

DELL INC.

Corporate Governance Principles

The Board of Directors (the "Board") of Dell Inc. ("Dell"), as representatives of the stockholders, is committed to the achievement of business success and the enhancement of long-term stockholder value with the highest standards of integrity and ethics. In that regard, the Board has adopted these principles (these "Principles") to provide an effective corporate governance framework for Dell, intending to reflect a set of core values that provide the foundation for Dell's governance and management systems and its interactions with others. These principles and other aspects of Dell governance will be reviewed annually or more often if necessary.

Ethics and Values

The Board and management are jointly responsible for managing and operating Dell's business with the highest standards of responsibility, ethics and integrity. In that regard, the Board expects each director, as well as each member of senior management, to lead by example in a culture that emphasizes trust, integrity, honesty, judgment, respect, managerial courage and responsibility. Furthermore, the Board expects each director and each member of senior management to act ethically at all times and to adhere to the policies, as well as the spirit, expressed in Dell's Code of Conduct. No waiver of the Code of Conduct for a director or executive officer shall be permitted without the approval of the Board. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the CEO and the Lead Director.

Roles of Board and Management

Role of Board of Directors – It is the responsibility of the Board to direct, guide and oversee the conduct of Dell's business and to promote the interests of Dell's stockholders. In carrying out that responsibility, the Board considers its primary functions (which, to the extent permitted by applicable law and deemed appropriate by the Board, may be delegated to committees of the Board) to include the following:

- ***Management planning and oversight*** – Selecting, and upon the recommendation of the Leadership Development and Compensation Committee, evaluating and approving the compensation of Dell's Chief Executive Officer ("CEO") and planning for CEO succession; providing counsel and oversight in the selection, evaluation and compensation of, and succession planning for, Dell's Executive and Senior Vice Presidents and individuals designated as Section 16 Officers under the federal securities laws, and providing counsel and oversight in the evaluation and compensation of Dell's other executive officers.
- ***Strategic and operational planning*** – Reviewing, understanding and approving Dell's long-term strategic plans and annual operating plans, and monitoring the implementation and execution of those plans.
- ***Major corporate actions*** – Reviewing, understanding and approving Dell's significant financial and business transactions and other major corporate actions.

- *Financial reporting* – Reviewing, understanding and approving Dell's financial statements and reports, and overseeing the establishment and maintenance of controls, processes and procedures to promote accuracy, integrity and clarity in financial and other disclosures.
- *Governance, compliance and risk management* – Overseeing the establishment and maintenance of Dell's governance and compliance processes and procedures to promote the conduct of Dell's business with the highest standards of responsibility, ethics and integrity.
- *General advice to management* – Providing general advice and counsel to Dell's Chairman, CEO and senior management in connection with issues arising during the course of managing Dell's business.

Role of Management – It is the responsibility of management, under the direction of Dell's CEO, to assist the Board and its committees in the discharge of their responsibilities, and to conduct Dell's business and affairs in an effective, responsible and ethical manner, consistent with the principles and direction established by the Board. In carrying out that responsibility, management is charged with the following:

- *Organizing management* – Selecting, evaluating and approving the compensation of qualified management personnel (or, to the extent that such matters are the responsibility of the Board or its committees, assisting the Board or its committees in doing so), and implementing an organizational structure that is efficient and appropriate for Dell's operations and culture.
- *Strategic and operational planning and implementation* – Developing Dell's long-term strategic plans and annual operating plans; presenting those plans to the Board; implementing and executing approved plans; and recommending, implementing and executing changes to those plans as necessary or appropriate.
- *Managing risk* – Identifying and managing the risks that Dell undertakes in the course of carrying out its business and managing Dell's overall risk profile.
- *Financial reporting* – Promoting the integrity of Dell's financial statements and reports by designing, implementing and supervising the operation of systems, controls, processes and procedures that allow Dell to record, process, summarize and report information timely and accurately and produce financial statements and other disclosures that fairly present Dell's financial condition and results of operations and permit stockholders to understand Dell's business and performance.

Board Composition and Structure

General qualifications – Each director should have demonstrated notable or significant achievements in business, education or public service; should possess the requisite intelligence, education, experience and judgment to make a significant contribution to the Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and should have the highest standards of ethics and integrity, a strong sense of professionalism and an intense dedication to serving the interests of Dell's stockholders. The Board shall adopt a specific Director Nomination Policy. Once adopted, the Director Nomination Policy shall be considered an integral part of these Principles.

Independence – The Board believes that its primary function is to manage Dell's business in a manner consistent with the best interests of the stockholders, and that those interests are best served by having a substantial number of objective, independent directors on the Board. Consequently, at all times, at least 60 percent of the directors will be "independent." For this purpose, a director shall be considered "independent" only if the Board affirmatively determines that the director does not have

any direct or indirect material relationship with Dell that may impair, or appear to impair, the director's ability to make independent judgments and the director otherwise satisfies the standards of "independence" applicable to directors of NASDAQ listed companies.

In connection with the Board's assessment and determination of each director's independence, the Board shall broadly consider all relevant facts and circumstances and shall apply the following standards:

(a) A director will not be considered "independent" if any of the following conditions exist at the time of determination:

(1) The director is, or at any time during the past three years was, employed by Dell;

(2) The director accepted or has a family member who accepted any compensation from Dell in excess of \$120,000 during any period of 12 consecutive months within the past three years, other than the following:

(i) compensation for Board or Board committee service,

(ii) compensation paid to a family member who is an employee (other than an executive officer) of Dell, or

(iii) benefits under a tax-qualified retirement plan or non-discretionary compensation;

(3) The director is a family member of an individual who is, or at any time during the past three years was, employed by Dell as an executive officer;

(4) The director is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which Dell made, or from which Dell received, payments for property or services in the current or any of the past three fiscal years that exceed five percent of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:

(i) payments arising solely from investments in Dell's securities, or

(ii) payments under non-discretionary charitable contribution matching programs;

(5) The director is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of Dell serves on the compensation committee of such other entity; or

(6) The director is, or has a family member who is, a current partner of Dell's outside auditor, or was a partner or employee of Dell's outside auditor who worked on Dell's audit at any time during any of the past three years.

For purposes of the above, "immediate family member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

(b) The following relationships will not, in and of themselves, be considered material relationships that would impair, or appear to impair, a director's ability to make independent judgments and, therefore, will not alone prevent the director from being considered to be "independent":

(1) The director is an executive officer of a company that does business with Dell and the other company's annual sales to, or purchases from, Dell are less than 1 percent of Dell's annual revenues and less than 1 percent of the annual revenues of the other company;

(2) The director is an executive officer of a company that is indebted to Dell or is an executive officer of a company to which Dell is indebted and, in either case, the aggregate amount of such debt is less than 1 percent of Dell's total consolidated assets and less than 1 percent of the total consolidated assets of the other company;

(3) The director serves as an executive officer, director or trustee of a charitable organization to which Dell or any of its directors or executive officers contributes and the combined annual contributions to such organization by Dell and its directors and executive officers are not in excess of the greater of 5 percent of the charity's revenues or \$200,000;

(4) The director or an immediate family member of the director has a direct or indirect interest in a transaction in which Dell is or is proposed to be a participant under circumstances (e.g., the amount involved in the transaction does not exceed \$120,000.00 or the interest of the director or his/her immediate family member is immaterial) that do not require disclosure pursuant to Item 404 of SEC Regulation S-K; and

(5) Any relationship that is similar to, but more attenuated than, any of the relationships described above.

The Board will review annually all commercial and charitable relationships between each director and Dell and will make a determination of such director's independence, and Dell will disclose the Board's determinations in the proxy statement relating to the annual meeting of stockholders.

The Board recognizes that members of certain Board committees may be subject to more stringent standards of "independence" pursuant to applicable rules and regulations, including The NASDAQ Stock Market listing requirements, accounting and auditing rules and federal securities or tax laws. Any such more stringent standards will be reflected in the charter of the applicable committee.

Size of Board and selection process – The number of directors constituting the full Board shall be determined from time to time by the Board, within any limits prescribed by Dell's Bylaws, taking into account the size and breadth of Dell's business and the need for Board diversity.

The Governance and Nominating Committee shall be responsible for selecting and recommending nominees for director positions to the full Board, which shall, in turn, submit its recommendations to the stockholders for election. Stockholders may propose nominees for consideration through the procedures stated in Dell's Director Nomination Policy, and the Governance and Nominating Committee shall duly consider all such nominees. Final approval of a candidate is determined by the full Board.

Whenever a vacancy occurs in the Board, either because of a newly created director position or the death, resignation, removal or retirement of an existing director, the Board, acting on the recommendation of the Governance and Nominating Committee, shall select a person to fill the vacancy, and that person shall serve as a director until the next annual meeting of stockholders and until his/her successor shall be duly elected and qualified or until his or her earlier death, resignation or removal.

All directors must provide written notice directly to the corporate secretary when tendering her or his resignation from the Board.

Implementation of majority voting for directors – Dell's Bylaws provide that, in the case of uncontested elections (i.e., those where the number of nominees is the same as the number of directors to be elected), directors are elected by the vote of a majority of the shares represented and entitled to vote. Any nominee for director who fails to receive the requisite majority vote at an annual or special meeting held for electing directors where the election is uncontested must, promptly following certification of the stockholder vote, tender his/her resignation to the Board. The independent directors (excluding the director who tendered the resignation) will evaluate any such resignation in light of the best interests of Dell and its stockholders in determining whether to accept or reject the resignation, or whether other actions should be taken. In reaching its decision, the Board may consider any factors it deems relevant, including the director's qualifications, the director's past and expected future contributions to Dell, the overall composition of the Board, and whether accepting the tendered resignation would cause Dell to fail to meet any applicable rule or regulation (including NASDAQ listing requirements and federal securities laws). The Board will act on the tendered resignation, and publicly disclose its decision and rationale, within 90 days following certification of the stockholder vote.

If no directors receive the requisite majority vote at an annual or special meeting held for electing directors where the election is uncontested, the incumbent Board will nominate a new slate of directors and hold a special meeting for electing those nominees within 180 days after the certification of the stockholder vote. In this circumstance, the incumbent Board will continue to serve until new directors are elected and qualified.

The foregoing procedures will be summarized and disclosed in the proxy statement related to each annual meeting of stockholders.

Retirement or withdrawal of directors; Conflicting commitments – The Board believes that directors should serve only so long as they add value to the Board. A director’s contributions to the Board and ability to continue to contribute productively will be considered by the Governance and Nominating Committee each time a director is considered for re-nomination. No director will be asked to retire or withdraw from the Board without the approval of a majority of the remaining independent directors.

Recognizing that the most important factor in re-nomination considerations is a director’s contributions to Board deliberations and processes rather than length of service, the Board has not established any term limits on Board service. However, directors will not be nominated for election to the Board after their 72nd birthday.

Each director must be willing and able to devote sufficient time and attention to carrying out his/her duties and responsibilities effectively. While the Board acknowledges the value in having directors with significant experience in other businesses and activities, it also understands that effective service requires substantial commitment. Generally, a director should not serve on more than six public company boards, including Dell’s. The nature and extent of a director’s non-Dell activities will be taken into account in annual re-nomination considerations, as well as in determining the propriety of the director’s continued service on the Board, as described below.

Each director shall notify the Governance and Nominating Committee (a) prior to accepting a directorship or other position of responsibility with another company and (b) prior to or promptly following a significant change in personal circumstances (including a change in employment or principal job responsibilities). The Governance and Nominating Committee will review and evaluate the circumstances and will determine whether the director’s continued service on the Board would be appropriate under those circumstances. If the Governance and Nominating Committee determines that the director’s continued service on the Board would not be appropriate under the circumstances, the director shall be requested to resign and, for as long as such debilitating circumstances persist, the director shall not be nominated for election to the Board.

Lead Director – The Lead Director shall be elected annually by majority vote of the independent directors acting in executive session. The principal responsibility of the Lead Director shall be to chair the executive sessions of the nonemployee and independent directors and to preside over all meetings where the Chairman is not present (as described below) and to perform such other roles and responsibilities as are assigned from time to time by the Governance and Nominating Committee or the full Board. In addition, to this principal responsibility and the other powers of the Lead Director outlined in these Principles, the Lead Director shall also have the power to assist the Chairman in the management of Board meetings, including reviewing and approving the meeting agenda to ensure the allocation of sufficient time to discuss all agenda items, to propose an annual schedule of major discussion items for Board consideration, to hire outside advisors and consultants reporting directly to the Board, to consult with a representative group of stockholders periodically and other stockholders as

needed, to serve as a liaison between the Chairman and the independent directors, to assist in the selection and nomination of nominees for director positions to the Board, to assist in the determination of the number of Board meetings, and to assist in the administration of CEO, Board and committee evaluations. In the event of a vacancy in the position of the Chairman, unless the CEO or President of Dell is also a director, the Lead Director shall serve as the interim Chairman for the sole purpose of calling and holding a special meeting of the Board to elect a new Chairman.

The Lead Director shall serve at the discretion of the independent directors, and the election or reelection of the Lead Director shall be called at the request of a majority of the independent directors. If, at any time, the incumbent Lead Director is unable or unwilling to continue to serve as the Lead Director (or, in connection with any meeting, is absent or otherwise unable to perform the duties of Lead Director at such meeting), then the most senior independent director (based on length of service on the Board) shall fulfill the duties and responsibilities of the Lead Director until such time as the independent directors have elected a successor Lead Director. In addition, the independent directors, by majority vote acting in executive session, may, for any reason, replace the incumbent Lead Director with a successor Lead Director.

Conduct of Board Meetings

Number of meetings and attendance – The Board shall be responsible for determining the appropriate number of regular meetings to hold each fiscal year. Currently, the Board holds six regular meetings each year. Each director is expected to attend all regular meetings of the Board and of the committees of which he/she is a member, and is expected to make every effort to attend any specially called Board or committee meetings. In addition, each director is expected to attend the annual meeting of stockholders each year.

Except for the executive sessions of nonemployee and independent directors (as discussed below) and unless otherwise requested by the Board, the Chief Executive Officer, Chief Financial Officer and General Counsel shall attend all Board meetings. In addition, the Chairman may request other members of management to attend all or any portion of any Board or committee meeting for discussion purposes or to make appropriate presentations.

Meeting agenda – The Board, with assistance from the Lead Director, shall be responsible for its agenda, and each director is encouraged to suggest agenda items to the Chairman or the Lead Director at any time. Prior to each Board meeting, the Lead Director will review and approve the agenda for that meeting and discuss the agenda with the Chairman. The Lead Director shall allocate sufficient time for discussion of all agenda items. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time. The Board and its committees may also take action from time to time by unanimous written consent.

Pre-meeting materials – Prior to each regularly scheduled Board meeting, the Chairman or the Lead Director shall distribute or cause to be distributed appropriate written materials relating to the substantive agenda items to be discussed at that meeting (unless confidentiality or sensitivity concerns

suggest that materials be distributed only at the meeting). Each director is expected to review such materials prior to the applicable meeting, if practicable. Each director is encouraged to offer suggestions to either the Chairman or the Lead Director regarding the nature or extent of information or materials that are regularly distributed in advance of Board meetings.

Executive sessions of non-employee and independent directors – From time to time, the directors who are not also Dell employees shall hold "executive sessions" in which they meet without the directors who are Dell employees. An executive session of the nonemployee directors shall be a standing agenda item at no less than two regular meetings of the Board each year and, in addition, may be called at any time by the Lead Director, and shall be called by the Lead Director at the request of a majority of the nonemployee directors. The agenda for each executive session of the non-employee directors shall be determined by the Lead Director, but shall focus principally on the question of whether management is performing its responsibilities in a manner consistent with the direction of the Board.

In addition, the "independent" directors (as determined pursuant to these Principles) shall meet alone in executive session at no less than 60 percent of the regular meetings of the Board each year. Additional executive sessions of the independent directors may be called at any time by the Lead Director, and shall be called by the Lead Director at the request of any independent director.

The Lead Director may request that any member of management attend all or any portion of any executive session of the nonemployee or independent directors for discussion purposes or to make appropriate presentations.

Committees of the Board

Standing Committees – The Board shall maintain the following committees to assist it in discharging its oversight responsibilities:

- **Audit Committee** – The Audit Committee assists the Board in fulfilling its responsibilities to provide oversight with respect to (a) the integrity of Dell's financial statements and other financial information provided to Dell's stockholders and others, (b) Dell's internal control over financial reporting, (c) the independence, engagement and performance of Dell's independent auditors, (d) the performance of Dell's internal audit function, and (e) Dell's compliance with legal requirements and the compliance by Dell's directors and executive officers with Dell's Code of Conduct. In so doing, the Committee will provide a focal point for free and open communications among Dell's independent directors, management, internal auditors and independent auditors. The Audit Committee shall have the specific powers, authority, duties and responsibilities set forth in its written charter and as may otherwise be delegated and/or assigned to it from time to time by the Board.
- **Leadership Development and Compensation Committee** – The Leadership Development and Compensation Committee (a) evaluates the performance of, reviews and recommends to the Board the compensation (including employment contracts and severance arrangements) to be provided to the CEO, (b) reviews and (except in the case of the CEO) approves, on behalf of the Board, all compensation (including employment contracts and severance arrangements) to be provided to each executive officer and non-employee director of Dell, including any perquisites and equity

compensation, and salary, bonus and equity compensation guidelines for all other employees of Dell, and (c) reviews and (except in the case of the CEO) approves Dell's management succession plans and leadership development strategies. The Leadership Development and Compensation Committee shall have the specific powers, authority, duties and responsibilities set forth in its written charter and as may otherwise be delegated or assigned to it from time to time by the Board.

- **Governance and Nominating Committee** – The Governance and Nominating Committee (a) oversees and monitors matters of corporate governance for Dell, including the allocation of responsibilities among the Board and its various committees and Dell's management, the "independence" of Dell's directors, the content, implementation and administration of Dell's code of conduct and other similar corporate policies and the evaluation of the Board's performance and processes, and (b) selects, evaluates and recommends to the Board qualified candidates for election or appointment to the Board. The Governance and Nominating Committee shall have the specific powers, authority, duties and responsibilities set forth in its written charter and as may otherwise be delegated and/or assigned to it from time to time by the Board.
- **Finance Committee** – The Finance Committee oversees all areas of corporate finance, including capital structure, equity and debt financings, capital expenditures, cash management, banking activities and relationships, investments, foreign exchange activities and share repurchase activities. The Finance Committee shall have the specific powers, authority, duties and responsibilities set forth in its written charter and as may otherwise be delegated and/or assigned to it from time to time by the Board.

The Board shall convene other standing or special committees as it deems appropriate.

Each committee is governed by a written charter approved by the full Board. Once approved, each committee charter shall be considered an integral part of these Principles. Each committee shall review its charter at least annually and shall report the results of such review (including any recommended changes) to the full Board.

All directors, without regard to committee membership, are invited to make suggestions to a committee chair for additions to the agenda of that committee or to request that an item from a committee agenda be considered by the Board. Whenever a committee, pursuant to its charter, makes a decision or takes an action on behalf of the Board, the committee, through its chair, shall promptly make a report to, or otherwise notify, the full Board of such decision or action. Each committee chair will communicate to the Board other committee activities and matters in periodic reports to the Board.

The Lead Director shall serve as a resource to all committee chairs and shall advise them as appropriate.

Membership – The membership of each committee (including the number and the identity of directors comprising the committee and the director designated to serve as committee chair) shall be determined by the full Board, acting with the recommendation of the Governance and Nominating Committee. The membership of the committees shall be rotated on a periodic basis.

The Audit Committee, the Leadership Development and Compensation Committee, and the Governance and Nominating Committee shall be comprised entirely of directors who (a) are considered "independent" pursuant to the standards described above under "Board Composition and Structure – Independence" and (b) satisfy any additional or supplemental independence standards applicable to the particular committee that have been established under any applicable law, rule or regulation.

Conduct of committee meetings – Consistent with its purpose (as stated in its charter), each committee shall be responsible for determining the frequency and length of committee meetings and the agenda of items to be discussed. The chair of each committee, in consultation with appropriate members of management, shall develop the agenda for each committee meeting, and shall prepare and distribute appropriate written materials prior to the meeting. The chair of each committee, generally with the assistance of a designated member of management, shall be responsible for ensuring that minutes of each committee meeting are properly recorded, and the Secretary shall incorporate these minutes into the official Board minute book. The chair of each committee shall be responsible for apprising the full Board on a regular basis of all committee proceedings, determinations and recommendations.

Any non-employee director shall be entitled to attend the meeting of any committee, regardless of whether he/she is a member of that committee. The committee chair may request that any member of management attend all or any portion of any committee meeting for discussion purposes or to make appropriate presentations.

Other Board Operations and Practices

Access to senior management – Each director shall have complete and open access to management and employees at Dell.

Director orientation and education – The Board Liaison Office, under the guidance of the CEO, the Chief Financial Officer and the General Counsel, shall be responsible for providing orientation materials and arranging orientation meetings for new directors, as well as periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their Board duties. Each new director is encouraged to spend a day at Dell's headquarters or other facilities for personal briefing by senior management on Dell's business, its strategic plans, its financial statements and its key policies and practices. In addition, each Director may attend, at Dell's expense, an accredited director education program once per year.

On-site days – Each director is expected to spend at least one day each year on-site at Dell to learn about and review in detail an area of Dell's business. The day will be spent with management and employees in that business area, and the agenda will focus on the operations of that business, the particular strategic and risk issues facing the business, and the opportunities presented. These on-site days will be coordinated through the Board Liaison Office.

Self-evaluation – The Board and each standing committee of the Board will conduct an annual self-evaluation to identify areas of concern or potential issues relating to the processes, performance and

effectiveness of the Board or such committee, as the case may be. These evaluations will be administered by the Governance and Nominating Committee, with assistance by the Lead Director, and will be reviewed and discussed with the full Board.

Evaluation of Chairman and CEO – On an annual basis, the Board shall evaluate the performance and effectiveness of the Chairman and the CEO.

Management succession and development planning – The Board, shall approve and maintain a succession plan for the CEO. In addition, on an annual basis, the CEO shall present to the Board a report on succession planning for senior management and a report on management development.

Compensation of the Board – The Leadership Development and Compensation Committee shall have the responsibility for approving all compensation and benefits for nonemployee directors. The Board believes that the amount of director compensation should be fair and competitive in relation to director compensation at other companies with businesses similar in size and scope to Dell's; the type of compensation should align the director's interests with the long-term interests of stockholders; and the structure of the compensation program should be simple, transparent and easy for stockholders to understand. On an annual basis, the Leadership Development and Compensation Committee shall review nonemployee director compensation and benefits (including insurance and indemnity) with the full Board.

Reporting of concerns to independent directors or the Audit Committee – Anyone who has a concern about Dell's conduct, accounting, financial reporting, internal controls or auditing matters may communicate that concern directly to the independent directors (through the Lead Director) or to the Audit Committee (through the committee chair). Such communications may be confidential and anonymous, and may be emailed, submitted in writing or reported by phone to Dell's Business Ethics Office. All such concerns will be forwarded to the appropriate directors for their review and will be simultaneously reviewed and addressed by the Business Ethics Office or the Office of the Ombuds in the same way that other concerns are addressed by management. The status of all outstanding concerns addressed to the independent directors or the Audit Committee will be reported to the full Board on a quarterly basis. The independent directors, the Lead Director or the Audit Committee may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. Dell's Code of Conduct prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

Access to independent advisors – The Board and its committees, as well as the nonemployee or independent directors acting in executive session as described under "Conduct of Board Meetings – Executive Sessions of Non-Employee and Independent Directors," shall have the right, at any time, to retain and compensate independent outside financial, legal or other advisors. In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors.

Stockholder ratification of independent auditors – Although the Board acknowledges that current law, rules and regulations, as well as the charter of the Board's Audit Committee, require Dell's

independent auditors to be engaged, retained and supervised by the Audit Committee, the Board considers the selection of independent auditors to be an important matter of stockholder concern and considers a proposal for stockholders to ratify such selection to be an important opportunity for stockholders to provide direct feedback to the Board on an important issue of corporate governance. Consequently, the Board will present such a proposal to the stockholders in the proxy statement related to each annual meeting of stockholders.

Board interaction with institutional investors, the press and others – The Board believes that management should speak for Dell. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with Dell. However, it is expected that directors will do so only with the knowledge of the Chairman.

Review of Board operations – The Governance and Nominating Committee shall periodically review the Board’s operations under these Principles and shall report to the full Board any material deviations.

Stock Ownership Guidelines – The Compensation Committee will determine stock ownership guidelines for directors and executives from time to time. Currently, Dell’s stock ownership guidelines require that each non-employee director must maintain ownership of Dell common stock with an aggregate value equal to at least 300 percent of their annual retainer, the CEO must maintain ownership of stock with an aggregate value equal to at least 500 percent of base salary, and all other executive officers must maintain ownership of stock with an aggregate value equal to at least 400 percent of base salary. Each individual has five years to attain the specified minimum ownership position once she or he has become subject to the guidelines. Unvested restricted stock, unvested RSUs and PBUs (earned) may be used to satisfy these minimum ownership requirements, but unexercised stock options and awards subject to a performance requirement may not.