding fiscal year.

---

The preceding limitations in this Section 6.2 are subject to adjustment as provided in Section 17.

6.3 Stand-Alone, Additional, Tandem and Substitute Awards.

Subject to Section 3.4, Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, (a) any other Award, (b) any award granted under another plan of the Company, any Affiliate, or any business entity that has been a party to a transaction with the Company or any Affiliate, or (c) any other right of a Grantee to receive payment from the Company or any Affiliate. Such additional, tandem and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, or for an award granted under another plan of the Company, any Affiliate, or any business entity that has been a party to a transaction with the Company or any Affiliate, the Committee shall require the surrender of such other Award or award under such other plan in consideration for the grant of such substitute or exchange Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash payments under other plans of the Company or any Affiliate. Notwithstanding Section 8.1 and Section 9.1, but subject to Section 3.4, the Option Price of an Option or the SAR Price of a SAR that is a Substitute Award may be less than one hundred percent (100%) of the Fair Market Value of a share of Stock on the original Grant Date; *provided* that such Option Price or SAR Price is determined in accordance with the principles of Code Section 424 for any Incentive Stock Option and consistent with Code Section 409A for any other Option or SAR.

7. AWARD AGREEMENT

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, which shall be in such form or forms as the Committee shall from time to time determine. Award Agreements employed under the Plan from time to time or at the same time need not contain similar provisions, but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Non-qualified Stock Options or Incentive Stock Options, and, in the absence of such specification, such Options shall be deemed to constitute Non-qualified Stock Options.

8. TERMS AND CONDITIONS OF OPTIONS

8.1 Option Price.

The Option Price of each Option shall be fixed by the Committee and stated in the Award Agreement evidencing such Option. Except in the case of Substitute Awards, the Option Price of each Option shall be at least the Fair Market Value of one (1) share of Stock on the Grant Date; *provided* that in the event that a Grantee is a Ten Percent Stockholder, the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value of one (1) share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

8.2 Vesting.

Subject to Sections 8.3, each Option granted under the Plan shall become exercisable at such times and under such conditions as shall be determined by the Committee and stated in the Award Agreement, in another agreement with the Grantee or otherwise in writing, *provided* that no Option shall be granted to Grantees who are entitled to overtime under applicable state or federal laws, that will vest or be exercisable within a six-month period starting on the Grant Date.



---

8.3 Term.

Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten (10) years from the Grant Date of such Option, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such Option; *provided* that in the event that the Grantee is a Ten Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five (5) years from its Grant Date.

8.4 Termination of Service.

Each Award Agreement with respect to the grant of an Option shall set forth the extent to which the Grantee thereof, if at all, shall have the right to exercise such Option following termination of such Grantee's Service. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

8.5 Limitations on Exercise of Option.

Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, after the occurrence of an event referred to in Section 17 which results in the termination of such Option.

8.6 Method of Exercise.

Subject to the terms of Section 12 and Section 18.3, an Option that is exercisable may be exercised by the Grantee's delivery to the Company or its designee or agent of notice of exercise on any business day, at the Company's principal office or the office of such designee or agent, on the form specified by the Company and in accordance with any additional procedures specified by the Committee. Such notice shall specify the number of shares of Stock with respect to which such Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares of Stock for which such Option is being exercised plus the amount (if any) of federal and/or other taxes which the Company may, in its judgment, be required to withhold with respect to the exercise of such Option.

8.7 Rights of Holders of Options.

A Grantee or other person holding or exercising an Option shall have none of the rights of a stockholder of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the shares of Stock subject to such Option, to direct the voting of the shares of Stock subject to such Option, or to receive notice of any meeting of the Company's stockholders) until the shares of Stock subject thereto are fully paid and issued to such Grantee or other person. Except as provided in Section 17, no adjustment shall be made for dividends, distributions or other rights with respect to any shares of Stock subject to an Option for which the record date is prior to the date of issuance of such shares of Stock.

8.8 Delivery of Stock.

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price with respect thereto, such Grantee shall be entitled to receive such evidence of such Grantee's ownership of the shares of Stock subject to such Option as shall be consistent with Section 3.7.

---

#### 8.9 Transferability of Options.

Except as provided in Section 8.10, during the lifetime of a Grantee of an Option, only such Grantee (or, in the event of such Grantee's legal incapacity or incompetency, such Grantee's guardian or legal representative) may exercise such Option. Except as provided in Section 8.10, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

#### 8.10 Family Transfers.

If authorized in the applicable Award Agreement or by the Committee, in its sole discretion, a Grantee may transfer, not for value, all or part of an Option which is not an Incentive Stock Option to any Family Member. For the purpose of this Section 8.10, a transfer "not for value" is a transfer which is (a) a gift, (b) a transfer under a domestic relations order in settlement of marital property rights or (c) unless Applicable Laws do not permit such transfer, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in such entity. Following a transfer under this Section 8.10, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to such transfer, and the shares of Stock acquired pursuant to such Option shall be subject to the same restrictions with respect to transfers of such shares of Stock as would have applied to the Grantee thereof. Subsequent transfers of transferred Options shall be prohibited except to Family Members of the original Grantee in accordance with this Section 8.10 or by will or the laws of descent and distribution. The provisions of Section 8.4 relating to termination of Service shall continue to be applied with respect to the original Grantee of the Option, following which such Option shall be exercisable by the transferee only to the extent, and for the periods specified, in Section 8.4 and Section 8.5.

#### 8.11 Limitations on Incentive Stock Options.

An Option shall constitute an Incentive Stock Option only (a) if the Grantee of such Option is an Employee of the Company or any corporate Subsidiary, (b) to the extent specifically provided in the related Award Agreement and (c) to the extent that the aggregate Fair Market Value (determined at the time such Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Company and its Affiliates) does not exceed one hundred thousand dollars (\$100,000). Except to the extent provided in the regulations under Code Section 422, this limitation shall be applied by taking Options into account in the order in which they were granted.

#### 8.12 Notice of Disqualifying Disposition.

If any Grantee shall make any disposition of shares of Stock issued pursuant to the exercise of an Incentive Stock Option under the circumstances provided in Code Section 421(b) (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within ten (10) days thereof.

### 9. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS

#### 9.1 Right to Payment and Grant Price.

A SAR shall confer on the Grantee to whom it is granted a right to receive, upon exercise thereof, the excess of (x) the Fair Market Value of one (1) share of Stock on the date of exercise over (y) the per share exercise price of such SAR (the "SAR Price") as determined by the Committee. The Award Agreement for a SAR shall specify the SAR Price, which shall be no less than the Fair Market Value of

---

one (1) share of Stock on the Grant Date of such SAR. SARs may be granted in tandem with all or part of an Option granted under the Plan or at any subsequent time during the term of such Option, in combination with all or any part of any other Award or without regard to any Option or other Award; *provided* that a SAR that is granted subsequent to the Grant Date of a related Option must have a SAR Price that is no less than the Fair Market Value of one (1) share of Stock on the Grant Date of such SAR.

#### 9.2 Other Terms.

The Committee shall determine, on the Grant Date or thereafter, the time or times at which and the circumstances under which a SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future Service requirements), the time or times at which SARs shall cease to be or become exercisable following termination of Service or upon other conditions, the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which shares of Stock shall be delivered or deemed to be delivered to Grantees, whether or not a SAR shall be granted in tandem or in combination with any other Award, and any and all other terms and conditions of any SAR.

#### 9.3 Term.

Each SAR granted under the Plan shall terminate, and all rights thereunder shall cease, upon the expiration of ten (10) years from the Grant Date of such SAR or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Committee and stated in the Award Agreement relating to such SAR.

#### 9.4 Transferability of SARs.

Except as provided in Section 9.5, during the lifetime of a Grantee of a SAR, only the Grantee (or, in the event of such Grantee's legal incapacity or incompetency, such Grantee's guardian or legal representative) may exercise such SAR. Except as provided in Section 9.5, no SAR shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

#### 9.5 Family Transfers.

If authorized in the applicable Award Agreement or by the Committee, in its sole discretion, a Grantee may transfer, not for value, all or part of a SAR to any Family Member. For the purpose of this Section 9.5, a transfer "not for value" is a transfer which is (a) a gift, (b) a transfer under a domestic relations order in settlement of marital property rights or (c) unless Applicable Laws do not permit such transfer, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (and/or the Grantee) in exchange for an interest in such entity. Following a transfer under this Section 9.5, any such SAR shall continue to be subject to the same terms and conditions as were in effect immediately prior to such transfer, and shares of Stock acquired pursuant to a SAR shall be subject to the same restrictions on transfers of such shares of Stock as would have applied to the Grantee or such SAR. Subsequent transfers of transferred SARs shall be prohibited except to Family Members of the original Grantee in accordance with this Section 9.5 or by will or the laws of descent and distribution.

### 10. TERMS AND CONDITIONS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS

#### 10.1 Grant of Restricted Stock or Restricted Stock Units.

Awards of Restricted Stock and Restricted Stock Units may be made for consideration or for no consideration, other than the par value of the shares of Stock, which shall be deemed paid by past Service or, if so provided in the related Award Agreement or a separate agreement, the promise by the Grantee to perform future Service to the Company or an Affiliate.

---

## 10.2 Restrictions.

At the time a grant of Restricted Stock or Restricted Stock Units is made, the Committee may, in its sole discretion, (a) establish a period of time (a "Restricted Period") applicable to such Restricted Stock or Restricted Stock Units and (b) prescribe restrictions in addition to or other than the expiration of the Restricted Period, including the achievement of corporate or individual performance goals, which may be applicable to all or any portion of such Restricted Stock or Restricted Stock Units as provided in Section 14. Awards of Restricted Stock and Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the Restricted Period or prior to the satisfaction of any other restrictions prescribed by the Committee with respect to such Awards.

## 10.3 Registration; Restricted Share Certificates.

Pursuant to Section 3.7, to the extent that ownership of Restricted Stock is evidenced by a book-entry registration or direct registration (including transaction advices), such registration shall be notated to evidence the restrictions imposed on such Award of Restricted Stock under the Plan and the applicable Award Agreement. Subject to Section 3.7 and the immediately following sentence, the Company may issue, in the name of each Grantee to whom Restricted Stock has been granted, share certificates representing the total number of shares of Restricted Stock granted to the Grantee, as soon as reasonably practicable after the Grant Date of such Restricted Stock. The Committee may provide in an Award Agreement with respect to an Award of Restricted Stock that either (a) the Secretary of the Company shall hold such share certificates for such Grantee's benefit until such time as such shares of Restricted Stock are forfeited to the Company or the restrictions applicable thereto lapse and such Grantee shall deliver a stock power to the Company with respect to each share certificate, or (b) such share certificates shall be delivered to such Grantee, *provided* that such share certificates shall bear legends that comply with applicable securities laws and regulations and make appropriate reference to the restrictions imposed on such Award of Restricted Stock under the Plan and such Award Agreement.

## 10.4 Rights of Holders of Restricted Stock.

Unless the Committee otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such shares of Restricted Stock and the right to receive any dividends declared or paid with respect to such shares of Restricted Stock. The Committee may provide that any dividends paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions as the vesting conditions and restrictions applicable to such Restricted Stock. Dividends paid on Restricted Stock which vests or is earned based upon the achievement of performance goals shall not vest unless such performance goals for such Restricted Stock are achieved, and if such performance goals are not achieved, the Grantee of such Restricted Stock shall promptly forfeit and repay to the Company such dividend payments. All stock distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of stock, or other similar transaction shall be subject to the vesting conditions and restrictions applicable to such Restricted Stock.

## 10.5 Rights of Holders of Restricted Stock Units.

### 10.5.1 Voting and Dividend Rights.

Holders of Restricted Stock Units shall have no rights as stockholders of the Company (for example, the right to receive cash or dividend payments or distributions attributable to the shares of Stock subject to such Restricted Stock Units, to direct the voting of the shares of Stock subject to such Restricted Stock Units, or to receive notice of any meeting of the Company's stockholders). The

---

Committee may provide in an Award Agreement evidencing a grant of Restricted Stock Units that the holder of such Restricted Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding shares of Stock, a cash payment for each such Restricted Stock Unit which is equal to the per-share dividend paid on such shares of Stock. Such Award Agreement also may provide that such cash payment shall be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date on which such cash dividend is paid. Such cash payments paid in connection with Restricted Stock Units which vest or are earned based upon the achievement of performance goals shall not vest unless such performance goals for such Restricted Stock Units are achieved, and if such performance goals are not achieved, the Grantee of such Restricted Stock Units shall promptly forfeit and repay to the Company such cash payments. Notwithstanding the foregoing, if a grantor trust is established in connection with an Award of Restricted Stock Units and shares of Stock are held in such grantor trust for purposes of satisfying the Company's obligation to deliver shares of Stock in connection with such Restricted Stock Units, the Award Agreement for such Award of Restricted Stock Units may provide that such cash payment shall be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the actual price paid for each share of Stock by the trustee of such grantor trust upon such trustee's reinvestment of the cash dividend received.

#### 10.5.2 Creditor's Rights.

A holder of Restricted Stock Units shall have no rights other than those of a general unsecured creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

#### 10.6 Termination of Service.

Unless the Committee otherwise provides in an Award Agreement, in another agreement with the Grantee or otherwise in writing after such Award Agreement is entered into, but prior to termination of Grantee's Service, upon the termination of such Grantee's Service, any Restricted Stock or Restricted Stock Units held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of such Restricted Stock or Restricted Stock Units, the Grantee thereof shall have no further rights with respect thereto, including any right to vote such Restricted Stock or any right to receive dividends with respect to such Restricted Stock or Restricted Stock Units.

#### 10.7 Purchase of Restricted Stock and Shares of Stock Subject to Restricted Stock Units.

The Grantee of an Award of Restricted Stock or vested Restricted Stock Units shall be required, to the extent required by Applicable Laws, to purchase such Restricted Stock or the shares of Stock subject to such vested Restricted Stock Units from the Company at a purchase price equal to the greater of (x) the aggregate par value of the shares of Stock represented by such Restricted Stock or such vested Restricted Stock Units or (y) the purchase price, if any, specified in the Award Agreement relating to such Restricted Stock or such vested Restricted Stock Units. Such purchase price shall be payable in a form provided in Section 12 or, in the sole discretion of the Committee, in consideration for past or future Service rendered or to be rendered to the Company or an Affiliate.

#### 10.8 Delivery of Shares of Stock.

Upon the expiration or termination of any Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to Restricted Stock or Restricted Stock Units settled in shares of Stock shall lapse, and, unless otherwise provided in the applicable Award Agreement, a book-entry or direct registration (including transaction advices) or a share

---

certificate evidencing ownership of such shares of Stock shall, consistent with Section 3.7, be issued, free of all such restrictions, to the Grantee thereof or such Grantee's beneficiary or estate, as the case may be. Neither the Grantee, nor the Grantee's beneficiary or estate, shall have any further rights with regard to a Restricted Stock Unit once the shares of Stock represented by such Restricted Stock Unit have been delivered in accordance with this Section 10.8.

## 11. TERMS AND CONDITIONS OF UNRESTRICTED STOCK AWARDS AND OTHER EQUITY-BASED AWARDS

### 11.1 Unrestricted Stock Awards.

The Committee may, in its sole discretion, grant (or sell at the par value of a share of Stock or at such other higher purchase price as shall be determined by the Committee) an Award to any Grantee pursuant to which such Grantee may receive shares of Stock free of any restrictions ("Unrestricted Stock") under the Plan. Unrestricted Stock Awards may be granted or sold to any Grantee as provided in the immediately preceding sentence in respect of past Service or, if so provided in the related Award Agreement or a separate agreement, the promise by the Grantee to perform future Service, to the Company or an Affiliate or other valid consideration, or in lieu of, or in addition to, any cash compensation due to such Grantee.

### 11.2 Other Equity-Based Awards.

The Committee may, in its sole discretion, grant Awards in the form of Other Equity-Based Awards, as deemed by the Committee to be consistent with the purposes of the Plan. Awards granted pursuant to this Section 11.2 may be granted with vesting, value and/or payment contingent upon the achievement of one or more performance goals. The Committee shall determine the terms and conditions of Other Equity-Based Awards at the Grant Date or thereafter. Unless the Committee otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise in writing after such Award Agreement is issued, upon the termination of a Grantee's Service, any Other Equity-Based Awards held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of any Other Equity-Based Award, the Grantee thereof shall have no further rights with respect to such Other Equity-Based Award.

## 12. FORM OF PAYMENT FOR OPTIONS AND RESTRICTED STOCK

### 12.1 General Rule.

Payment of the Option Price for the shares of Stock purchased pursuant to the exercise of an Option or the purchase price, if any, for Restricted Stock shall be made in cash or in cash equivalents acceptable to the Company.

### 12.2 Surrender of Shares of Stock.

To the extent that the applicable Award Agreement so provides, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option or the purchase price, if any, for Restricted Stock may be made all or in part through the tender or attestation to the Company of shares of Stock, which shall be valued, for purposes of determining the extent to which such Option Price or purchase price has been paid thereby, at their Fair Market Value on the date of such tender or attestation.

### 12.3 Cashless Exercise.

To the extent permitted by Applicable Laws and to the extent the Award Agreement so provides, payment of the Option Price for shares of Stock purchased pursuant to the exercise of an Option

---

may be made all or in part by delivery (on a form acceptable to the Committee) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the proceeds of such sale to the Company in payment of such Option Price and any withholding taxes described in Section 18.3, or, with the consent of the Company, by issuing the number of shares of Stock equal in value to the difference between such Option Price and the Fair Market Value of the shares of Stock subject to the Option being exercised.

#### 12.4 Other Forms of Payment.

To the extent the Award Agreement so provides and/or unless otherwise specified in an Award Agreement, payment of the Option Price for shares of Stock purchased pursuant to exercise of an Option or the purchase price, if any, for Restricted Stock may be made in any other form that is consistent with Applicable Laws, including (a) Service by the Grantee thereof to the Company or an Affiliate and (b) by withholding shares of Stock that would otherwise vest or be issuable in an amount equal to the Option Price or purchase price and the required tax withholding amount.

### 13. TERMS AND CONDITIONS OF DIVIDEND EQUIVALENT RIGHTS

#### 13.1 Dividend Equivalent Rights.

A Dividend Equivalent Right is an Award entitling the recipient thereof to receive credits based on cash distributions that would have been paid on the shares of Stock specified in such Dividend Equivalent Right (or other Award to which such Dividend Equivalent Right relates) if such shares of Stock had been issued to and held by the recipient of such Dividend Equivalent Right as of the record date. A Dividend Equivalent Right may be granted hereunder to any Grantee, *provided* that no Dividend Equivalent Rights may be granted in connection with, or related to, an Award of Options or SARs. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement therefor. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently (with or without being subject to forfeiture or a repayment obligation) or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional Dividend Equivalent Rights (with or without being subject to forfeiture or a repayment obligation). Any such reinvestment shall be at the Fair Market Value thereof on the date of such reinvestment. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or in multiple installments, all as determined in the sole discretion of the Committee. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of another Award also may contain terms and conditions which are different from the terms and conditions of such other Award, *provided* that Dividend Equivalent Rights credited pursuant to a Dividend Equivalent Right granted as a component of another Award which vests or is earned based upon the achievement of performance goals shall not vest unless such performance goals for such underlying Award are achieved.

#### 13.2 Termination of Service.

Unless the Committee otherwise provides in an Award Agreement, in another agreement with the Grantee, or otherwise in writing after such Award Agreement is issued, a Grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon such Grantee's termination of Service for any reason.

---

#### 14. TERMS AND CONDITIONS OF PERFORMANCE-BASED AWARDS

##### 14.1 Grant of Performance-Based Awards.

Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Performance-Based Awards to a Plan participant in such amounts and upon such terms as the Committee shall determine.

##### 14.2 Value of Performance-Based Awards.

Each grant of a Performance-Based Award shall have an initial value or target number of shares of Stock that is established by the Committee at the time of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are achieved, shall determine the value and/or number of shares of Stock subject to a Performance-Based Award that will be paid out to the Grantee thereof.

##### 14.3 Earning of Performance-Based Awards.

Subject to the terms of the Plan, after the applicable Performance Period has ended, the Grantee of Performance-Based Awards shall be entitled to receive a payout on the value or number of the Performance-Based Awards earned by such Grantee over such Performance Period.

##### 14.4 Form and Timing of Payment of Performance-Based Awards.

Payment of earned Performance-Based Awards shall be as determined by the Committee and as evidenced in the applicable Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance-Based Awards in the form of cash or shares of Stock (or a combination thereof) equal to the value of such earned Performance-Based Awards and shall pay the Awards that have been earned at the close of the applicable Performance Period, or as soon as reasonably practicable after the Committee has determined that the performance goal or goals relating thereto have been achieved; *provided* that, unless specifically provided in the Award Agreement for such Awards, such payment shall occur no later than the 15th day of the third month following the end of the calendar year in which such Performance Period ends. Any shares of Stock paid out under such Performance-Based Awards may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Performance-Based Awards shall be set forth in the Award Agreement therefor.

##### 14.5 Performance Conditions.

The right of a Grantee to exercise or receive a grant or settlement of any Performance-Based Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. If and to the extent required under Code Section 162(m), any power or authority relating to an Award intended to qualify under Code Section 162(m) shall be exercised by the Committee and not by the Board.

##### 14.6 Performance-Based Awards Granted to Designated Covered Employees.

If and to the extent that the Committee determines that a Performance-Based Award to be granted to a Grantee should constitute "qualified performance-based compensation" for purposes of Code Section 162(m), the grant, exercise and/or settlement of such Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this Section 14.6.



---

14.6.1 Performance Goals Generally.

The performance goals for Performance-Based Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Section 14.6. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m), including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Awards shall be granted, exercised and/or settled upon achievement of any single performance goal or of two (2) or more performance goals. Performance goals may differ for Awards granted to any one Grantee or to different Grantees.

14.6.2 Timing For Establishing Performance Goals.

Performance goals for any Performance-Based Award shall be established not later than the earlier of (a) 90 days after the beginning of any Performance Period applicable to such Award, and (b) the date on which twenty-five percent (25%) of any Performance Period applicable to such Award has expired, or at such other date as may be required or permitted for compensation payable to a Covered Employee to constitute Performance-Based Compensation.

14.6.3 Settlement of Awards; Other Terms.

Settlement of Performance-Based Awards shall be in cash, shares of Stock, other Awards or other property, as determined in the sole discretion of the Committee. The Committee may, in its sole discretion, reduce the amount of a settlement otherwise to be made in connection with such Awards. The Committee shall specify the circumstances in which such Performance-Based Awards shall be paid or forfeited in the event of termination of Service by the Grantee prior to the end of a Performance Period or settlement of such Awards.

14.6.4 Performance Measures.

The performance goals upon which the payment or vesting of a Performance-Based Award to a Covered Employee that is intended to qualify as Performance-Based Compensation may be conditioned shall be limited to the following Performance Measures, with or without adjustment:

- (a) net earnings, net income, or net income per share;
- (b) operating earnings;
- (c) pretax earnings;
- (d) earnings per share;
- (e) share price, including growth measures and total stockholder return;
- (f) earnings before interest and taxes;
- (g) earnings before interest, taxes, depreciation and/or amortization;
- (h) any one or more of operating income, net income, earnings per share, gross margin, operating expenses, operating margin, and earnings before interest, taxes, depreciation and/or amortization, in each case as adjusted to exclude any one or more of the following:
  - stock-based compensation expense;
  - acquisition-related costs, including retention payments, integration costs and other costs;
  - income from discontinued operations;

- 
- gain on cancellation of debt;
  - debt extinguishment and related costs;
  - severance and facility action costs;
  - reorganization, restructuring and/or recapitalization charges and costs;
  - impairment charges;
  - amortization of intangible and other assets;
  - gain or loss related to investments;
  - sales and use tax settlement; and
  - gain on non-monetary transaction.
- (i) net revenue, or sales or revenue growth, whether in general, by type of product or service, or by type of customer;
- (j) gross or operating margins;
- (k) return measures, including return on assets, capital, investment, equity, sales or revenue;
- (l) cash flow, including:
- operating cash flow;
  - cash flow from operations per share;
  - free cash flow, defined as cash flow from operations less capital expenditures and excluding financing receivables;
  - levered free cash flow, defined as free cash flow less interest expense;
  - cash flow return on equity; and
  - cash flow return on investment;
- (m) productivity ratios;
- (n) expense targets;
- (o) market share;
- (p) financial ratios as provided in credit agreements of the Company and its subsidiaries;
- (q) working capital targets;
- (r) completion of acquisitions of assets, businesses or companies;
- (s) completion of divestitures and asset sales;

---

(t) customer satisfaction as measured using the Net Promoter Score (NPS) metric (based on surveys of customers of the Company and its subsidiaries);  
or

(u) any combination of the foregoing business criteria.

Performance under any of the foregoing Performance Measures may be calculated on an aggregate or a per share basis.

Performance under any of the foregoing Performance Measures (a) may be used to measure the performance of (i) the Company and its Subsidiaries and other Affiliates as a whole, (ii) the Company, any Subsidiary, and/or any other Affiliate or any combination thereof, or (iii) any one or more business units of the Company, any Subsidiary, and/or any other Affiliate, as the Committee, in its sole discretion, deems appropriate and (b) may be compared to the performance of one or more other companies or one or more published or special indices designated or approved by the Committee for such comparison, as the Committee, in its sole discretion, deems appropriate. In addition, the Committee, in its sole discretion, may select performance under the Performance Measure specified in clause (e) above for comparison to performance under one or more stock market indices or peer groups designated or approved by the Committee. The Committee also shall have the authority to provide for accelerated vesting of any Performance-Based Award based on the achievement of performance goals pursuant to the Performance Measures specified in this Section 14.

#### 14.6.5 Evaluation of Performance.

The Committee may provide in any Performance-Based Award that any evaluation of performance may include or exclude any of the following events that occur during a Performance Period: (a) asset write-downs; (b) litigation or claims, judgments or settlements; (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results; (d) any reorganization or restructuring events or programs; (e) extraordinary, non-core, non-operating or non-recurring items; (f) acquisitions or divestitures; (g) foreign exchange gains and losses; and (h) impact of shares of common stock purchased through share repurchase programs. To the extent such inclusions or exclusions affect Awards to Covered Employees that are intended to qualify as Performance-Based Compensation, such inclusions or exclusions shall be prescribed in a form that meets the requirements of Code Section 162(m) for deductibility.

#### 14.6.6 Adjustment of Performance-Based Compensation.

The Committee shall have the sole discretion to adjust Awards that are intended to qualify as Performance-Based Compensation, either on a formula or discretionary basis, or on any combination thereof, as the Committee determines consistent with the requirements of Code Section 162(m) for deductibility.

#### 14.6.7 Committee Discretion.

In the event that Applicable Laws change to permit Committee discretion to alter the governing Performance Measures without obtaining stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining stockholder approval, provided that the exercise of such discretion shall not be inconsistent with the requirements of Code Section 162(m). In addition, in the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of Code Section 162(m) and base vesting on Performance Measures other than those set forth in Section 14.6.4.

It is the intent of the Company that Performance-Based Awards under Section 14.6 granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of Code Section 162(m) and the regulations promulgated thereunder shall, if so designated by the Committee, constitute "qualified performance-based compensation" within the meaning of Code Section 162(m). Accordingly, the terms of Section 14.6, including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m). If any provision of the Plan or any agreement relating to any such Performance-Based Award does not comply or is inconsistent with the requirements of Code Section 162(m), such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

15. PARACHUTE LIMITATIONS

If any Grantee is a "disqualified individual," as defined in Code Section 280G(c), then, notwithstanding any other provision of the Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by such Grantee with the Company or an Affiliate, except an agreement, contract, or understanding that expressly addresses Code Section 280G or Code Section 4999 (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of Grantees or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a "Benefit Arrangement"), any right of the Grantee to any exercise, vesting, payment, or benefit under the Plan shall be reduced or eliminated:

(a) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under the Plan, all Other Agreements, and all Benefit Arrangements, would cause any exercise, vesting, payment, or benefit to the Grantee under the Plan to be considered a "parachute payment" within the meaning of Code Section 280G(b)(2) as then in effect (a "Parachute Payment"); and

(b) if, as a result of receiving such Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under the Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such payment or benefit to be considered a Parachute Payment.

The Company shall accomplish such reduction by first reducing or eliminating any cash payments (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of Performance-Based Awards, then by reducing or eliminating any accelerated vesting of Options or SARs, then by reducing or eliminating any accelerated vesting of Restricted Stock or Restricted Stock Units, then by reducing or eliminating any other remaining Parachute Payments.

16. REQUIREMENTS OF LAW

16.1 General.

The Company shall not be required to offer, sell or issue any shares of Stock under any Award, whether pursuant to the exercise of an Option or SAR or otherwise, if the offer, sale or issuance of such shares of Stock would constitute a violation by the Grantee, the Company or an Affiliate, or any other person, of any provision of Applicable Laws, including any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration

---

or qualification of any shares of Stock subject to an Award upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the offering, issuance, sale or purchase of shares of Stock in connection with any Award, no shares of Stock may be offered, issued or sold to the Grantee or any other person under such Award, whether pursuant to the exercise of an Option or SAR or otherwise, unless such listing, registration or qualification shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of such Award. Without limiting the generality of the foregoing, upon the exercise of any Option or any SAR that may be settled in shares of Stock or the delivery of any shares of Stock underlying an Award, unless a registration statement under the Securities Act is in effect with respect to the shares of Stock subject to such Award, the Company shall not be required to offer, sell or issue such shares of Stock unless the Committee shall have received evidence satisfactory to it that the Grantee or any other person exercising such Option or SAR or accepting delivery of such shares may acquire such shares of Stock pursuant to an exemption from registration under the Securities Act. Any determination in this connection by the Committee shall be final, binding, and conclusive. The Company may register, but shall in no event be obligated to register, any shares of Stock or other securities issuable pursuant to the Plan pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or a SAR or the issuance of shares of Stock or other securities issuable pursuant to the Plan or any Award to comply with any Applicable Laws. As to any jurisdiction that expressly imposes the requirement that an Option or SAR that may be settled in shares of Stock shall not be exercisable until the shares of Stock subject to such Option or SAR are registered under the securities laws thereof or are exempt from such registration, the exercise of such Option or SAR under circumstances in which the laws of such jurisdiction apply shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

#### 16.2 Rule 16b-3.

During any time when the Company has a class of equity securities registered under Section 12 of the Exchange Act, it is the intention of the Company that Awards pursuant to the Plan and the exercise of Options and SARs granted hereunder that would otherwise be subject to Section 16(b) of the Exchange Act shall qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Committee does not comply with the requirements of such Rule 16b-3, such provision or action shall be deemed inoperative with respect to such Awards to the extent permitted by Applicable Laws and deemed advisable by the Committee, and shall not affect the validity of the Plan. In the event that such Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify the Plan in any respect necessary or advisable in its judgment to satisfy the requirements of, or to permit the Company to avail itself of the benefits of, the revised exemption or its replacement.

### 17. EFFECT OF CHANGES IN CAPITALIZATION

#### 17.1 Changes in Stock; Merger.

If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number of shares or kind of capital stock or other securities of the Company on account of (a) any recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of stock, exchange of stock, corporate reorganization, stock dividend or other distribution payable in capital stock, or other increase or decrease in shares of Stock effected without receipt of consideration by the Company occurring after the Effective Date, or (b) any merger, consolidation or combination, the number and kinds of shares of stock for which grants of Options and other Awards may be made under the Plan, including the share limits set forth in Section 6.2, shall be adjusted proportionately and accordingly by the Committee. In addition, the

---

number and kind of shares of stock for which Awards are outstanding shall be adjusted proportionately and accordingly by the Committee so that the proportionate interest of the Grantee therein immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options or SARs shall not change the aggregate Option Price or SAR Price payable with respect to shares that are subject to the unexercised portion of such outstanding Options or SARs, as applicable, but shall include a corresponding proportionate adjustment in the per share Option Price or SAR Price, as the case may be. The conversion or exercise of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Company's stockholders of securities of any other entity or other assets (including an extraordinary dividend, but excluding a non-extraordinary dividend, declared and paid by the Company) without receipt of consideration by the Company, the Board or the Committee constituted pursuant to Section 3.1.2 shall, in such manner as the Board or such Committee deems appropriate, adjust (i) the number and kind of shares of stock subject to outstanding Awards and/or (ii) the aggregate and per share Option Price of outstanding Options and the aggregate and per share SAR Price of outstanding Stock Appreciation Rights as required to reflect such distribution. In the event of any merger, consolidation or combination referred to in this Section 17.1, (A) subject to any contrary language in an Award Agreement or in another agreement with the Grantee, or otherwise set forth in writing, any restrictions applicable to the Award subject thereto shall apply as well to any replacement shares received by the Grantee as a result of such merger, consolidation or combination, and (B) Performance-Based Awards shall be adjusted (including any adjustment to the Performance Measures applicable to such Awards deemed appropriate by the Committee) so as to apply to the securities that a holder of the number of shares of Stock subject to such Performance-Based Awards would have been entitled to receive immediately following such merger, consolidation or combination.

#### 17.2 Adjustments.

(a) Adjustments under this Section 17 related to shares of Stock or other securities of the Company shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share.

(b) The Committee may provide in the applicable Award Agreement at the time of grant, in another agreement with the Grantee, or otherwise in writing at any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those provided in Section 17.1.

#### 17.3 No Limitations on Company.

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets (including all or any part of the business or assets of any Subsidiary or other Affiliate) or engage in any other transaction or activity.

### 18. GENERAL PROVISIONS

#### 18.1 Disclaimer of Rights.

No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or Service of the Company or an Affiliate, or to

---

interfere in any way with any contractual or other right or authority of the Company or an Affiliate either to increase or decrease the compensation or other payments to any natural person or entity at any time, or to terminate any employment or other relationship between any natural person or entity and the Company or an Affiliate. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, in another agreement with the Grantee, or otherwise in writing, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee thereof, so long as such Grantee continues to provide Service. The obligation of the Company to pay any benefits pursuant to the Plan shall be interpreted as a contractual obligation to pay only those amounts provided herein, in the manner and under the conditions prescribed herein. The Plan and Awards shall in no way be interpreted to require the Company to transfer any amounts to a third-party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

#### 18.2 Nonexclusivity of the Plan.

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable.

#### 18.3 Withholding Taxes.

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an Award or upon the issuance of any shares of Stock upon the exercise of an Option or pursuant to any other Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay in cash to the Company or an Affiliate, as the case may be, any amount that the Company or such Affiliate may reasonably determine to be necessary to satisfy such withholding obligation; *provided* that if there is a same-day sale of shares of Stock subject to an Award, the Grantee shall pay such withholding obligation on the day on which such same-day sale is completed. Subject to the prior approval of the Company or an Affiliate, which may be withheld by the Company or such Affiliate, as the case may be, in its sole discretion, the Grantee may elect to satisfy such withholding obligation, in whole or in part, (a) by causing the Company or such Affiliate to withhold shares of Stock otherwise issuable to the Grantee or (b) by delivering to the Company or such Affiliate shares of Stock already owned by the Grantee. The shares of Stock so withheld or delivered shall have an aggregate Fair Market Value equal to such withholding obligation. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company or such Affiliate as of the date on which the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this Section 18.3 may satisfy such Grantee's withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. The maximum number of shares of Stock that may be withheld from any Award to satisfy any federal, state or local tax withholding requirements upon the exercise, vesting, or lapse of restrictions applicable to any Award or payment of shares of Stock pursuant to such Award, as applicable, may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company or the applicable Affiliate to be withheld and paid to any such federal, state or local taxing authority with respect to such exercise, vesting, lapse of restrictions, or payment of shares of Stock. Notwithstanding Section 2.20 or this Section 18.3, for purposes of determining taxable income and the amount of the related tax withholding obligation pursuant to this Section 18.3, for any shares of Stock subject to an Award that are sold by or on behalf of a Grantee on the same date on which such shares may first be sold pursuant to the terms of the related Award Agreement, the Fair Market Value of such shares shall be the sale price of such shares on such date

---

(or if sales of such shares are effectuated at more than one sale price, the weighted average sale price of such shares on such date), so long as such Grantee has provided the Company, or its designee or agent, with advance written notice of such sale.

18.4 Captions.

The use of captions in the Plan or any Award Agreement is for convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

18.5 Other Provisions.

Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Committee, in its sole discretion.

18.6 Number and Gender.

With respect to words used in the Plan, the singular form shall include the plural form and the masculine gender shall include the feminine gender, as the context requires.

18.7 Severability.

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

18.8 Governing Law.

The validity and construction of the Plan and the instruments evidencing the Awards hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

18.9 Foreign Jurisdictions.

To the extent the Committee determines that the material terms set by the Committee imposed by the Plan preclude the achievement of the material purposes of the Plan in jurisdictions outside the United States, the Committee will have the authority and discretion to modify those terms and provide for such additional terms and conditions as the Committee determines to be necessary, appropriate, or desirable to accommodate differences in local law, policy or custom or to facilitate administration of the Plan. The Committee may adopt or approve sub-plans, appendices or supplements to, or amendments, restatements or alternative version of the Plan as in effect for any other purposes. The special terms and any appendices, supplements, amendments, restatements or alternative versions, however, shall not include any provisions that are inconsistent with the terms of the Plan as in effect, unless the Plan could have been amended to eliminate such inconsistency without further approval by the stockholders.

18.10 Resolution of Disputes.

Any controversy arising out of or relating to any Award shall be resolved in accordance with the dispute resolution procedures in the applicable Award Agreement. Such dispute resolution procedures may include binding mandatory arbitration.



---

18.11 Section 409A of the Code.

The Company intends to comply with Code Section 409A, or an exemption to Code Section 409A, with regard to Awards hereunder that constitute nonqualified deferred compensation within the meaning of Code Section 409A. To the extent that the Company determines that a Grantee would be subject to the additional twenty percent (20%) tax imposed on certain nonqualified deferred compensation plans pursuant to Code Section 409A as a result of any provision of any Award granted under the Plan, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Committee.

\* \* \*

To record adoption of the Plan by the Board as of May 15, 2012, and approval of the Plan by the stockholders on July 13, 2012, the Company has caused its authorized officer to execute the Plan.

DELL INC.

By: /s/ Janet B. Wright

Title: Vice President and Assistant Secretary

## DELL INC. Stock Unit Agreement

Dell Inc., a Delaware corporation (the "Company"), is pleased to grant you units representing the right to receive shares of the Company's common stock (the "Shares"), subject to the terms and conditions described below. The number of units that are awarded to you (the "Units") is stated in step one of the Stock Plan Administrator's online grant acceptance process ("Grant Summary"). Each Unit represents the right to receive one Share. As a material inducement to the Company to grant you this award, you agree to the following terms and conditions. You agree that you are not otherwise entitled to this award, that the Company is providing you this award in consideration for your promises and agreements below, and that the Company would not grant you this award absent those promises and agreements. This Stock Unit Agreement, the Grant Summary, and the Dell Inc. 2012 Long-Term Incentive Plan (the "Plan") set forth the terms of your Units identified in your Grant Summary.

**1. Vesting** — The Company will issue you one Share for each vested Unit to be delivered on the applicable vesting date or as soon as administratively practicable thereafter; provided that in no event shall Shares be delivered later than the fifteenth day of the third month following the end of the calendar year with respect to which the Units were earned and not subject to forfeiture. The Units will vest, and you will receive Shares, in accordance with the schedule in your Grant Summary.

**2. Expiration** — If your Employment (as defined below) terminates for any reason other than your death or "Permanent Disability" (as defined in the Plan described below), any Units that have not vested as described above will expire at that time.

If your Employment is terminated by reason of your death or Permanent Disability, all Units will vest immediately and automatically upon such termination of Employment and the Shares will be distributed to you as soon as administratively practical and in all events within 60 days of such termination of Employment.

As used herein, the term "Employment" means your regular full-time or part-time employment with the Company or any of its Subsidiaries, and the term "Employer" means the Company (if you are employed by the Company) or the Subsidiary of the Company that employs you. As used herein, the term "the Company" includes all subsidiaries, including your Employer.

**3. Rights as a Stockholder** — You will have no rights as a stockholder with respect to Shares that may be received by you pursuant to this Agreement until those Shares are issued and registered in your name on the books of the Company's transfer agent. Units granted to you will be satisfied wholly through the issuance and delivery of Shares. If the Company declares a cash dividend on its common stock, you will be entitled to receive with respect to each Unit which is outstanding on the dividend record date and which vests an amount in cash equal to the amount of such cash dividend declared and paid on one share of common stock (a "Dividend Equivalent"), so long as such dividend record date occurs not later than the date on which the Share underlying such vested Unit is issued to you. Dividend Equivalents will not be credited with interest. The Company will pay you the Dividend Equivalent payment amount with respect to a vested Unit on the date on which the Company issues the Share underlying such Unit in accordance with this Agreement or as soon as administratively practicable thereafter. If the issuance of any Share is deferred to a date later than the vesting date of the related Unit under any agreement between you and the Company, payment to you of the related Dividend Equivalent payment amount similarly will be deferred to such later issue date. You will not be entitled to receive Dividend Equivalent payments with respect to any Units that are not vested Units.

**4. Agreement With Respect to Taxes** — You must pay any taxes that are required to be withheld by the Company or your Employer. You may pay such amounts in cash or make other arrangements satisfactory to the Company or your Employer for the payment of such amounts. You agree the Company or your Employer, at its sole discretion and to the fullest extent permitted by law, shall have the right to demand that you pay such amounts in cash, deduct such amounts from any payments of any kind otherwise due to you (including Dividend Equivalents), or withhold from Shares to which you would otherwise be entitled the number of Shares having an aggregate market value at that time equal to the amount you owe. In the event the Company, in its sole discretion, determines that your tax obligations will not be satisfied under the methods described in this paragraph, you authorize the Company or the Company's Stock Plan Administrator to sell a number of Shares that are issued under the Units, which the Company determines as having at least the market value sufficient to meet the tax withholding obligations plus additional Shares to account for rounding and market fluctuations and pay such tax withholding to the Company. The shares may be sold as part of a block trade with other participants and all participants will receive an average price.

---

You agree that, subject to compliance with applicable law, the Company or your Employer may recover from you taxes which may be payable by the Company or your Employer in any jurisdiction in relation to this award. You agree that the Company or your Employer shall be entitled to use whatever method they may deem appropriate to recover such taxes including the withholding of Dividend Equivalents or the sale of any Shares, paying you a net amount of shares (or cash), recovering the taxes via payroll and direct invoicing. You further agree that the Company or your Employer may, as it reasonably considers necessary, amend or vary this agreement to facilitate such recovery of taxes.

**5. Leaves of Absence** — Subject to the Units remaining exempt from Internal Revenue Code Section 409A or being compliant with Internal Revenue Code Section 409A, if you take a leave of absence from active Employment that has been approved by the Company or your Employer or is one to which you are legally entitled regardless of such approval, the following provisions will apply:

**A. Vesting During Leave** — Notwithstanding the vesting schedule set forth above, no Units will vest during a leave of absence other than an approved employee medical, FMLA or military leave. Notwithstanding the preceding, vesting shall not be deferred for any approved leave of absence of less than 30 days. The vesting that would have otherwise occurred during a leave of absence other than an approved employee medical, FMLA or military leave will be deferred by the number of days you are on a leave of absence. For example, if your Units are scheduled to vest on August 1, 2007 through August 1, 2011, and you are on a 40 day leave of absence, the dates on which the vesting occurs will be deferred to September 10, 2007 through September 10, 2011.

**B. Effect of Termination During Leave** — If your Employment is terminated during the leave of absence, the Units will expire or vest in accordance with the terms stated in Paragraph 2 (Expiration) above.

**6. Return of Share Value** — By accepting this award, you agree that if the Company, acting through the Committee, determines that you engaged in "Conduct Detrimental to the Company" (as defined below) during your Employment or during the one-year period following the termination of your Employment, you shall be required, upon demand, to return to the Company, in the form of a cash payment, certain share value ("Returnable Share Value"). For purposes of this provision, "Returnable Share Value" means a cash amount equal to (i) the gross value of the Shares that were issued to you pursuant to this Agreement, determined as of the date such Shares were issued to you and using the Fair Market Value (as defined in the Plan) of Dell stock on that date, plus (ii) any associated Dividend Equivalents. You understand and agree that the repayment of the Returnable Share Value is in addition to and separate from any other relief available to the Company due to your Conduct Detrimental to the Company.

For purposes of this Agreement, you will be considered to have engaged in "Conduct Detrimental to the Company" if:

- (1) you engage in serious misconduct (whether or not such serious misconduct is discovered by the Company prior to the termination of your Employment);
- (2) you breach your obligations to the Company with respect to confidential and proprietary information or trade secrets or breach any agreement between you and Dell relating to confidential and proprietary information or trade secrets;
- (3) you compete with the Company (as described below); or
- (4) you solicit the Company's employees (as described below).

For purposes of this provision, you shall be deemed to "compete" with the Company if you, directly or indirectly:

- Are a principal, owner, officer, director, shareholder or other equity owner (other than a holder of less than 5% of the outstanding shares or other equity interests of a publicly traded company) of a Direct Competitor (as defined below);
- Are a partner or joint venture in any business or other enterprise or undertaking with a Direct Competitor; or
- Serve or perform work (including consulting or advisory services) for a Direct Competitor that is similar in a material way to the work you performed for the Company in the twelve months preceding the termination of your Employment.

You understand and agree that this provision does not prohibit you from competing with the Company but only requires repayment of Returnable Share Value in the event of such competition.

For purposes of this provision, a "Company's employee" means any person employed by the Company or any of its Subsidiaries and "solicit the Company's employees" means that you communicate in any way with any other person regarding (a) a Company Employee leaving the employ of the Company or any of its Subsidiaries; or (b) a Company Employee seeking employment with any other employer. This provision does not apply to those communications that are within the scope of your Employment that are taken on behalf of your Employer.

---

The term "Direct Competitor" means any entity, or other business concern that offers or plans to offer products or services that are materially competitive with any of the products or services being manufactured, offered, marketed, or are actively developed by Dell as of the date your employment with Dell ends. By way of illustration, and not by limitation, at the time of execution of this Agreement, the following companies are currently Direct Competitors: Hewlett-Packard, Lenovo, IBM, Gateway, Apple, Acer, CDW, EDS, EMC, Software House International, Insight (Software Spectrum), Softchoice, Computer Sciences Corporation and Digital River. You understand and agree that the foregoing list of Direct Competitors represents a current list of Dell Direct Competitors as of the date of execution of this Agreement and that other entities may become Direct Competitors in the future.

The Committee shall have complete and absolute authority to construe and interpret the provisions of this Agreement, including but not limited to any determination as to whether you have engaged in "Conduct Detrimental to the Company." Any such interpretations or determinations by the Committee will be final, binding, and conclusive.

**7. Transferability** — The Units are not transferable other than by will or the laws of descent and distribution. Once Units have vested and Shares have been issued to you, such Shares shall be freely transferable, subject to any applicable securities laws, rules and regulations, any separately stated transfer restrictions that the Company may impose on such Shares, and any Restricted Periods (as defined below) to which you may be subject.

**8. Trading Restrictions** — If you are subject to any Company "blackout" policy or other trading restriction imposed by the Company (a "Restricted Period") on the date a distribution would otherwise be made pursuant to Section 1 above, such distribution shall instead be made on the earlier of (i) the date you are not subject to any such policy or restriction and (ii) the later of (A) the end of the calendar year in which such distribution would otherwise have been made, and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder. For purposes of this provision, you acknowledge that you may be subject to a Restricted Period for any reason that the Company determines appropriate, including Restricted Periods generally applicable to employees or groups of employees or Restricted Periods applicable to you during an investigation of allegations of misconduct or Conduct Detrimental to the Company by you.

**9. Incorporation of Plan** — This award is granted under the Plan and is governed by the terms of the Plan in addition to the terms and conditions stated herein. All terms used herein with their initial letters capitalized shall have the meanings given them in the Plan unless otherwise defined herein. A copy of the Plan is available upon request from the Company's Stock Option Administration Department. Shares of common stock that are issued pursuant to this Agreement shall be made available from authorized but unissued shares.

**10. Prospectus** — You may at any time obtain a copy of the prospectus related to the Dell common stock underlying the Units by accessing the prospectus at <http://inside.us.dell.com/legal/corporate.htm>. Additionally, you may request a copy of the prospectus free of charge from the Company by contacting Stock Option Administration in writing at Stock Option Administration, One Dell Way, Mail Stop RR1-38, Round Rock, Texas 78682, (512) 728-8644 or e-mail [Stock\\_Option\\_Administrator@dell.com](mailto:Stock_Option_Administrator@dell.com).

**11. Notice** — You agree that notices may be given to you in writing either at your home address as shown in the records of the Company or your Employer, or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the Company's normal process for communicating electronically with its employees.

**12. No Right to Continued Employment** — The granting of Units does not confer upon you any right to expectation of employment by, or to continue in the employment of, your Employer.

**13. Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation** — By accepting this Agreement and the grant of the Units evidenced hereby, you expressly acknowledge that (a) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) the grant of Units is a one-time benefit that does not create any contractual or other right to receive future grants of Units, or benefits in lieu of Units; (c) all determinations with respect to future grants, if any, including the grant date, the number of Units granted and the vesting dates, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) the value of the Units is an extraordinary item of compensation that is outside the scope of your employment contract, if any, and nothing can or must automatically be inferred from such employment contract or its consequences; (f) Units are not part of normal or expected compensation for any purpose, and are not to be used for calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and you waive any claim on such basis; (g) the grant of an equity interest in the Company gives rise to the Company's need (on behalf of itself and its stockholders) to protect itself from Conduct Detrimental to the Company, and your promises described in Paragraph 6 (Return of Share Value) above are designed to protect the Company and its stockholders from Conduct Detrimental to the Company; (h) vesting of Units ceases upon termination of Employment for any reason except as may otherwise be explicitly provided in the Plan document or in this Agreement; (i) the future value of the Units is unknown and cannot be predicted with certainty; and (j) you understand, acknowledge and agree that you will have no rights to compensation or damages related to Units or Shares in consequence of the termination of your Employment for any reason whatsoever and whether or not in breach of contract.

---

**14. Data Privacy Consent** — As a condition of the grant of the Units, you consent to the collection, use and transfer of personal data as described in this paragraph. You understand that the Company and its Subsidiaries hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number, salary, nationality, job title, any ownership interests or directorships held in the Company or its Subsidiaries and details of all Units, Shares, stock options or other equity awards awarded or cancelled ("Data"). You further understand that the Company and its Subsidiaries will transfer Data among themselves as necessary for the purposes of implementation, administration and management of your participation in the Plan, and that the Company and any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You understand that these recipients may be located in the European Economic Area or elsewhere, such as the United States. You authorize them to receive, possess, use, retain and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of common stock on your behalf, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of common stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to it.

**15. Governing Law and Venue** — This Agreement and the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, United States of America. The exclusive venue for any and all disputes arising out of or in connection with this Agreement shall be New Castle County, Delaware, United States of America, and the courts sitting exclusively in New Castle County, Delaware, United States of America shall have exclusive jurisdiction to adjudicate such disputes. Each party hereby expressly consents to the exercise of jurisdiction by such courts and hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to such laying of venue (including the defense of inconvenient forum).

**16. Effect of Invalid Provisions** — If any of the promises, terms or conditions set forth herein are determined by a court of competent jurisdiction to be unenforceable, any Units that have not vested as described above will expire at that time and you agree to return to the Company an amount of cash equal to the Fair Market Value (as defined in the Plan) of all Shares theretofore issued to you pursuant to this Agreement and the cash value of all Dividend Equivalents associated with such Shares, determined as of the date such Shares were issued.

**17. Consent to Electronic Communications** — You agree that the Company may provide you with any communications associated with this award in electronic format. Your consent to receive electronic communications includes, but is not limited to, all legal and regulatory disclosures and communications associated with this award or notices or disclosures about a change in the terms and conditions of this award.

**18. Internal Revenue Code Section 409A** — This Agreement is not intended to constitute a "nonqualified deferred compensation plan" for purposes of Internal Revenue Code Section 409A. Neither you nor the Company shall have the right to accelerate or defer the vesting and/or delivery of any Units if such action would cause this Agreement to be subject to Internal Revenue Code Section 409A. The Company makes no representations or warranty and shall have no liability to you or any other person if any provisions of or payments under this Agreement are determined to constitute nonqualified deferred compensation subject to Internal Revenue Code Section 409A but not to satisfy the conditions of that section.

**19. Acceptance of Terms and Conditions** — This award will not be effective and you may not take action with respect to the Units or the Shares until you have acknowledged and agreed to the terms and conditions set forth herein in the manner prescribed by the Company. You must accept your award no later than 4pm Eastern Standard Time, five business days prior to the first vesting date or your entire award will be cancelled. You should print a copy of this award and your Grant Summary for your records.

---

Awarded subject to the terms and conditions stated above:

DELL INC.

By: \_\_\_\_\_

\_\_\_\_\_  
Samuel A. Guess - VP, Global Compensation and Benefits

**DELL INC.**  
**Deferred Stock Unit Agreement**

<b>Recipient:</b>	<b>Date of Grant: July 1, 2012</b>
<b>Identification No.:</b>	<b>Number of Units:</b>

Dell Inc., a Delaware corporation (the "Company"), is pleased to grant you units (the "Units") representing shares of the Company's common stock (the "Shares"), subject to the vesting and other restrictions described below. The number of Units awarded to you is stated above. Each Unit represents one Share. This award is subject to the following terms and conditions.

**Deferral Election and Transfer Restrictions** — You have elected to defer all or a portion of your Director compensation pursuant to a timely filed 2012 Retainer Fee Election Form. As such, your Shares shall not be issued until (i) the Units fully vest, and (ii) you experience a separation from service from the Board, as described below. You may not sell, assign, transfer, pledge or otherwise dispose of any Units until such time as the Shares are issued.

**Vesting** — The Units are subject to the following vesting schedule:

Number	Date
--------	------

If you cease to be a director by reason of your death, Permanent Disability (as defined in the Plan described below), or retirement from the Board of Directors after attaining age 65 with a minimum of four years of service, all of the Units will vest immediately and automatically. If you cease to be a director for any other reason, any Units which have not vested on or before your termination date will expire at that time.

**Separation from Service** — If you separate from service from the Board on or after the vesting date described above, one Share shall be issued to you for each of your vested Units either in (i) one lump sum payment; or (ii) five equal annual installments, in accordance with the Distribution Election made on your 2012 Retainer Fee Election Form. For purposes of this award, a "separation from service" shall be as defined under Section 409A of the Internal Revenue Code of 1986, as amended ("Code"), and the regulations thereunder. Shares of common stock that are issued shall be made available from authorized but unissued shares.

**Rights as a Stockholder** — You will have no rights as a stockholder with respect to Shares that may be received by you

until the Shares are issued as described above and those Shares are registered in your name on the books of the Company's transfer agent. If the Company declares a cash dividend on the Company's common stock and, on the record date for such dividend, you hold a Unit pursuant to this Agreement that has not been settled, you will be entitled to receive an amount in cash equal to the amount of such cash dividend declared and paid on one share of Common Stock (a "Dividend Equivalent"), so long as such dividend record date occurs not later than the date on which the Share underlying such Unit is issued to you. Dividend Equivalents will not be credited with interest. Dividend Equivalents with respect to a Unit will become vested on the date the Unit becomes vested and shall be distributed to you at the same time the Share which is attributable to that Unit under the Agreement is issued to you. In the event that a Unit is forfeited under this Agreement, the associated Dividend Equivalent Payment(s) will be forfeited.

**Agreement With Respect to Taxes** — You must pay any taxes that are required to be withheld by the Company. You may pay such amounts in cash or make other arrangements satisfactory to the Company for the payment of such amounts. You agree that if you do not pay, or make arrangements for the payment of, such amounts, the Company, to the fullest extent permitted by law, shall have the right to deduct such amounts from any payments of any kind otherwise due to you (including Dividend Equivalents) and shall have the right to withhold from vested Units the number of Shares having an aggregate market value at that time equal to the amount you owe.

**Black-Out Periods** — In order to minimize the potential for prohibited "insider" trading, the Company may establish periods from time to time

during which you may not engage in transactions involving the Company's stock ("Black-Out Periods"). Notwithstanding any other provisions herein, if the Units are subject to distribution during a Black-Out Period, such distribution shall instead be made on the earlier of (i) the date you are not subject to any such policy and (ii) the later

of (A) the end of the calendar year in which such distribution would otherwise have been made, and (B) a date that is immediately prior to the expiration of two and on-half months following the date such distribution would otherwise have been made hereunder.

***Incorporation of Plan*** — This award of Units and any associated Dividend Equivalents is granted under the Dell Inc. 2012 Long-Term Incentive Plan ("Plan") and is governed by the terms of the Plan in addition to the terms and conditions stated herein. All terms used herein with their initial letters capitalized shall have the meanings given them in the Plan unless otherwise defined herein. A copy of the Plan is available upon request from the Company's Stock Option Administration Department.

***Prospectus*** — You may at any time obtain a copy of the prospectus related to the Dell common stock awarded pursuant to this Deferred Stock Unit Agreement by accessing the prospectus at <http://intranet.dell.com/dept/legal/Corporate/BenefitPlans/Pages/Default.aspx>. Additionally, you may request a copy of the prospectus free of charge from the Company by contacting Stock Option Administration in writing at Stock Option Administration, One Dell Way, Mail Stop 8038, Round Rock, Texas 78682, (512) 728-5198 or by e-mail at [Stock\\_Option\\_Administrator@dell.com](mailto:Stock_Option_Administrator@dell.com).

***Notice*** — You agree that notices may be given to you in writing either at your home address as shown in the records of the Company or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the Company's normal process for communicating electronically with its directors.

***Internal Revenue Code Section 409A*** — This award is intended to constitute a "nonqualified deferred compensation plan" for purposes of Code Section 409A and as such it shall

be interpreted to comply with the provisions of Code Section 409A and the regulations promulgated thereunder.

***Data Privacy Consent*** — As a condition of the grant of the Units, you consent to the collection, use and transfer of personal data as described in this paragraph. You understand that the Company and its Subsidiaries hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number, nationality, any shares of common stock held in the Company, and details of all options or other entitlements to shares of common stock awarded, cancelled, exercised, vested, or unvested ("Data"). You further understand that the Company and its Subsidiaries will transfer Data amongst themselves as necessary for the purposes of implementation, administration and management of your participation in the Plan, and that the Company and any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You understand that these recipients may be located in the European Economic Area or elsewhere, such as the United States. You authorize them to receive, possess, use, retain and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of common stock on your behalf, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of common stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to it.

***Acceptance of Terms and Conditions*** — This award will not be effective until you have acknowledged and agreed to the terms and conditions set forth herein by executing this agreement in the space provided below and returning it to the Company's Stock Option Administration Department.

Awarded subject to the terms and conditions stated above:  
DELL INC.

Accepted under the terms and conditions stated above:

By: \_\_\_\_\_  
*Samuel A. Guess, VP, Global Compensation & Benefits*

\_\_\_\_\_  
*Recipient's Signature*



## DELL INC.

### Restricted Stock Unit Agreement

<b>Recipient:</b>	<b>Date of Grant:</b>
<b>Identification No.:</b>	<b>Number of Units:</b>

Dell Inc., a Delaware corporation (the "Company"), is pleased to grant you units representing shares of the Company's common stock (the "Shares"), subject to the restrictions described below. The number of units awarded to you (the "Units") is stated above. Each Unit represents one Share. This award is subject to the following terms and conditions.

**Restrictions** — The Units are subject to the following restrictions (referred to herein as the "Restrictions"):

**Transfer Restrictions** — You may not sell, assign, transfer, pledge or otherwise dispose of any Units with respect to which the Restrictions have not lapsed as described below.

**Expiration** — If you cease to be a director for any reason other than your death, Permanent Disability, (as defined in the Plan described below) or retirement from the Board of Directors after attaining age 65 with a minimum of four years of service, any Units with respect to which the Restrictions have not lapsed as described below will expire at that time.

**Lapse of Restrictions** — The Restrictions will lapse with respect to the Units, and you will be entitled to Shares, in accordance with the following schedule:

Number	Date

If you cease to be a director by reason of your death, Permanent Disability, (as defined in the Plan described below) or retirement from the Board of Directors after attaining age 65 with a minimum of four years of service, the Restrictions will lapse immediately and automatically with respect to all Units upon such termination.

**Rights as a Stockholder** — You will have no rights as a stockholder with respect to Shares that may be received by you upon the lapse of Restrictions until the Restrictions have lapsed and those Shares are registered in your name on the books of the Company's transfer agent. If the Company declares a cash dividend on the Company's common stock, you will be entitled to receive with respect to each Unit which is outstanding on the dividend record date, and for which the Restrictions lapse prior

to the expiration of such Unit, an amount in cash equal to the amount of such cash dividend declared and paid on one share of Common Stock (a "Dividend Equivalent"), so long as such dividend record date occurs not later than the date on which the Share underlying such Unit is issued to you. Dividend Equivalents will not be credited with interest. The Company will pay you the Dividend Equivalent payment amount with respect to a Unit for which the Restrictions have lapsed on the date on which the Company issues the Share underlying such Unit in accordance with this Agreement or as soon as administratively practicable thereafter. If the issuance of any Share is deferred to a date later than the date on which the Restrictions have lapsed with respect to the related Unit under any agreement between you and the Company, payment to you of the related Dividend Equivalent payment amount similarly will be deferred to such later issue date. You will not be entitled to receive Dividend Equivalent payments with respect to any Units for which the Restrictions have not lapsed.

**Agreement With Respect to Taxes** — You must pay any taxes that are required to be withheld by the Company. You may pay such amounts in cash or make other arrangements satisfactory to the Company for the payment of such amounts. You agree that if you do not pay, or make arrangements for the payment of, such amounts, the Company, to the fullest extent permitted by law, shall have the right to deduct such amounts from any payments of any kind otherwise due to you (including Dividend Equivalents) and shall have the right to withhold from Units for which Restrictions have lapsed the number of Shares having an aggregate market value at that time equal to the amount you owe.

***Black-Out Periods*** — In order to minimize the potential for prohibited "insider" trading, the Company may establish periods from time to time during which you may not engage in transactions involving the Company's stock ("Black-Out Periods"). Notwithstanding any other provisions

herein, Restrictions will not lapse with respect to any Units during an applicable Black-Out Period and the applicable period during which Units shall be subject to the Restrictions shall be extended until the end of such Black-Out Period.

***Incorporation of Plan*** — This award is granted under the Company's 2012 Long-Term Incentive Plan and is governed by the terms of the Plan in addition to the terms and conditions stated herein. All terms used herein with their initial letters capitalized shall have the meanings given them in the Plan unless otherwise defined herein. A copy of the Plan is available upon request from the Company's Stock Option Administration Department. Shares of common stock that are issued upon the lapse of Restrictions shall be made available from authorized but unissued shares.

***Prospectus*** — You may at any time obtain a copy of the prospectus related to your purchase of Dell common stock pursuant to this Unit award agreement by accessing the prospectus at <http://intranet.dell.com/dept/legal/Corporate/BenefitPlans/Pages/Default.aspx>. Additionally, you may request a copy of the prospectus free of charge from the Company by contacting Stock Option Administration in writing at Stock Option Administration, One Dell Way, Mail Stop 8038, Round Rock, Texas 78682, (512) 728-5198 or by e-mail at [Stock\\_Option\\_Administrator@dell.com](mailto:Stock_Option_Administrator@dell.com).

***Notice*** — You agree that notices may be given to you in writing either at your home address as shown in the records of the Company or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the Company's normal process for communicating electronically with its directors.

***Data Privacy Consent*** — As a condition of the grant of the Units, you consent to the collection, use and transfer of personal data as described in this paragraph. You understand that the Company and its Subsidiaries hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number, nationality, any shares of common stock held in the Company, and details of all options or other entitlements to shares of common stock awarded, cancelled, exercised, vested, or unvested ("Data"). You further understand that the Company and its Subsidiaries will transfer Data amongst themselves as necessary for the purposes of implementation, administration and management of your participation in the Plan, and that the Company and any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You understand that these recipients may be located in the European Economic Area or elsewhere, such as the United States. You authorize them to receive, possess, use, retain and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of common stock on your behalf, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of common stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to it.

***Acceptance of Terms and Conditions*** — This award will not be effective until you have acknowledged and agreed to the terms and conditions set forth herein by executing this agreement in the space provided below and returning it to the Company's Stock Option Administration Department.

---

Awarded subject to the terms and conditions stated above:  
DELL INC.

Accepted under the terms and conditions stated above:

By: \_\_\_\_\_  
*Samuel Guess, VP, Global Compensation & Benefits*

\_\_\_\_\_  
*Recipient's Signature*

**DELL INC.**  
**Nonstatutory Stock Option Agreement**

- 1. Purpose**— Dell Inc., a Delaware corporation (the "Company"), is pleased to grant you options to purchase shares of the Company's common stock. The number of options awarded to you (the "Options") and the Exercise Price per Option (the "Exercise Price") are stated in step one of the Stock Plan Administrator's online grant acceptance process ("Grant Summary"). Each Option entitles you to purchase, on exercise, one share of the Company's common stock as described below. This Nonstatutory Stock Option Agreement, the Grant Summary, and the Dell Inc. 2012 Long-Term Incentive Plan (the "Plan") set forth the terms of your Options identified in your Grant Summary. As a material inducement to the Company to grant you this award, you agree to the following terms and conditions. You agree that you are not otherwise entitled to this award, that the Company is providing you this award in consideration for your promises and agreements below, and that the Company would not grant you this award absent those promises and agreements.
- 2. Vesting and Exercisability** — You cannot exercise the Options until they have vested and become exercisable.
- A. General Vesting** — The Options will vest in accordance with the schedule in your Grant Summary (subject to the further provisions stated below).
- B. Exercisability** — You may exercise Options at any time after they vest and before they expire as described below.
- 3. Method of Exercise** — You may exercise Options by giving notice to the Company or its designated agent in accordance with instructions generally applicable to all option holders. At the time of exercise, you must pay the Exercise Price for all Options being exercised and any taxes that are required to be withheld by the Company or your Employer (as defined below). You may pay such amounts in cash or arrange for such amounts to be paid through a brokerage firm or in another manner satisfactory to the Company. You agree that, subject to compliance with applicable law, the Company or your Employer may recover from you taxes which may be payable by the Company or your Employer in any jurisdiction in relation to this award. You agree that the Company or your Employer shall be entitled to use whatever method they may deem appropriate to recover such taxes including the sale of any shares, paying you a net amount of shares (or cash), recovering the taxes via payroll and direct invoicing. You further agree that the Company or your Employer may, as it reasonably considers necessary, amend or vary this agreement to facilitate such recovery of taxes.
- 4. Expiration** — All Options will expire on the earlier of the tenth anniversary of the Date of Grant or any of the special expiration dates described below. Once an Option expires, you will no longer have the right to exercise it. As used below, the term "Employment" means your regular full-time or part-time employment with the Company or any of its consolidated Subsidiaries, and the term "Employer" means the Company (if you are employed by the Company) or the consolidated Subsidiary of the Company that employs you. As used herein, the term "the Company" includes all subsidiaries, including your Employer.
- A. Termination of Employment for Conduct Detrimental to the Company** — If your Employment is terminated by your Employer for Conduct Detrimental to the Company, all Options (whether or not vested) will expire at that time and you will be required to return option proceeds as described herein.
- B. Termination of Employment for Other than Conduct Detrimental to the Company** — If your Employment is terminated by you or by your Employer for reasons other than Conduct Detrimental to the Company, Options that are not vested at the time your Employment is terminated will expire at that time and Options that are vested at the time your Employment is terminated will expire at the close of business on the 90<sup>th</sup> day following the date your Employment is terminated.
- C. Death** — If your Employment is terminated by reason of your death, Options that are not vested at the time your Employment is terminated will become fully vested at that time. All Options will then expire on the first anniversary of the date your Employment is terminated and, until that time will be exercisable by your legal representatives, legatees or distributees.
- D. Permanent Disability** — If your Employment is terminated by reason of your Permanent Disability, Options that are not vested at the time your Employment is terminated will become fully vested at that time. All Options will then expire on the third anniversary of the date your Employment is terminated and, until that time will be exercisable by you or your guardian or legal representative.
- E. Retirement** — If your Employment is terminated by reason of your Normal Retirement, Options that are not vested at the time your Employment is terminated will expire at that time and Options that are vested at the time your Employment is terminated will expire on the third anniversary of the date your Employment is terminated.

---

**5. Leaves of Absence** — If you take a leave of absence from active Employment that has been approved by the Company or your Employer or is one to which you are legally entitled regardless of such approval, the following provisions will apply:

**A. Exercisability of Options During Leave** — Your right to exercise Options that are vested at the time the leave of absence begins will be unaffected by the leave of absence.

**B. Vesting of Options During Leave** — Options will not vest during a leave of absence other than an approved employee medical, FMLA or military leave. Notwithstanding the preceding, vesting shall not be deferred (i) for any approved leave of absence of less than 30 days, or (ii) if such deferral would cause these options to be subject to 409A of the Internal Revenue Code of 1986, as amended. The vesting date for all Options that would have otherwise vested during a leave of absence other than an approved employee medical, FMLA or military leave will be deferred by the number of days you are on a leave of absence. For example, if your vesting dates are August 1, 2007 through August 1, 2011, and you are on a 40-day leave of absence, the vesting date for your options will be deferred to September 10, 2007 through September 10, 2011.

**C. Effect of Termination During Leave** — If your Employment is terminated during the leave of absence the Options will expire in accordance with the terms stated under "Expiration" above.

**6. Return of Option Proceeds** — By accepting this award, you agree that if the Company determines that you engaged in Conduct Detrimental to the Company during your Employment or during the one-year period following the termination of your Employment you shall be required to repay to the Company, in cash and upon demand, the Option Proceeds (as defined below) resulting from any exercise of Options occurring after the termination of your Employment or during the twelve-month period preceding the termination of your Employment. The term "Option Proceeds" means, with respect to any exercise of Options, an amount equal to the number of Options exercised multiplied by the difference between the market value per share of the Company's common stock at the time of such exercise and the Exercise Price. You understand and agree that the return of Option Proceeds is in addition to and separate from any other relief available to the Company due to your Conduct Detrimental to the Company.

For purposes of this Agreement, you will be considered to have engaged in "Conduct Detrimental to the Company" if:

- (1) you engage in serious misconduct (whether or not such serious misconduct is discovered by the Company prior to the termination of your Employment);
- (2) you breach your obligations to the Company with respect to confidential and proprietary information or trade secrets or breach any agreement between you and Dell relating to confidential and proprietary information or trade secrets;
- (3) you compete with the Company (as described below); or
- (4) you solicit the Company's employees (as described below).

For purposes of this provision, you shall be deemed to "compete" with the Company if you, directly or indirectly:

- Are a principal, owner, officer, director, shareholder or other equity owner (other than a holder of less than 5% of the outstanding shares or other equity interests of a publicly traded company) of a Direct Competitor (as defined below);
- Are a partner or joint venturer in any business or other enterprise or undertaking with a Direct Competitor; or
- Serve or perform work (including consulting or advisory services) for a Direct Competitor that is similar in a material way to the work you performed for the Company during the 12-month period preceding the termination of your Employment.

You understand and agree that this provision does not prohibit you from competing with the Company but only requires return of certain Option Proceeds in the event of such competition.

For purposes of this provision, a "Company's employee" means any person employed by the Company or any of its Subsidiaries and "solicit the Company's employees" means that you communicate in any way with any other person regarding (a) a Company Employee leaving the employ of the Company or any of its Subsidiaries; or (b) a Company Employee seeking employment with any other employer. This provision does not apply to those communications that are within the scope of your Employment that are taken on behalf of your Employer.

The term "Direct Competitor" means any entity, or other business concern that offers or plans to offer products or services that are materially competitive with any of the products or services being manufactured, offered, marketed, or are actively developed by Dell as of the date your employment with Dell ends. By way of illustration, and not by limitation, at the time of execution of this Agreement, the following companies are currently Direct Competitors: Hewlett-Packard, Lenovo, IBM, Gateway, Apple, Acer, CDW, EDS, EMC, Software House International, Insight (Software Spectrum), Softchoice, Computer Sciences Corporation and Digital River. You understand and agree that the foregoing list of Direct Competitors represents a current list of Dell Direct Competitors as of the date of execution of this Agreement and that other entities may become Direct Competitors in the future.

---

The Committee shall have complete and absolute authority to construe and interpret the provisions of this Agreement, including but not limited to any determination as to whether you have engaged in "Conduct Detrimental to the Company." Any such interpretations or determinations by the Committee will be final, binding, and conclusive.

**7. Trading Restrictions** — The Company may establish periods from time to time during which your ability to engage in transactions involving the Company's stock is subject to specific restrictions ("Restricted Periods"). Notwithstanding any other provisions herein, you may not exercise Options during an applicable Restricted Period unless such exercise is specifically permitted by the Company (in its sole discretion). You may be subject to a Restricted Period for any reason that the Company determines appropriate, including, Restricted Periods generally applicable to employees or groups of employees or Restricted Periods applicable to you during an investigation of allegations of misconduct or Conduct Detrimental to the Company by you.

**8. Transferability** — The Options are not transferable other than by will or the laws of descent and distribution.

**9. Rights as a Stockholder** — You will have no rights as a stockholder with respect to shares that may be purchased upon exercise of Options until you have exercised the Options and those shares are registered in your name on the books of the Company's transfer agent. You may at any time obtain a copy of the prospectus related to your purchase of Dell common stock pursuant to this option award agreement by accessing the prospectus at <http://inside.us.dell.com/legal/corporate.htm>. Additionally, you may request a copy of the prospectus free of charge from the Company by contacting Stock Option Administration in writing at Stock Option Administration, One Dell Way, Mail Stop 8038, Round Rock, Texas 78682, (512) 728-8644 or e-mail [Stock\\_Option\\_Administrator@dell.com](mailto:Stock_Option_Administrator@dell.com).

**10. Incorporation of Plan** — This award is granted under the Plan and is governed by the terms of the Plan in addition to the terms and conditions stated herein. All terms used herein with their initial letters capitalized shall have the meanings given them in the Plan unless otherwise defined herein. A copy of the Plan is available from your Employer upon request.

**11. Notice** — You agree that notices may be given to you in writing either at your home address as shown in the records of the Company or your Employer, or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the Company's normal process for communicating electronically with its employees.

**12. Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation** — By accepting this Agreement and the grant of the Options evidenced hereby, you expressly acknowledge that (a) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) the grant of Options is a one-time benefit that does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options; (c) all determinations with respect to future grants, if any, including the grant date, the number of Options granted, the Exercise Price and the exercise date or dates, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) the value of the Options is an extraordinary item of compensation that is outside the scope of your employment contract, if any, and nothing can or must automatically be inferred from such employment contract or its consequences; (f) Options are not part of normal or expected compensation for any purpose and are not to be used for calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and you waive any claim on such basis; (g) the vesting of Options ceases upon termination of Employment for any reason except as may otherwise be explicitly provided in this Agreement; (h) the future value of the underlying shares is unknown and cannot be predicted with certainty; (i) the grant of options to purchase an equity interest in the Company and each exercise of options by you gives rise to the Company's need (on behalf of itself and its stockholders) to protect itself from Conduct Detrimental to the Company and your promises in the Return of Option Proceeds provision above are designed to protect the Company and its shareholders from Conduct Detrimental to the Company; and (j) if the underlying shares do not increase in value, the Options will have no value. In addition, you understand, acknowledge and agree that you will have no rights to compensation or damages related to Option Proceeds in consequence of the termination of your Employment for any reason whatsoever and whether or not in breach of contract.

**13. Data Privacy Consent** — As a condition of the grant of the Shares, you consent to the collection, use and transfer of personal data as described in this paragraph. You understand that the Company and its Subsidiaries hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number, salary, nationality, job title, ownership interests or directorships held in the Company or its Subsidiaries, and details of all stock options or other equity awards or other entitlements to shares of common stock awarded, cancelled, exercised, vested or unvested ("Data"). You further understand that the Company and its Subsidiaries will transfer Data amongst themselves as necessary for the purposes of implementation, administration and management of your participation in the Plan, and that the Company and any of its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You understand that these recipients may be located in the European Economic Area or elsewhere, such as the United States. You authorize them to receive, possess, use, retain and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of common stock on your behalf, in electronic or other form, for the purposes of implementing,

---

administering and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of common stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to it.

**14. Governing Law and Venue** — This Agreement and the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, United States of America. The exclusive venue for any and all disputes arising out of or in connection with this Agreement shall be New Castle County, Delaware, United States of America, and the courts sitting exclusively in New Castle County, Delaware, United States of America shall have exclusive jurisdiction to adjudicate such disputes. Each party hereby expressly consents to the exercise of jurisdiction by such courts and hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to such laying of venue (including the defense of inconvenient forum).

**15. Effect of Invalid Provisions** — If any of the promises, terms or conditions set forth herein are determined by a court of competent jurisdiction to be unenforceable, any Options that have not vested as described above will expire at that time and you agree to return to the Company all Option Proceeds that you have obtained pursuant to this agreement.

**16. Consent to Electronic Communications** — You agree that the Company may provide you with any communications associated with this award in electronic format. Your consent to receive electronic communications includes, but is not limited to, all legal and regulatory disclosures and communications associated with this award or notices or disclosures about a change in the terms and conditions of this award.

**17. Section 409A** — The Company makes no representations or warranty and shall have no liability to you or any other person if any Options issued under this Agreement are determined to constitute a nonqualified deferred compensation plan subject to Section 409A of the Code but not to satisfy the conditions of that section. You acknowledge and agree that (a) you are not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") of the fair market value of the Company's common stock on the date of grant of this Option, (b) you are not relying upon any written or oral statement or representation of by the Company regarding the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this Option, and (c) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. You hereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with your execution of this Agreement and his receipt, holding and exercise of this Option.

**18. Acceptance of Terms and Conditions** — This award will not be effective and you may not take action with respect to the Options until you have acknowledged and agreed to the terms and conditions set forth herein in the manner prescribed by the Company. You should print a copy of this award and your Grant Summary for your records.

---

Awarded subject to the terms and conditions stated above:

DELL INC.

By: \_\_\_\_\_

Samuel A. Guess - VP, Global Compensation and Benefits