

# DIGITAL

## CORPORATE PHILOSOPHY

In 1974 Digital's Operations Committee approved an operating philosophy for the company. Our Philosophy is a sound set of beliefs on which we premise all of our business policies and actions. Our continued success can be attributed to a faithful adherence to these beliefs.

<p><b>HONESTY</b> We want to be not only technically honest, but also to make sure that the implication of what we say and the impressions we leave are correct. When we make a commitment to customers or to employees, we feel an obligation to see that it happens.</p>	<p><b>COMPETITORS</b> We never criticize the competition publicly. We sell by presenting the positive features of our own products. We want to be respectful of all competition, and collect and analyze all public information about competitors. When we hire people from competitors, we should never ask them for confidential information, nor should we use confidential information they may have taken with them.</p>
<p><b>PROFIT</b> We are a public corporation. Stockholders invest in our corporation for profit. Success is measured by profit. With success comes the opportunity to grow, the ability to hire good people and the satisfaction that comes with meeting your goals. We feel that profit is in no way inconsistent with social goals.</p>	<p><b>SIMPLICITY AND CLARITY</b> We want all aspects of Digital to be clear and simple, and we want simple products, proposals and organizations; literature that is easy to read and understand, and advertisements that have a simple, obvious message. We have thousands of employees and many thousands of customers. We have to keep things simple to be sure that we all work together. Our decisions must always consider the impact on the people who will be affected by them.</p>
<p><b>QUALITY</b> Growth is not our primary goal. Our goal is to be a quality organization and to do a quality job which means we will be proud of our product and our work for years to come. As we achieve quality, growth comes as a result. The product we are selling includes the engineering, the software, the manufacturing, and the services, which include field services, software support, sales, order processing, training and manuals.</p>	<p><b>STANDARD PRODUCTS</b> Standard products are the base of our business. At times, in certain areas, we will invest in software and hardware specifically for special markets. But we should never lose sight that the base of our business is standard products.</p>
<p><b>RESPONSIBILITY</b> Plans are proposed by individuals or teams. Those plans may be rejected until they fit corporate goals or until the Operations Committee feels confidence in the plans. But, when they are accepted, they are the responsibility of those who proposed them. The impetus for the plan may come from outside the group making the proposal, but, when it is accepted, the implementation of the plan is the responsibility of the one who proposed it. Others who need to participate in the plan implementation are expected to support approved plans.</p>	<p><b>ORIGINAL EQUIPMENT MANUFACTURERS</b> Selling to OEMs is very important to us. There are more applications for our products than we could ever develop. When OEMs take risks and are successful in a market, we should respect the risk they took. However, we may compete with OEMs in very large markets or where the OEM covers only a small segment of the market. When we decide to enter a market, we make this decision independently on the basis of the facts. Thereafter, we look to see if we have an OEM who focuses on that market, so that we can openly communicate our future plans to that OEM. If we do compete with an OEM, we do it openly and fairly. Conversely, we will respect the right of our OEMs to compete with us. When OEMs are in trouble with their customers, we tell them so they can improve.</p>
<p><b>MANAGEMENT</b> We particularly want to be sure that management jobs are clear and well defined. Because so many people are dependent on the plans of managers, it is very important that their plans have regular automatic measurements built into them. Meeting financial goals is only one measure of a plan; other measures are satisfied customers, development of people, meeting long-range needs of the corporation, development of new products, opening new markets, and meeting the commitments made to others in the company. We believe that our commitment to planning assures freedom to act.</p>	<p><b>PERSONNEL DEVELOPMENT</b> We encourage people to develop technical skills, breadth of knowledge, and expertise in a specific area. We also encourage people to develop supervisory and management skills. We believe that individual discipline should be self-generated.</p>
<p><b>SOCIETY</b> We are committed as a corporation to taking affirmative action in providing equal opportunity for employment and promotion for all persons regardless of race, color, creed, age or sex. We encourage all employees to take responsibility in community, social, and government activities. We are always open for proposals as to what the corporation or an individual on corporation time may want to do in these areas. However, activities done on company time or with company funds should have a formal proposal including ways of regularly measuring success towards goals.</p>	<p><b>PROMOTION</b> We promote people according to their performance, not only for their technical ability, but also their ability to get the job done and to take the responsibility that goes with the job. Ability is measured not only by past results, but also by attitude and desire to succeed. Performance results are also used to decide whether individuals should remain in their current jobs.</p>
<p><b>ENVIRONMENT</b> As good citizens, we believe we have a responsibility to keep our environment free of pollution and to set an example.</p>	<p><b>HIRING FROM CUSTOMERS</b> We should be exceedingly careful when hiring employees from customers. Sometimes this is reasonable and desirable; but we should do it with all caution and by being sure that the employee first tells the customer.</p>
<p><b>CUSTOMERS</b> We must be honest and straightforward with our customers and be sure they are not only told the facts, but that they also understand the facts. To the best of our knowledge and ability, we want to be sure that the products we sell solve the needs of the customers even when the customer is inconvenienced. We want our products and services to meet the customers' expectations, and to do this we must clarify in advance all of those expectations in a way that the customer will understand. When we sell a product to a customer, we want to be sure that the corporation fulfills the obligations we took on with the sale. We sell our corporation, its products and its services, not a single individual. We must be sure all Digital's commitments are met.</p>	<p><b>FIRST RULE</b> When dealing with a customer, a supplier, or an employee, do what is "right" to do in each situation</p>