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(f) Any material agreement, contract, mortgage, indenture, lease, instrument, license, franchise, permit, concession, arrangement, commitment or authorization which may be, by its terms, terminated or breached by reason of the execution of this Agreement, the Articles of Merger, the closing of the Merger, or the transactions contemplated hereby or thereby;

(g) Except for trade indebtedness incurred in the ordinary course of business, any instrument evidencing or related in any way to indebtedness in excess of \$10,000,000 incurred in the acquisition of companies or other entities or indebtedness in excess of \$10,000,000 for borrowed money by way of direct loan, sale of debt securities, purchase money obligation, conditional sale, guarantee, or otherwise;

(h) Any material license agreement, either as licensor or licensee (excluding nonexclusive software licenses granted to customers or end-users in the ordinary course of business) involving the payment of at least \$1,000,000;

(i) Any contract containing covenants purporting to limit WordPerfect's freedom or that of any of its Subsidiaries to compete in any line of business in any geographic area; or

(j) Any other agreement, contract or commitment which is material to WordPerfect and its Subsidiaries taken as a whole.

Each agreement, contract, mortgage, indenture, plan, lease, instrument, permit, concession, franchise, arrangement, license and commitment listed in the WordPerfect Disclosure Schedule pursuant to this Section 3.13 is valid and binding on WordPerfect or its Subsidiaries, as applicable, and is in full force and effect, and neither WordPerfect nor any of its Subsidiaries, nor to the knowledge of WordPerfect, any other party thereto, has breached any material provision of, or is in material default under the terms of, any such agreement, contract, mortgage, indenture, plan, lease, instrument, permit, concession, franchise, arrangement, license or commitment.

3.14 Taxes.

(a) All Tax (as defined below) returns, statements, reports and forms (including estimated Tax returns and reports and information returns and reports) required to be filed with any Taxing Authority (as defined below) with respect to any Taxable period ending on or before the Effective Time, by or on behalf of WordPerfect or any of its Subsidiaries (collectively, the "WordPerfect Returns"), have been or will be filed when due in accordance with all applicable laws (including any extensions of such due date), and all amounts shown due thereon have been paid or have been fully accrued on the WordPerfect Financial Statements in accordance with generally accepted accounting principles. Except to the extent provided for or disclosed in the WordPerfect Financial Statements (including notes thereto), the WordPerfect Returns correctly reflect in all material respects (and, as to any WordPerfect Returns not filed as of the date hereof but filed prior to the Merger, will correctly reflect in all material respects) the Tax liability and status of WordPerfect and its Subsidiaries (including each such corporation's status as an S corporation within the meaning of Section 1361 of the Code or any comparable provision under state law). WordPerfect and its Subsidiaries have withheld and paid to the applicable financial institution or Taxing Authority all amounts required to be withheld. All WordPerfect Returns pertaining to federal income tax filed with respect to Taxable years of WordPerfect and its Subsidiaries through the Taxable year ended December 31, 1990 in the case of the United States, have been examined and closed or are WordPerfect Returns with respect to which the applicable period for assessment under applicable law, after giving effect to extensions or waivers, has expired. Neither WordPerfect nor any of its Subsidiaries (or any member of any affiliated or combined group of which WordPerfect or any of its Subsidiaries has been a member) has granted any extension or waiver of the limitation period applicable to any WordPerfect Returns. There is no claim, audit, action, suit, proceeding, or investigation now pending or (to the best knowledge of WordPerfect or any of its subsidiaries) threatened against or with respect to WordPerfect or any of its Subsidiaries in respect of any Tax or assessment. No notice of deficiency or similar document of any Tax Authority has been received by WordPerfect or any of its Subsidiaries, and there are no liabilities for Taxes (including liabilities for interest, additions to tax and penalties thereon and related expenses) with respect to the issues that have been raised (and are currently pending) by any Tax Authority that could, if determined adversely to WordPerfect or any of its Subsidiaries, materially affect the liability of

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WordPerfect or any of its Subsidiaries for Taxes in other Taxable (as defined below) periods. Neither WordPerfect nor any of its Subsidiaries, nor any other person on behalf of WordPerfect or any of its Subsidiaries, has entered into nor will it enter into any agreement or consent pursuant to Section 341(f) of the Code. There are no liens for Taxes upon the assets of WordPerfect or any of its Subsidiaries except liens for current Taxes not yet due. Neither WordPerfect nor any of its Subsidiaries has been or will be required to include any material adjustment in Taxable income for any Tax period (or portion thereof) pursuant to Section 481 or 263A of the Code or any comparable provision under state or foreign Tax laws as a result of transactions, events or accounting methods employed prior to the Closing. There is no contract, agreement, plan or arrangement, including but not limited to the provisions of this Agreement, covering any employee or former employee of WordPerfect or any of its Subsidiaries that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to Section 162 (as unreasonable compensation) or pursuant to Section 280G of the Code. WordPerfect and its Subsidiaries have provided or made available to Novell or its designated representative true and correct copies of all material Tax Returns, and, as reasonably requested by Novell prior to or following the date hereof, information statements, reports, work papers, Tax opinions and memoranda and other Tax data and documents. WordPerfect has not been within the five year period preceding the date hereof a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code. Neither WordPerfect nor any of its Subsidiaries is a party to (or obligated under) any Tax allocation, Tax distribution, tax sharing, tax indemnity or similar agreement or arrangement with respect to any tax (including without limitation any such agreement or arrangement imposed by operation of law).

(b) For purposes of this Agreement, the following terms have the following meanings: "Tax" (and, with correlative meaning, "Taxes" and "Taxable") means (A) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Entity (a "Taxing Authority") responsible for the imposition of any such tax (domestic or foreign), (B) any liability for the payment of any amounts of the type described in (A) as a result of being a member of an affiliated, consolidated, combined or unitary group for any Taxable period and (C) any liability for the payment of any amounts of the type described in (A) or (B) as a result of any express or implied obligation to indemnify any other person.

3.15 Interests of Officers and Directors. Except as disclosed in a supplemental schedule to be delivered to Novell within 21 days following the date of this Agreement, no officer or director of WordPerfect or any "affiliate" or "associate" (as those terms are defined in Rule 405 promulgated under the Securities Act) of any such person has had, either directly or indirectly, a material interest in: (i) any person or entity which purchases from or sells, licenses or furnishes to WordPerfect or any of its Subsidiaries any goods, property, technology or intellectual or other property rights or services; (ii) any any contract or agreement to which WordPerfect or any of its Subsidiaries is a party or by which it may be bound or affected; or (iii) any property, real or personal, tangible or intangible, used in or pertaining to its business or that of its Subsidiaries, including any interest in the WordPerfect Intellectual Property Rights, except for rights as a shareholder, and except for rights under any Plan.

3.16 Intellectual Property.

(a) WordPerfect owns, or is licensed or otherwise entitled to exercise, without restriction, all rights to, all patents, trademarks, trade names, service marks, copyrights, mask work rights, trade secret rights and other intellectual property rights, and any applications or registrations therefor, and all mask works, net lists, schematics, technology, source code, know-how, computer software programs and all other tangible and intangible information or material, that are used or currently proposed to be used in the business of WordPerfect and its Subsidiaries as currently conducted or as currently proposed to be conducted (collectively, the "WordPerfect Intellectual Property Rights").

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(b) The WordPerfect Disclosure Schedule lists all patents, registered and unregistered copyrights, trade names, trademarks, service marks and other company, product or service identifiers and mask work rights, and any applications or registrations therefor, included in the WordPerfect Intellectual Property Rights, together with a list of all of WordPerfect's currently marketed products and an indication as to which, if any, of such products have been registered for copyright protection with the United States Copyright Office and any foreign offices.

(c) Neither WordPerfect nor any of its Subsidiaries is, or as a result of the execution and delivery of this Agreement or the performance of WordPerfect's obligations hereunder will be, in violation of, or lose any rights pursuant to any license, sublicense or agreement described in the WordPerfect Disclosure Schedule.

(d) WordPerfect or one of its Subsidiaries is the owner or licensee of, with all necessary right, title and interest in and to (free and clear of any liens, encumbrances or security interests), the WordPerfect Intellectual Property Rights and has rights (and except as set forth in the WordPerfect Disclosure Schedule is not contractually obligated to pay any compensation to any third party in respect thereof) in an amount in excess of \$1,000,000 to the use thereof or the material covered thereby in connection with the services or products in respect of which the WordPerfect Intellectual Property Rights are being used.

(e) No claims with respect to the WordPerfect Intellectual Property Rights have been asserted or, to the best knowledge of WordPerfect, after reasonable investigation, are threatened by any person, and WordPerfect knows of no claims (i) to the effect that the manufacture, sale or use of any product as now used or offered or proposed for use or sale by WordPerfect or any Subsidiary of WordPerfect infringes any copyright, patent, trade secret, or other intellectual property right, (ii) against the use by WordPerfect or Subsidiary of WordPerfect of any WordPerfect Intellectual Property Rights, or (iii) challenging the ownership, validity or effectiveness of any of the WordPerfect Intellectual Property Rights.

(f) All patents and registered trademarks, service marks, and other company, product or service identifiers and registered copyrights held by WordPerfect are valid and subsisting.

(g) To the best knowledge of WordPerfect, there has not been and there is not now any material unauthorized use, infringement or misappropriation of any of the WordPerfect Intellectual Property Rights by any third party, including without limitation any employee or former employee of WordPerfect or any of its Subsidiaries; neither WordPerfect nor any of its Subsidiaries has been sued or charged in writing as a defendant in any claim, suit, action or proceeding which involves a claim of infringement of any patents, trademarks, service marks, copyrights or other intellectual property rights and which has not been finally terminated prior to the date hereof; there are no such charges or claims outstanding; and to the best knowledge of WordPerfect neither WordPerfect nor any of its Subsidiaries has any infringement liability with respect to any patent, trademark, service mark, copyright or other intellectual property right of another.

(h) No WordPerfect Intellectual Property Right is subject to any outstanding order, judgment, decree, stipulation or agreement restricting in any manner the licensing thereof by WordPerfect or any of its Subsidiaries. Neither WordPerfect nor any of its Subsidiaries has entered into any agreement to indemnify any other person against any charge of infringement of any WordPerfect Intellectual Property Right. Neither WordPerfect nor any of its Subsidiaries has entered into any agreement granting any third party the right to bring infringement actions with respect to, or otherwise to enforce rights with respect to, any WordPerfect Intellectual Property Right. WordPerfect and its Subsidiaries have the exclusive right to file, prosecute and maintain all applications and registrations with respect to the WordPerfect Intellectual Property Rights.

3.17 Restrictions on Business Activities. There is no material agreement, judgment, injunction, order or decree binding upon WordPerfect or any of its Subsidiaries which has or could reasonably be expected to have the effect of prohibiting or materially impairing any business practice of WordPerfect or any of its Subsidiaries, any acquisition of property by WordPerfect or any of its Subsidiaries or the conduct of business by WordPerfect or any of its Subsidiaries as currently conducted or as currently proposed to be conducted by WordPerfect.

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3.18 Title to Properties; Absence of Liens and Encumbrances; Condition of Equipment.

(a) WordPerfect and its Subsidiaries have good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all of their tangible properties and assets, real, personal and mixed, used in their business, free and clear of any liens, charges, pledges, security interests or other encumbrances, except as reflected in the WordPerfect Financial Statements or except for such imperfections of title and encumbrances, if any, which are not substantial in character, amount or extent, and which do not materially detract from the value, or interfere with the present use, of the property subject thereto or affected thereby.

(b) The equipment owned or leased by WordPerfect or its Subsidiaries is, taken as a whole, (A) adequate for the conduct of the business of WordPerfect and its Subsidiaries consistent with their past practice, (B) suitable for the uses to which it is currently employed, (C) in good operating condition, (D) regularly and properly maintained, (E) not obsolete, dangerous or in need of renewal or replacement, except for renewal or replacement in the ordinary course of business, and (F) free from any defects, except, with respect to clauses (B) through (E) above, as would not have a Material Adverse Effect.

3.19 Governmental Authorizations and Licenses. Each of WordPerfect and its Subsidiaries is the holder of all licenses, authorizations, permits, concessions, certificates and other franchises of any Governmental Entity required to operate its business (collectively, the "Licenses"). The Licenses are in full force and effect. There is not now pending, or to the best knowledge of WordPerfect is there threatened, any action, suit, investigation or proceeding against WordPerfect or any of its Subsidiaries before any Governmental Entity with respect to the Licenses, nor is there any issued or outstanding notice, order or complaint with respect to the violation by WordPerfect or any of its Subsidiaries of the terms of any License or any rule or regulation applicable thereto.

3.20 Environmental Matters.

(a) No substance that is regulated by any Governmental Entity or that has been designated by any Governmental Entity to be radioactive, toxic, hazardous or otherwise a danger to health or the environment (a "Hazardous Material") is present in, on or under any property that WordPerfect or any of its Subsidiaries has at any time owned, operated, occupied or leased.

(b) Neither WordPerfect nor any of its Subsidiaries has transported, stored, used, manufactured, released or exposed its employees or any other person to any Hazardous Material in violation of any applicable statute, rule, regulation, order or law.

(c) WordPerfect and its Subsidiaries have obtained all permits, licenses and other authorizations ("Environmental Permits") required to be obtained by any of them under the laws of any Governmental Entity relating to pollution or protection of the environment (collectively, "Environmental Laws"). All Environmental Permits are in full force and effect. WordPerfect and its Subsidiaries (A) are in compliance with all terms and conditions of the Environmental Permits and (B) are in compliance in all material respects with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in the Environmental Laws or contained in any regulation, code, plan, order, decree, judgment, notice or demand letter issued, entered, promulgated or approved thereunder. Neither WordPerfect nor any of its Subsidiaries has received any notice or is aware of any past or present condition or practice of the businesses conducted by WordPerfect or its present or former Subsidiaries which forms or could form the basis of any claim, action, suit, proceeding, hearing or investigation against WordPerfect or any of its Subsidiaries, arising out of the manufacture, processing, distribution, use, treatment, storage, spill, disposal, transport, or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Material.

3.21 Insurance. WordPerfect maintains insurance policies and fidelity bonds covering the assets, business, equipment, properties, operations, employees, officers and directors of WordPerfect and its Subsidiaries (collectively, the "Insurance Policies") which are of the type and in amounts customarily carried by persons conducting businesses similar to those of WordPerfect and its Subsidiaries. There is no material claim by WordPerfect or any of its Subsidiaries pending under any of the material Insurance Policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All

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premiums payable under all such material Insurance Policies have been paid and WordPerfect and its Subsidiaries are otherwise in full compliance with the terms of such policies and bonds (or other policies and bonds providing substantially similar insurance coverage). WordPerfect does not know of any threatened termination of, or material premium increase with respect to, any of its material Insurance Policies.

3.22 Board Approval. The Board of Directors of WordPerfect has, as of the date hereof, unanimously (i) approved this Agreement and the Articles of Merger and the transactions contemplated hereby and thereby, (ii) determined that the Merger is in the best interests of the shareholders of WordPerfect and is on terms that are fair to such shareholders and (iii) recommended that the shareholders of WordPerfect approve this Agreement, the Articles of Merger and the Merger.

3.23 Labor Matters. WordPerfect and its Subsidiaries are in compliance in all material respects with all currently applicable laws and regulations respecting employment, discrimination in employment, terms and conditions of employment and wages and hours and occupational safety and health and employment practices, and are not engaged in any unfair labor practice. Neither WordPerfect nor any of its Subsidiaries has received any notice from any Governmental Entity, and there has not been asserted before any Governmental Entity, any claim, action or proceeding to which WordPerfect or any of its Subsidiaries is a party or involving WordPerfect or any of its Subsidiaries, and there is neither pending nor, to WordPerfect's best knowledge, threatened any investigation or hearing concerning WordPerfect or any of its Subsidiaries arising out of or based upon any such laws, regulations or practices.

3.24 Questionable Payments. Neither WordPerfect nor any of its Subsidiaries nor to its best knowledge any director, officer or other employee of WordPerfect or any of its Subsidiaries has: (i) made any payments or provided services or other favors in the United States of America or in any foreign country in order to obtain preferential treatment or consideration by any Governmental Entity with respect to any aspect of the business of WordPerfect or any of its Subsidiaries; or (ii) made any political contributions which would not be lawful under the laws of the United States and the foreign country in which such payments were made. Neither WordPerfect nor any of its Subsidiaries nor to its best knowledge any director, officer or other employee of WordPerfect or any of its Subsidiaries nor, to the best knowledge of WordPerfect, any customer or supplier of any of them has been the subject of any inquiry or investigation by any Governmental Entity in connection with payments or benefits or other favors to or for the benefit of any governmental or armed services official, agent, representative or employee with respect to any aspect of the business of WordPerfect or its Subsidiaries or with respect to any political contribution.

3.25 Accounting Matters. Neither WordPerfect nor any of its Subsidiaries nor, to WordPerfect's best knowledge after reasonable inquiry, any of its Affiliates (as defined in Section 5.12), has taken or agreed to take any action that would adversely affect the ability of Novell to account for the business combination to be effected by the Merger as a pooling of interests.

3.26 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement. In the event that the preceding sentence is in any way inaccurate, WordPerfect agrees to indemnify and hold harmless Novell from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) for which Novell or any of its officers, partners, employees or representatives is responsible.

3.27 Disclosure. No representation or warranty made by WordPerfect in this Agreement, nor any document, written information, statement, financial statement, certificate, schedule or exhibit prepared and furnished or to be prepared and furnished by WordPerfect or its representatives pursuant hereto or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements or facts contained herein or therein not misleading in light of the circumstances under which they were furnished. To the best knowledge of WordPerfect after reasonable inquiry, there is no event, fact or condition that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect that has not been set forth in this Agreement or in the WordPerfect Disclosure Schedule. The WordPerfect Financial Projections constitute WordPerfect's best estimate of the information purported to be shown therein and WordPerfect reasonably

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believes that there is a reasonable basis for such projections and is not aware of any fact or information that would lead it to believe that such projections are incorrect or misleading in any material respect.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF NOVELL AND SUB

Except as disclosed in a document referring specifically to the representations and warranties in this Agreement which identifies the section and subsection to which such disclosure relates and which is delivered by Novell to WordPerfect prior to the execution of this Agreement (the "Novell Disclosure Schedule"), Novell and Sub represent and warrant to, and agree with, WordPerfect as follows:

4.1 Organization; Standing and Power. Each of Novell and Sub is a corporation validly existing and in good standing under the laws of its state of incorporation and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its businesses as now being conducted. Novell has delivered to WordPerfect complete and correct copies of the Certificate of Incorporation and Bylaws of Novell and the Articles of Incorporation and Bylaws of Sub as amended to the date hereof.

4.2 Capital Structure. As of the date hereof the authorized capital stock of Novell consists of 400,000,000 shares of Novell Common Stock, \$.10 par value and 500,000 shares of Novell Preferred Stock, \$.10 par value. At the close of business on January 29, 1994, 309,021,297 shares of Novell Common Stock were outstanding, 27,978,621 shares of Novell Common Stock were reserved for issuance upon the exercise of outstanding stock options ("Novell Options"), no shares of Novell Common Stock were held by Novell in its treasury, and no shares of Novell Preferred Stock were outstanding. All the outstanding shares of Novell Common Stock are validly issued, fully paid, nonassessable and free of preemptive rights except pursuant to rights issued under Novell's Stockholder Rights Plan. The shares of Novell Common Stock issuable in connection with the Merger are duly authorized and reserved for issuance and, when issued in accordance with the terms of this Agreement and the Articles of Merger, will be validly issued, fully paid, nonassessable and free of preemptive rights (other than any rights which may be issued pursuant to Novell's Stockholder Rights Plan). As of the date hereof, the authorized capital stock of Sub consists of 1,000,000 shares of Common Stock, \$0.01 par value, all of which are validly issued, fully paid and nonassessable and owned by Novell. Except for the shares listed above issuable pursuant to Novell Options, there are not any options, warrants, calls, conversion rights, commitments or agreements of any character to which Novell or any Subsidiary of Novell is a party or by which any of them may be bound obligating Novell or any Subsidiary of Novell to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of the capital stock of Novell or of any Subsidiary of Novell or obligating Novell or any Subsidiary of Novell to grant, extend or enter into any such option, warrant, call, conversion right, commitment or agreement.

4.3 Authority. Novell and Sub have all requisite corporate power and authority to enter into this Agreement and, subject to any required stockholder approval, to consummate the transactions contemplated hereby and by the Articles of Merger. Sub has all requisite corporate power and authority to enter into the Articles of Merger. The execution and delivery by Novell of this Agreement, and by Sub of this Agreement and the Articles of Merger, and the consummation of the transactions contemplated by this Agreement and the Articles of Merger have been duly authorized by all necessary corporate action on the part of Novell and Sub. This Agreement has been duly executed and delivered by Novell and Sub and constitutes a valid and binding obligation of Novell and Sub enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought. The Articles of Merger have been duly executed and delivered by Sub and constitutes a valid and binding obligation of Sub enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought. Subject to satisfaction of the conditions set forth in Article VI, the execution and delivery of this Agreement and the Articles of Merger and the consummation of the transactions contemplated hereby and thereby will not conflict with or result in any

violation of any material statute, law, rule, regulation, judgment, order, decree or ordinance applicable to Novell or any Subsidiary of Novell or their respective properties or assets, or conflict with or result in any breach or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit, under (i) any provision of the Certificate of Incorporation or Bylaws of Novell or any of its Subsidiaries or (ii) any material agreement, contract, note, mortgage, indenture, lease, instrument, permit, concession, franchise or license to which Novell or any of its Subsidiaries is a party or by which Novell or any of its Subsidiaries or their respective properties or assets may be bound or affected. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Novell or Sub in connection with the execution and delivery of this Agreement and the Articles of Merger or the consummation by Novell and Sub of the transactions contemplated hereby or thereby, except for (i) the filing of a premerger notification report by Novell and Sub under the HSR Act, (ii) the filing of the S-4 and such other documents with, and the obtaining of such orders from, the SEC and various state securities or "blue sky" authorities, and the making of such reports under the Exchange Act, as are required in connection with the transactions contemplated by this Agreement, (iii) the filing of the Articles of Merger with the Utah Division of Corporations and Commercial Code and the Secretary of State of the State of Delaware and appropriate documents with the relevant authorities of other states in which Novell is qualified to do business, (iv) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under the laws of any foreign country which if not obtained or made would not have a Material Adverse Effect and (v) such other consents, authorizations, filings, approvals and registrations which if not obtained or made would not have a Material Adverse Effect.

4.4 SEC Documents; Novell Financial Statements. Novell has furnished WordPerfect with or made available to WordPerfect a true and complete copy of each statement, annual, quarterly and other report, registration statement (without exhibits) and definitive proxy statement filed by Novell with the SEC since October 31, 1992 (the "Novell SEC Documents"). As of their respective filing dates, the Novell SEC Documents complied in all material respects with the requirements of the Exchange Act or the Securities Act, as the case may be, and none of the Novell SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading, except to the extent corrected by a subsequently filed Novell SEC Document. The financial statements of Novell included in the Novell SEC Documents (the "Novell Financial Statements") comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles consistently applied (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) and fairly present the consolidated financial position of Novell and its consolidated Subsidiaries at the dates thereof and the consolidated results of their operations and changes in financial position for the periods then ended (subject, in the case of unaudited statements, to normal, recurring audit adjustments, provided that the notes and accounts receivable are collectible in the amounts shown thereon and inventories are not subject to write-down, except in either case in an amount not material or for which Novell has provided adequate reserves). There has been no change in Novell's accounting policies or estimates except as described in the notes to the Novell Financial Statements.

4.5 Information Supplied. None of the information supplied by Novell or Sub for inclusion in the Proxy Statement or the S-4, at the time such information is supplied and at the time of the Shareholders' Meeting, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or will, in the case of the S-4, at the time the S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

4.6 Litigation. There is no action, suit, proceeding, investigation or claim pending or, to the best knowledge of Novell, threatened against Novell or any of its Subsidiaries which could, individually or in the

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aggregate, have a Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay any of the transactions contemplated hereby.

4.7 No Defaults. Neither Novell nor any Subsidiary of Novell is, or has received notice that it would be with the passage of time, (i) in violation of any provision of the Certificate of Incorporation or Bylaws of Novell or any Subsidiary of Novell; or (ii) in default or violation of any material term, condition or provision of (A) any material judgment, decree, order, injunction or stipulation applicable to Novell or any Subsidiary of Novell or (B) any material agreement, note, mortgage, indenture, contract, lease or instrument, permit, concession, franchise or license to which Novell or any Subsidiary of Novell is a party or by which Novell or any of its Subsidiaries or their properties or assets may be bound.

4.8 Opinion of Financial Advisor. Novell has been advised in writing by its financial advisor, Morgan Stanley & Co., that in its opinion as of the date hereof, the Exchange Ratio, when considered together with the transactions contemplated hereby, is fair to Novell from a financial point of view.

4.9 Accounting Matters. Neither Novell nor any of its Subsidiaries nor, to Novell's best knowledge after reasonable inquiry, any of its Affiliates (as defined in (Section 5.12)), has taken or agreed to take any action that would adversely affect the ability of Novell to account for the business combination to be effected by the Merger as a pooling of interests.

4.10 Brokers. No broker, finder or investment banker (other than Morgan Stanley & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement. Novell agrees to indemnify and hold harmless WordPerfect from any liability for any commission or compensation in the nature of a finder's fee (and the costs and expenses of defending against such liability or asserted liability) for which Novell or any of its officers, partners, employees or representatives is responsible.

4.11 Disclosure. No representation or warranty made by Novell in this Agreement, nor any document, written information, statement, financial statement, certificate, schedule or exhibit prepared and furnished or to be prepared and furnished by Novell or its representatives pursuant hereto or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements or facts contained herein or therein not misleading in light of the circumstances under which they were furnished. To the best knowledge of Novell after reasonable inquiry, there is no event, fact or condition that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect that has not been set forth in this Agreement or in the Novell Disclosure Schedule.

ARTICLE V

CONDUCT AND TRANSACTIONS PRIOR TO EFFECTIVE TIME; ADDITIONAL AGREEMENTS

5.1 Information and Access. Subject to and in accordance with the terms and conditions of that certain letter agreement dated March 7, 1994, between Novell and WordPerfect (the "Confidentiality Agreement"), from the date of this Agreement and continuing until the Effective Time, each party shall afford and, with respect to clause (b) below, such party shall cause its independent auditors to afford, (a) to the officers, independent auditors, counsel and other representatives of the other party reasonable access to the properties, books, records (including Tax returns filed and those in preparation) and personnel of such party and its Subsidiaries in order that the other party may have a full opportunity to make such investigation as it reasonably desires to make of such party and its Subsidiaries and (b) to the independent auditors of the other Company, reasonable access to the audit work papers and other records of the independent auditors of such party and its Subsidiaries. Additionally, subject to and in accordance with the Confidentiality Agreement, each party and its Subsidiaries will permit the other party to make such reasonable inspections of such party and its Subsidiaries and their respective operations during normal business hours as the other party may reasonably require and each party and its Subsidiaries will cause its officers and the officers of its Subsidiaries to furnish the other party with such financial and operating data and other information with respect to the

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business and properties of such party and its Subsidiaries as the other party may from time to time reasonably request. WordPerfect further agrees to provide Novell with the following information as soon as practicable following the date of this Agreement:

(a) The jurisdictions in which each WordPerfect Intellectual Property Right has been issued or registered or in which an application for such issuance or registration has been filed, including the respective registration or application numbers;

(b) all licenses, sublicenses and other agreements as to which WordPerfect or any of its Subsidiaries is a party and pursuant to which WordPerfect or any of its Subsidiaries or any other person is authorized to use any WordPerfect Intellectual Property Right, including the identity of all parties thereto, a description of the nature and subject matter thereof, all material rights, restrictions, conditions, or other terms pertaining to each WordPerfect Intellectual Property Right, the applicable royalty or other consideration and the term thereof, and including the extent to which rights with respect to WordPerfect Intellectual Property Rights survive termination or expiration thereof (copies of all licenses, sublicenses, and other agreements identified pursuant to this clause (b) have previously been delivered by WordPerfect to Novell);

(c) all parties to whom WordPerfect has delivered copies of WordPerfect source code, whether pursuant to an escrow arrangement or otherwise, or parties who have the right to receive such source code;

(d) a true and complete list of all real property owned or leased by WordPerfect or any of its Subsidiaries and the aggregate annual rental or other fee payable under any such lease; and

(e) a true and complete list of all Environmental Permits.

No investigation pursuant to this Section 5.1 shall affect or otherwise obviate or diminish any representations and warranties of any party or conditions to the obligations of any party.

5.2 Conduct of Business of the Parties. During the period from the date of this Agreement and continuing until the Effective Time or until the termination of this Agreement pursuant to Section 7.1, the parties agree that (except to the extent that the other parties have given their prior written consent):

(a) WordPerfect Conduct. WordPerfect and its Subsidiaries shall conduct their respective businesses in the ordinary and usual course consistent with past practice and shall use reasonable efforts to maintain and preserve intact their business organizations, keep available the services of their officers and employees and to maintain satisfactory relations with licensors, licensees, suppliers, contractors, distributors, customers and others having business relationships with them. Without limiting the generality of the foregoing and except as expressly contemplated by this Agreement, prior to the Effective Time, neither WordPerfect nor any of its Subsidiaries shall, without the prior written consent of Novell:

(i) declare, set aside or pay any dividends on or make any other distribution (whether in cash, stock or property) in respect of any of its capital stock except as permitted by subsection (iii) below;

(ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance or authorization of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or repurchase, redeem or otherwise acquire any shares of its capital stock;

(iii) issue, deliver, pledge, encumber or sell, or authorize or propose the issuance, delivery, pledge, encumbrance or sale of, or purchase or propose the purchase of, any shares of its capital stock or securities convertible into, or rights, warrants or options to acquire, any such shares of capital stock or other convertible securities (other than the issuance of such capital stock upon the exercise or conversion of WordPerfect Options, outstanding on the date of this Agreement in accordance with their present terms); or except pursuant to mandatory terms under options outstanding on the date hereof, accelerate, amend or change the period of exercisability of options granted under the WordPerfect Stock Option Plan or any other options, warrants or other

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convertible securities or authorize cash payments in exchange for any options granted under any of the WordPerfect Stock Option Plan or authorize or propose any change in its equity capitalization;

(iv) cause or permit any amendments to its Articles of Incorporation or Bylaws or other charter documents;

(v) acquire or agree to acquire by merging or consolidating with, or by purchasing any material portion of the capital stock or assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to the business condition of WordPerfect and its Subsidiaries, taken as a whole;

(vi) sell, lease, pledge, license or otherwise dispose of or encumber any of its assets or properties, except in the ordinary course of business consistent with past practice (including, without limitation, any indebtedness owed to it or any claims held by it);

(vii) except as contemplated by Section 5.20, transfer the stock of any Subsidiary to any other Subsidiary or any assets or liabilities to any new or, except in the ordinary course of business consistent with past practice, existing Subsidiary;

(viii) incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any of its debt securities or guarantee, endorse or otherwise as an accommodation become responsible for the obligations of others, or make loans or advances;

(ix) pay, discharge or satisfy any claims, liabilities or obligations (whether absolute, accrued, contingent or otherwise), other than the payment, discharge or satisfaction of liabilities in the ordinary course of business consistent with past practice of liabilities reflected or reserved against in the consolidated financial statements (or the notes thereto) of WordPerfect and its consolidated Subsidiaries;

(x) adopt or amend any Plan, or enter into or amend any employment, severance, special pay arrangement with respect to termination of employment or other similar arrangements or agreements with any of its directors, officers or employees or increase the salaries or wage rates of its employees other than pursuant to scheduled employee reviews under WordPerfect's or any of its Subsidiaries' normal employee review cycle, as the case may be, consistent with WordPerfect's past practices;

(xi) except in the ordinary course of business consistent with past practices and other than transfers between or among WordPerfect and any of its wholly-owned Subsidiaries, transfer to any person or entity any rights to the WordPerfect Intellectual Property Rights;

(xii) enter into or amend any agreements pursuant to which any other party is granted exclusive marketing or other rights of any type or scope with respect to any products of WordPerfect or any of its Subsidiaries;

(xiii) except in the ordinary course of business with prior notice to Novell, violate, amend or otherwise modify the terms of any of the contracts set forth on the WordPerfect Disclosure Schedule;

(xiv) commence a lawsuit other than for the routine collection of bills;

(xv) change the accounting methods or practices followed by WordPerfect or any of its Subsidiaries, including any change in any assumption underlying, or method of calculating, any bad debt, contingency or other reserve, except as may be required by changes in generally accepted accounting principles make or change any material Tax election, adopt or change any Tax accounting method, file any material Tax return or any amendment to a material Tax return, enter into any material closing agreement, settle any material Tax claim or assessment, or consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment, without the prior consent of Novell, which consent will not be unreasonably withheld (for purposes

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of this covenant a "material" Tax Return, closing agreement, Tax claim or assessment shall mean a Tax liability with respect to each such item in excess of \$500,000);

(xvi) take any action that would result in any of the representations and warranties of WordPerfect set forth in this Agreement becoming untrue or in any of the conditions to the Merger set forth in Article VI not being satisfied;

(xvii) enter into any capital commitment or long term obligation equal to or in excess of \$500,000;

(xviii) authorize or propose any of the foregoing, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

(b) Novell Conduct. Except in connection with transactions contemplated by this Agreement, Novell shall not without the prior consent of WordPerfect (i) amend the Certificate of Incorporation in any manner which would adversely affect the rights of holders of Novell Common Stock, or (ii) issue, deliver or sell or authorize or propose the issuance, delivery or sale of, or purchase or propose the purchase of, any shares of its capital stock of any class or securities convertible into, or subscriptions, rights, warrants or options to acquire, or other agreements or commitments of any character obligating it or any of its Subsidiaries to issue any such shares or other convertible securities, except for the issuance or proposed issuance of its capital stock or options to purchase shares of its capital stock (A) in connection with a proposed business combination, (B) in connection with privately negotiated sales of stock pursuant to corporate partnering arrangements or (C) pursuant to stock option grants or exercises or other employee stock benefit plans.

5.3 Negotiation With Others. WordPerfect will not, nor will Ashton, Mr. Bastian or Ms. Bastian, directly or indirectly, through any officer, director, other shareholder, affiliate or agent of WordPerfect or otherwise, solicit, initiate, entertain, encourage or negotiate any proposals or offers from any third party relating to the merger or acquisition of WordPerfect or a material portion of its assets or capital stock of WordPerfect, including acquisition of WordPerfect Common Stock (or voting agreements or proxies with respect thereto) owned beneficially by Ashton, Mr. Bastian or Ms. Bastian, nor will WordPerfect, Ashton, Mr. Bastian or Ms. Bastian, during this period participate in any negotiations regarding, or furnish to any person any information with respect to, or otherwise cooperate with, facilitate or encourage any effort or attempt by any person to do or seek any such transaction. WordPerfect shall immediately cease and cause to be terminated all such negotiations with the third parties (other than Novell) which have occurred prior to the date of this Agreement.

5.4 Preparation of S-4 and the Proxy Statement; Other Filings. As promptly as practicable after the date of this Agreement, WordPerfect shall provide to Novell and its counsel for inclusion in the Prospectus/Proxy Statement on the S-4 in form and substance satisfactory to Novell and its counsel, such information concerning WordPerfect, its operations, capitalization, technology, share ownership and other material as Novell or its counsel may reasonably request. As promptly as practicable after the date of this Agreement, Novell shall prepare and file with the SEC the S-4, in which the Proxy Statement will be included as a prospectus. Each of Novell and WordPerfect shall use its reasonable efforts to respond to any comments of the SEC, to have the S-4 declared effective under the Securities Act as promptly as practicable after such filing and to cause the Proxy Statement to be mailed to WordPerfect's shareholders at the earliest practicable time. As promptly as practicable after the date of this Agreement, Novell and WordPerfect shall prepare and file any other filings required under the Exchange Act, the Securities Act or any other Federal or state securities or "blue sky" laws relating to the Merger and the transactions contemplated by this Agreement and the Articles of Merger, including, without limitation, under the HSR Act and State Takeover Laws (the "Other Filings"). Each Company will notify the other Company promptly of the receipt of any comments from the SEC or its staff and of any request by the SEC or its staff or any other government officials for amendments or supplements to the S-4, the Proxy Statement or any Other Filing or for additional information and will supply the other Company with copies of all correspondence between such Company or any of its representatives, on the one hand, and the SEC, or its staff or any other government officials, on the other hand, with respect to the S-4, the Proxy Statement, the Merger or any Other Filing. The Proxy Statement, the S-4 and the Other

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Filings shall comply in all material respects with all applicable requirements of law. Whenever any event occurs which should be set forth in an amendment or supplement to the Proxy Statement, the S-4 or any Other Filing, Novell or WordPerfect, as the case may be, shall promptly inform the other Company of such occurrence and cooperate in filing with the SEC or its staff or any other government officials, and/or mailing to shareholders of Novell and WordPerfect, such amendment or supplement. The Proxy Statement shall include the unanimous recommendation of the Board of Directors of WordPerfect that the shareholders of WordPerfect approve the Merger.

5.5 Advice of Changes. Each Company shall confer on a regular and frequent basis with the other Company, report on operational matters and promptly advise the other orally and in writing of any change or event having, or which, insofar as can reasonably be foreseen, could result in, a Material Adverse Effect with respect to such Company. Each Company shall promptly provide the other Company (or its counsel) copies of all filings made by such Company with any Governmental Entity in connection with this Agreement, the Articles of Merger and the transactions contemplated hereby and thereby.

5.6 Shareholder Approval. WordPerfect will call a meeting of its shareholders (the "Shareholders' Meeting") to be held as promptly as practicable for the purpose of obtaining the shareholder approval required in connection with the transactions contemplated hereby and by the Articles of Merger and shall use all reasonable efforts to obtain such approval. WordPerfect shall coordinate and cooperate with Novell with respect to the timing of the Shareholders Meeting. WordPerfect shall not change the date of the Shareholders Meeting without the prior written consent of Novell, nor shall WordPerfect adjourn the Shareholders Meeting without the prior written consent of Novell, unless such adjournment is due to the lack of a quorum, in which case the Chairman of the Shareholders Meeting shall announce at such meeting the time and place of the adjourned meeting. Concurrently with the execution of this Agreement, Ashton, Mr. Bastian and Ms. Bastian (collectively, the "WordPerfect Principal Shareholders") shall have executed Shareholder Agreements in the form of Exhibit 5.6 (the "Shareholder Agreements").

5.7 Agreements to Cooperate.

(a) WordPerfect shall take, and shall cause its Subsidiaries to take, all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on WordPerfect or its Subsidiaries with respect to the Merger (including furnishing all information required under the HSR Act) and shall take all reasonable actions necessary to cooperate promptly with and furnish information to Novell in connection with any such requirements imposed upon Novell or Sub or any Subsidiary of Novell or Sub in connection with the Merger. WordPerfect shall take, and shall cause its Subsidiaries to take, all reasonable actions necessary (i) to obtain (and will take all reasonable actions necessary to promptly cooperate with Novell or Sub and their Subsidiaries in obtaining) any consent, authorization, order or approval of, or any exemption by, any Governmental Entity, or other third party, required to be obtained or made by WordPerfect or any of its Subsidiaries (or by Novell or Sub or any of their Subsidiaries) in connection with the Merger or the taking of any action contemplated by this Agreement; (ii) to lift, rescind or mitigate the effect of any injunction or restraining order or other order adversely affecting the ability of WordPerfect to consummate the transactions contemplated hereby; (iii) to fulfill all conditions applicable to WordPerfect pursuant to this Agreement; and (iv) to prevent, with respect to a threatened or pending temporary, preliminary or permanent injunction or other order, decree or ruling or statute, rule, regulation or executive order, the entry, enactment or promulgation thereof, as the case may be; provided, however, that WordPerfect shall not be obligated to, nor shall WordPerfect be obligated to cause its Subsidiaries to, dispose of or hold separate all or a material portion of the business or assets of WordPerfect and its Subsidiaries, taken as a whole.

(b) Novell and Sub shall take, and shall cause their Subsidiaries to take, all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on them or their Subsidiaries with respect to the Merger (including furnishing all information required under the HSR Act) and shall take all reasonable actions necessary to cooperate promptly with and furnish information to WordPerfect in connection with any such requirements imposed upon WordPerfect or any Subsidiary of WordPerfect in connection with the Merger. Novell and Sub shall take, and shall cause their Subsidiaries to take, all reasonable actions necessary (i) to obtain (and will take all reasonable actions necessary to promptly cooperate with

WordPerfect and its Subsidiaries in obtaining) any consent, authorization, order or approval of, or any exemption by, any Governmental Entity, or other third party, required to be obtained or made by Novell or Sub or any of their Subsidiaries (or by WordPerfect or any of its Subsidiaries) in connection with the Merger or the taking of any action contemplated by this Agreement; (ii) to lift, rescind or mitigate the effect of any injunction or restraining order or other order adversely affecting the ability of Novell or Sub to consummate the transactions contemplated hereby; (iii) to fulfill all conditions applicable to Novell or Sub pursuant to this Agreement; and (iv) to prevent, with respect to a threatened or pending temporary, preliminary or permanent injunction or other order, decree or ruling or statute, rule, regulation or executive order, the entry, enactment or promulgation thereof, as the case may be; provided, however, that Novell shall not be obligated to, nor shall Novell be obligated to cause its Subsidiaries to, dispose of or hold separate or otherwise relinquish all or a material portion of the business or assets either of WordPerfect or of Novell and its Subsidiaries, taken as a whole, or to change its business in any material way.

(c) Subject to the terms and conditions of this Agreement, each of the parties shall use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, subject to the appropriate approval of the shareholders of Novell and WordPerfect. The parties hereto will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with proceedings under or relating to the HSR Act or any other federal or state antitrust or fair trade law.

5.8 State Statutes. If any State Takeover Law shall become applicable to the transactions contemplated by this Agreement, Novell and its Board of Directors or WordPerfect and its Board of Directors, as the case may be, shall use their reasonable efforts to grant such approvals and take such actions as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effects of such State Takeover Law on the transactions contemplated by this Agreement.

5.9 Consents. Novell, Sub and WordPerfect shall each use all reasonable efforts to obtain the consent and approval of, or effect the notification of or filing with, each person or authority whose consent or approval is required in order to permit the consummation of the Merger and the transactions contemplated by this Agreement and to enable the Surviving Corporation to conduct and operate the business of WordPerfect and its Subsidiaries substantially as presently conducted and as contemplated to be conducted.

5.10 Nasdaq National Market Listing. Novell shall use its reasonable efforts to cause the shares of Novell Common Stock issuable to the shareholders of WordPerfect in the Merger to be authorized for listing on the Nasdaq National Market, upon official notice of issuance.

5.11 Public Announcements. Novell and WordPerfect shall cooperate with each other prior to releasing information concerning this Agreement and the transactions contemplated hereby, shall furnish to the other drafts of all press releases or other public announcements prior to publication and shall obtain the consent of the other prior to the issuance of press releases or the release of other public announcements; provided that any party hereto shall have the right (i) to furnish any information to any Governmental Entity or (ii) to issue any other release, in each case when in the reasonable opinion of its counsel it is legally required to do so.

5.12 Affiliates.

(a) The WordPerfect Disclosure Schedule sets forth those persons who are, in WordPerfect's reasonable judgment, "affiliates" of WordPerfect within the meaning of Rule 145 (each such person, together with the persons identified below, an "Affiliate") promulgated under the Securities Act ("Rule 145"), including without limitation Mr. Bastian, Ms. Bastian and Ashton. WordPerfect shall provide Novell such information and documents as Novell shall reasonably request for purposes of reviewing such list. WordPerfect shall use its best efforts to deliver or cause to be delivered to Novell, concurrently with the execution of this Agreement from each of the Affiliates of WordPerfect identified in the foregoing list Affiliates Agreements in the form

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attached as Exhibit 5.12. Novell and Sub shall be entitled to place appropriate legends on the certificates evidencing any Novell Common Stock to be received by such Affiliates pursuant to the terms of this Agreement and the Articles of Merger, and to issue appropriate stop transfer instructions to the transfer agent for Novell Common Stock, consistent with the terms of such Affiliates Agreements.

(b) Novell shall use its reasonable efforts to obtain prior to the Effective Date the execution of agreements with respect to the sale of Novell Common Stock with each person who is an Affiliate of Novell regarding compliance with pooling restrictions.

5.13 WordPerfect Options.

(a) At the Effective Time, each outstanding option (each, a "WordPerfect Option") to purchase shares of WordPerfect Common Stock issued pursuant to the WordPerfect Option Plan, whether vested or unvested, shall be assumed by Novell. Accordingly, each WordPerfect Option shall be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such WordPerfect Option, the number, rounded down to the nearest whole integer, of full shares of Novell Common Stock the holder of such WordPerfect Option would have been entitled to receive pursuant to the Merger had such holder exercised such Option in full, including as to unvested shares, immediately prior to the Effective Time, at a price per share equal to (y) the aggregate exercise price for the shares of WordPerfect Common Stock otherwise purchasable pursuant to such WordPerfect Option divided by (z) the number of full shares of Novell Common Stock deemed purchasable pursuant to such WordPerfect Option with such exercise price per share rounded up to the nearest whole cent. The vesting of the WordPerfect Options shall accelerate upon consummation of the Merger, based on existing contractual commitments to holders of such WordPerfect Options.

(b) As soon as practicable after the Effective Time, Novell shall deliver to each holder of a WordPerfect Option a document evidencing the foregoing assumption of such WordPerfect Option by Novell.

(c) As soon as practicable after the Effective Time, Novell shall file a registration statement on Form S-8 (or any successor or other appropriate form), or another appropriate form with respect to the shares of Novell Common Stock subject to such WordPerfect Options and shall use its reasonable efforts to maintain the effectiveness of such registration statement (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such WordPerfect Options remain outstanding. With respect to those individuals who subsequent to the Merger will be subject to the reporting requirements under Section 16(a) of the Exchange Act, where applicable, Novell shall administer the WordPerfect Option Plan assumed pursuant to this Section 5.13 in a manner that complies with Rule 16b-3 promulgated by the SEC under the Exchange Act to the extent the applicable WordPerfect Option Plan complied with such rule prior to the Merger.

5.14 Indemnification. From and after the Effective Time, Novell and the Surviving Corporation shall (to the fullest extent permitted by applicable law) indemnify, defend and hold harmless each person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer or director of WordPerfect or any of its Subsidiaries (the "Indemnified Parties") against any and all losses, damages, costs, expenses, liabilities or judgments, or amounts that are paid in settlement of, or in connection with, any claim, action, suit, proceeding or investigation based on or arising out of the fact that such person is or was a director or officer of WordPerfect or any Subsidiary of WordPerfect, whether pertaining to any matter existing or occurring at or prior to the Effective Time ("Indemnified Liabilities"). Without limiting the foregoing, in the event any such claim, action, suit, proceeding or investigation is brought against any Indemnified Party (whether arising before or after the Effective Time), (i) any counsel retained by the Indemnified Parties for any period after the Effective Time shall be reasonably satisfactory to Novell (ii) after the Effective Time, Novell shall pay all reasonable fees and expenses of counsel for the Indemnified Parties promptly as statements therefor are received; and (iii) after the Effective Time, Novell shall use all reasonable efforts to assist in the defense of any such matter, provided that Novell shall not be liable for any settlement of any claim effected without its written consent, which consent, however, shall not be unreasonably withheld. Any Indemnified Party wishing to claim indemnification under this Section upon learning of any such claim, action, suit, proceeding or investigation, shall notify Novell (but the failure so to notify Novell shall not relieve

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it from any liability which it or the Surviving Corporation may have under this Section except to the extent such failure materially prejudices Novell or the Surviving Corporation). The Indemnified Parties as a group may retain only one law firm to represent them with respect to each such matter unless there is, under applicable standards of professional conduct, a potential conflict on any issue between the positions of any two or more Indemnified Parties.

5.15 Notification of Certain Matters. WordPerfect shall give prompt notice to Novell, and Novell and Sub shall give prompt notice to WordPerfect, of the occurrence, or failure to occur, of any event, which occurrence or failure to occur would be likely to cause (a) any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time, or (b) any material failure of WordPerfect or Novell and Sub, as the case may be, or of any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

5.16 Pooling Accounting. Each party agrees not to take any action that would adversely affect the ability of Novell to treat the Merger as a pooling of interests, and each party agrees to take such action as may be reasonably required to negate the impact of any past actions which would adversely impact the ability of Novell to treat the Merger as a pooling of interests. The foregoing covenant shall be inapplicable, however, in the event that Novell shall waive the condition precedent to Closing set forth in Section 6.2(c).

5.17 FIRPTA. WordPerfect shall deliver to the Internal Revenue Service a notice regarding the statement described in Section 6.2(m) hereof, in accordance with the requirements of Treasury Regulation Section 1.897-2(h)(2).

5.18 Subsequent Amendments of Disclosure Schedules. Novell and WordPerfect shall each have the right after the date hereof but no later than twenty one (21) days after the date hereof to deliver to the other written amendments to the applicable Sections of the Novell Disclosure Schedule or the WordPerfect Disclosure Schedule, as the case may be; provided, that any such disclosure is as of, and may not include events or actions subsequent to, the date hereof. To the extent that any such amendment shall not disclose any event or condition that, individually or in the aggregate, could be reasonably likely to have a Material Adverse Effect on Novell or WordPerfect, respectively, such amendment shall be deemed accepted by the other party and the relevant Section of the Disclosure Schedule shall be deemed amended accordingly thereby. Notwithstanding the foregoing, each party hereby represents and warrants that it has used all reasonable efforts to have completed such party's Disclosure Schedule delivered prior to execution of this Agreement.

5.19 Establishment of Applications Group. Novell agrees that upon consummation of the Merger, it will establish and maintain WordPerfect as a separate operating unit constituting the Novell Applications Group. The present President of WordPerfect shall be appointed President of the Novell Applications Group, to serve until his successor is duly appointed, who shall report directly to the Chief Executive Officer and President of Novell and the remaining executive officers shall report to such Novell Applications Group President. Novell also agrees that the Novell Applications Group shall be operated in accordance with a plan submitted by WordPerfect and approved by Novell, as modified from time to time.

5.20 Satisfaction of WordPerfect Obligations. Novell agrees that in the period following the Effective Date it shall, or shall cause WordPerfect to, satisfy and discharge the liabilities and obligations of WordPerfect in a timely manner in accordance with the contractual terms, if any, associated with any such liability or obligation.

5.21 Continued Nomination of Directors. The Board of Directors of Novell shall take all necessary action to cause Ashton and Mr. Bastian (or a designee of either of such persons which designee or designees shall be reasonably acceptable to the Board of Directors of Novell) to be nominated as a member of the Novell management slate of directors to stand for election to the Novell Board of Directors to serve until such person's successor shall be duly appointed. The Board of Directors of Novell shall also take all necessary action to cause Ashton and Mr. Bastian (or their designees) to be nominated for election at the Novell annual meeting of stockholders to be convened in Novell's 1995 fiscal year.

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5.22 Other Transactions. The parties acknowledge that any action taken by either party with respect to the acquisition of rights to sell a spreadsheet program mutually acceptable to the parties which has been approved by both Novell and WordPerfect will not be deemed a breach of any representation, warranty or covenant, notwithstanding the terms of any such representation, warranty or covenant.

ARTICLE VI

CONDITIONS PRECEDENT

6.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction prior to the Closing Date of the following conditions:

(a) Effectiveness of the S-4. The S-4 shall have been declared effective by the SEC under the Securities Act. No stop order suspending the effectiveness of the S-4 shall have been issued by the SEC and no proceedings for that purpose and no similar proceeding with respect to the Proxy Statement shall have been initiated or threatened by the SEC.

(b) Shareholder Approval. This Agreement and the Articles of Merger shall have been approved and adopted by the affirmative vote or consent of the holders of at least a majority of the issued and outstanding shares of WordPerfect Common Stock present, in person or by proxy, at the meeting of WordPerfect's shareholders contemplated by Section 5.6. Notwithstanding anything in this Agreement to the contrary, the issuance of shares of Novell Common Stock, whether in the Merger or in connection with the Merger or any transaction contemplated hereby, shall have been approved by the stockholders of Novell if required by applicable law or by any requirement of the National Association of Securities Dealers.

(c) HSR Act. The applicable waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated.

(d) Governmental Entity Approvals. All material authorizations, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any Governmental Entity necessary for the consummation of the transactions contemplated by this Agreement and the Articles of Merger shall have been filed, expired or been obtained.

(e) No Injunctions or Restraints; Illegality. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger shall be in effect, nor shall any proceeding brought by an administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, seeking any of the foregoing be pending; and there shall not be any action taken, or any statute, rule, regulation or order enacted, entered, enforced or deemed applicable to the Merger, which would (i) make the consummation of the Merger illegal or (ii) render Novell, Sub or WordPerfect unable to consummate the Merger, except for any waiting period provisions.

(f) Tax Opinions. Novell and WordPerfect shall each have received substantially identical written opinions from their respective counsel, Wilson, Sonsini, Goodrich & Rosati, Professional Corporation and Brobeck, Phleger & Harrison, in form and substance reasonably satisfactory to them to the effect that the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinions, counsel may rely upon (and, to the extent reasonably required, the parties and WordPerfect's shareholders shall make) reasonable representations related thereto.

6.2 Conditions of Obligations of Novell and Sub. The obligations of Novell and Sub to effect the Merger are subject to the satisfaction of the following conditions, unless waived by Novell and Sub:

(a) Representations and Warranties. The representations and warranties of WordPerfect set forth in this Agreement shall be true and correct in all material respects (except for such representations and warranties which are qualified by their terms by a reference to materiality, which representations and warranties as so qualified shall be true in all respects) (i) as of the date of this Agreement and (ii) as of

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the Closing Date, as though made on and as of the Closing Date (provided that in the cases of clauses (i) and (ii) any such representation and warranty made as of a specific date shall be true and correct in all material respects as of such specific date), unless any failures to be true and correct, individually or in the aggregate, do not have and could not reasonably be expected to have a Material Adverse Effect on WordPerfect; and there shall have been no willful breach by WordPerfect of any of its representations or warranties made in the Agreement. Novell and Sub shall have received a certificate signed by the chief executive officer and the chief financial officer of WordPerfect to such effect on the Closing Date.

(b) Performance of Obligations of WordPerfect. WordPerfect shall have performed in all material respects all obligations and covenants required to be performed by it under this Agreement and the Articles of Merger prior to or as of the Closing Date, and Novell and Sub shall have received a certificate signed by the chief executive officer and the chief financial officer of WordPerfect to such effect.

(c) Auditors Letter. (i) Novell shall have received a letter from Ernst & Young in form and substance satisfactory to Novell to the effect that the Merger will be accounted for as a pooling of interests and (ii) Ernst & Young shall have received a substantially identical letter from Price Waterhouse to such effect; provided that the letter from Price Waterhouse may except any effect on the accounting of the Merger as a pooling of interests based on any actions taken by Novell.

(d) Opinion of WordPerfect's Counsel. Novell shall have received an opinion of Brobeck, Phleger & Harrison, counsel to WordPerfect dated the Closing Date, in form and substance reasonably satisfactory to Novell and WordPerfect.

(e) Consents. Novell and Sub shall have received duly executed copies of all material third-party consents and approvals contemplated by this Agreement or the WordPerfect Disclosure Schedule in form and substance reasonably satisfactory to Novell and Sub.

(f) Affiliate Agreements. Novell shall have received the executed WordPerfect Affiliate Agreements contemplated by Section 5.12.

(g) Shareholder Agreements. Neither Ashton, Mr. Bastian nor Ms. Bastian shall have breached the Shareholder Agreements.

(h) No Material Adverse Effect. There shall have been no Material Adverse Effect on WordPerfect or any of its Subsidiaries on or before the Closing Date.

(i) Resignation of Directors. The directors of WordPerfect in office immediately prior to the Effective Time shall have resigned as directors of the Surviving Corporation effective as of the Effective Time.

(j) Tax Matters Agreement. The WordPerfect shareholders shall have executed and delivered to Novell and WordPerfect a Tax Matters Agreement substantially in the form attached to this Agreement as Exhibit 6.2(j).

(k) FIRPTA. Novell, as agent for the shareholders of WordPerfect shall have received a properly executed FIRPTA Notification Letter, in form and substance satisfactory to Novell, which states that shares of capital stock of WordPerfect do not constitute "United States real property interests" under Section 897(c) of the Code, for purposes of satisfying Novell's obligations under Treasury Regulation Section 1.1445-2(c)(3).

6.3 Conditions of Obligation of WordPerfect. The obligation of WordPerfect to effect the Merger is subject to the satisfaction of the following conditions, unless waived by WordPerfect:

(a) Representations and Warranties. The representations and warranties of Novell and Sub set forth in this Agreement shall be true and correct in all material respects (except for such representations and warranties which are qualified by their terms by a reference to materiality, which representations and warranties as so qualified shall be true in all respects) (i) as of the date of this Agreement and (ii) as of the Closing Date, as though made on and as of the Closing Date (provided that in the cases of clauses (i) and (ii) any such representation and warranty made as of a specific date shall be true and correct in all

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material respects as of such specific date), unless any failures to be true and correct, individually or in the aggregate, do not have and could not reasonably be expected to have a Material Adverse Effect on Novell; and there shall have been no willful breach by Novell of any of its representations or warranties made in the Agreement. WordPerfect shall have received a certificate signed by the chief executive officer and the chief financial officer of Novell and the president of Sub to such effect on the Closing Date.

(b) Performance of Obligations of Novell and Sub. Novell and Sub shall have performed in all material respects all obligations and covenants required to be performed by them under this Agreement and the Articles of Merger prior to or as of the Closing Date, and WordPerfect shall have received a certificate signed by the chief executive officer and the chief financial officer of Novell and the president of Sub to such effect.

(c) Opinion of Novell's and Sub's Counsel. WordPerfect shall have received an opinion dated the Closing Date of Wilson, Sonsini, Goodrich & Rosati, counsel for Novell and Sub, in form and substance reasonably satisfactory to WordPerfect and Novell.

(d) Consents. WordPerfect shall have received duly executed copies of all material third-party consents and approvals contemplated by this Agreement and the Novell Disclosure Schedule in form and substance satisfactory to WordPerfect.

(e) No Material Adverse Effect. There shall have been no Material Adverse Effect on Novell or any of its Subsidiaries on or before the Closing Date.

(f) Election of Director Nominees. The Board of Directors of Novell shall have taken appropriate action to cause the number of directors comprising the full Board of Directors of Novell to be increased by two persons, from seven to nine, and Ashton and Mr. Bastian (or a designee of either of such persons which designee or designees shall be acceptable to the Board of Directors of Novell) shall have been elected to the Board of Directors of Novell, effective upon the Effective Time, until their successors, if any, are duly elected or appointed.

(g) Acquisition of Rights to Sell a Spreadsheet Program. Either Novell or WordPerfect shall have acquired the rights to sell a spreadsheet program mutually acceptable to the parties hereto (which acquisition will close prior to or simultaneously with the consummation of the Merger contemplated by this Agreement).

(h) Comparability of Employee Benefits. WordPerfect shall be reasonably satisfied that the continuing employees of WordPerfect, after giving effect to the Merger, shall be entitled to receive at least comparable benefits to those being received by the employees of Novell, taken as a whole, who occupy comparable positions and have comparable responsibilities; provided, however, that, as soon as practicable after the date hereof and in any event prior to the Closing, Novell and WordPerfect shall confer and agree upon a plan that has as its primary purpose the transition of WordPerfect employees to Novell benefits in a manner that results in minimal disruption to the continuing operations of WordPerfect and continued employment of key individuals. The parties hereto acknowledge that such plan may take an extended period of time to implement successfully.

ARTICLE VII

TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the Merger by the shareholders of WordPerfect:

(a) by mutual written agreement of Novell, Sub and WordPerfect;

(b) by Novell, if there has been a breach by WordPerfect of any representation, warranty, covenant or agreement set forth in this Agreement on the part of WordPerfect or if any representation or warranty of WordPerfect shall have become untrue, in either case such that the condition set forth in Sections 6.2(a) or

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6.2(b) would not be satisfied as of the time of such breach or as of the time such representation or warranty shall have become untrue and which breach or inaccuracy WordPerfect fails to cure within seven days after notice thereof is given by Novell (except that no cure period shall be provided for a breach by WordPerfect or inaccuracy which by its nature cannot be cured);

(c) by WordPerfect, if there has been a breach by Novell or Sub of any representation, warranty, covenant or agreement set forth in this Agreement on the part of Novell or Sub or if any representation or warranty of Novell or Sub shall have become untrue, in either case such that the condition set forth in Sections 6.3(a) or 6.3(b) would not be satisfied as of the time of such breach or as of the time such representation or warranty shall have become untrue and which breach or inaccuracy Novell or Sub, as the case may be, fails to cure within seven days after notice thereof is given by WordPerfect (except that no cure period shall be provided for a breach by Novell or Sub which by its nature cannot be cured);

(d) by Novell or WordPerfect, if the Merger shall not have been consummated on or before July 31, 1994 (other than delays attributable to concluding the HSR Act waiting period or receiving an order of effectiveness from the SEC with respect to the S-4, but in no event later than September 30, 1994);

(e) by Novell or WordPerfect if the required approval of the shareholders of WordPerfect or, if required, the stockholders of Novell, contemplated by this Agreement shall not have been obtained by reason of the failure to obtain the required vote upon a vote taken at the Shareholders' Meeting or at any adjournment thereof or at any meeting of the Novell stockholders or any adjournment thereof, to the extent determined to be necessary subsequent to the date hereof; or

(f) by Novell or WordPerfect if any permanent injunction or other order of a court or other competent authority preventing the Merger shall have become final and nonappealable.

Where action is taken to terminate this Agreement pursuant to this Section 7.1, it should be sufficient for such action to be authorized by the Board of Directors of the party taking such action.

7.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 7.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except that (i) the provisions of the Confidentiality Agreement and Section 3.26, Section 4.10 and Article VIII of this Agreement shall survive the termination of this Agreement and (ii) nothing herein shall relieve any party from liability for any breach of this Agreement.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Nonsurvival of Representations, Warranties and Agreements. All representations, warranties and agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall be deemed to be conditions to the Merger and shall not survive the consummation of the Merger, except that the agreements contained in Article II, Section 3.26, Section 4.10 and Article VIII, the agreements delivered pursuant to this Agreement and the representations made to counsel in connection with the tax opinions to be delivered pursuant to Section 6.1(f) shall survive the consummation of the Merger.

8.2 Amendment. The Merger Agreement may be amended by the parties hereto, by action taken by their respective Board of Directors, at any time before or after approval of the Merger by the shareholders of WordPerfect; provided that following approval of the Merger by the shareholders of WordPerfect, no amendment shall be made which by law requires the further approval of such shareholders without obtaining such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

8.3 Expenses. Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement, the Articles of Merger and the transactions contemplated hereby and thereby shall be paid by the party incurring such expense, except that if the Merger is not consummated expenses

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incurred in connection with printing the documents distributed to shareholders of WordPerfect and the S-4 shall be shared equally by Novell and WordPerfect.

8.4 Extension; Waiver. At any time prior to the Effective Time, each of WordPerfect and Novell, by action taken by its Board of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other, (ii) waive any inaccuracies in the representations and warranties made to it contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions for the benefit of it contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

8.5 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by registered or certified mail (return receipt requested) or sent by telecopy, confirmation received, to the parties at the following addresses and telecopy numbers (or at such other address or number for a party as shall be specified by like notice):

(a) if to Novell or Sub, to:

Novell, Inc.
122 East 1700 South
Provo, Utah 84606
Attention: David R. Bradford, Esq.
Telecopy No. (801) 377-7619
Telephone No. (801) 429-7000

with a copy to:

Wilson, Sonsini, Goodrich & Rosati
2 Palo Alto Square
Palo Alto, California 94306
Attn: Larry W. Sonsini, Esq.
Telecopy No.: (415) 493-6811
Telephone No.: (415) 493-9300

(b) if to WordPerfect, to:

WordPerfect Corporation
1555 North Technology Way
Orem, Utah 84057
Attention: R. Duff Thompson, Esq.
Telecopy No.: (801) 222-4477
Telephone No.: (801) 222-4400

with a copy to:

Brobeck, Phleger & Harrison
2 Embarcadero Place
2200 Geng Road
Palo Alto, California 94306
Attn: Joshua Green, Esq.
Telecopy No.: (415) 496-2885
Telephone No.: (415) 424-0160

8.6 Interpretation. When a reference is made in this Agreement to Sections or Exhibits, such reference shall be to a Section or Exhibit to this Agreement unless otherwise indicated. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

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8.7 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

8.8 Entire Agreement. This Agreement, the Confidentiality Agreement and the documents and instruments and other agreements among the parties delivered pursuant hereto constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and are not intended to confer upon any other person any rights or remedies hereunder except as otherwise expressly provided herein.

8.9 No Transfer. This Agreement and the rights and obligations set forth herein may not be transferred or assigned by operation of law or otherwise without the consent of each party hereto. This Agreement is binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8.10 Severability. If any provision of this Agreement, or the application thereof, will for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision.

8.11 Other Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby or by law or equity on such party, and the exercise of any one remedy will not preclude the exercise of any other.

8.12 Further Assurances. Each party agrees to cooperate fully with the other parties and to execute such further instruments, documents and agreements and to give such further written assurances as may be reasonably requested by any other party to evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intents and purposes of this Agreement.

8.13 Absence of Third Party Beneficiary Rights. No provision of this Agreement is intended, nor will be interpreted, to provide to create any third party beneficiary rights or any other rights of any kind in any client, customer, affiliate, stockholder, employee, partner or any party hereto or any other person or entity unless specifically provided otherwise herein, and, except as so provided, all provisions hereof will be personal solely between the parties to this Agreement.

8.14 Mutual Drafting. This Agreement is the joint product of Novell and WordPerfect, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of Novell and WordPerfect, and shall not be construed for or against any party hereto.

8.15 Governing Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Delaware (without giving effect to its choice of law principles).

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IN WITNESS WHEREOF, Novell, Sub and WordPerfect have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

NOVELL, INC.

By: /s/ JAMES R. TOLONEN
James R. Tolonen, Office of the
President and Chief Financial Officer

WORDPERFECT CORPORATION

By: /s/ R. DUFF THOMPSON
R. Duff Thompson, Executive
Vice-President

NOVELL ACQUISITION CORP.

By: /s/ JAMES R. TOLONEN
James R. Tolonen, President

By: /s/ ALAN C. ASHTON
Alan C. Ashton*

By: /s/ BRUCE W. BASTIAN
Bruce W. Bastian*

By: /s/ MELANIE L. BASTIAN
Melanie L. Bastian*

* For purpose of Section 5.3 only.

ARTICLES OF MERGER

These Articles of Merger, dated as of _____, 1994 ("Articles of Merger"), are entered into between WordPerfect Corporation, a Utah corporation ("WordPerfect"), and Novell, Inc., a Delaware corporation ("Novell" or "Surviving Corporation") (WordPerfect and Novell being collectively referred to as the "Constituent Corporations").

INTENDING TO BE LEGALLY BOUND, and in consideration of the premises and material covenants and agreements contained herein, the Constituent Corporations hereby agree as follows:

ARTICLE I

THE MERGER PLAN

1.1 Merger of WordPerfect With and Into Novell.

(a) Agreement and Plan of Reorganization. Subject to the terms of these Articles of Merger and an Agreement and Plan of Reorganization dated as of March 21, 1994, as amended (the "Reorganization Agreement"), WordPerfect shall be merged with and into Novell (the "Merger").

(b) Effective Time of the Merger. The Merger shall become effective at such time (the "Effective Time") (the date the Merger shall become effective is sometimes referred to as the "Effective Date") as these Articles of Merger are filed with the Division of Corporations and Commercial Code of the State of Utah pursuant to Section 16-10a-1105 of the Revised Business Corporation Act of the State of Utah.

(c) Surviving Corporation. At the Effective Time, WordPerfect shall be merged with and into Novell and the separate corporate existence of WordPerfect shall thereupon cease. Novell shall be the surviving corporation in the Merger and the separate corporate existence of Novell shall continue after the Merger.

1.2 Effect of the Merger; Additional Actions.

(a) Effects. The Merger shall have the effects set forth in Section 16-10a-1106 of the Revised Business Corporation Act of the State of Utah.

(b) Taking of Necessary Action; Further Action. If, at any time after the Effective Time, any such further action is necessary or desirable to carry out the purposes of the Reorganization Agreement or these Articles of Merger and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of WordPerfect, the officers and directors of Novell and WordPerfect are fully authorized in the name of their respective corporations or otherwise to take, and will take, all such lawful and necessary action.

ARTICLE II

THE CONSTITUENT CORPORATIONS

2.1 Organization of WordPerfect.

(a) Incorporation. WordPerfect was incorporated under the laws of the State of Utah in 1979.

(b) Authorized Stock. WordPerfect is authorized to issue an aggregate of 200,000,000 shares of Common Stock, \$0.001 par value ("WordPerfect Common Stock").

(c) Outstanding Stock. At the close of business on _____, 1994, _____ shares of WordPerfect Common Stock were outstanding.

2.2 WordPerfect Shareholder Approval. The Reorganization Agreement and these Articles of Merger were duly approved and adopted by the affirmative vote of the holders of at least a majority of the shares of

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WordPerfect Common Stock entitled to vote on the Reorganization Agreement and these Articles of Merger at a special meeting of the shareholders held on June , 1994, in accordance with the provisions of Section 16-10a-1103 of the Utah Revised Business Corporation Act.

2.3 Organization of Novell.

(a) Incorporation. Novell was incorporated under the laws of the State of Delaware on , 1983.

(b) Authorized Stock. The authorized capital stock of Novell consists of 400,000 shares of Common Stock, \$.10 par value ("Novell Common Stock"), and 500,000 shares of preferred stock, \$.10 par value ("Novell Preferred Stock").

(c) Outstanding Stock. On the date hereof, an aggregate of shares of Novell Common Stock and no shares of Novell Preferred Stock are outstanding.

2.4 Novell Stockholder Approval. The approval of the stockholders of Novell is not required under the Delaware General Corporation Law or the Restated Certificate of Incorporation and Bylaws.

ARTICLE III

CERTIFICATE OF INCORPORATION, BYLAWS AND

DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION

3.1 Certificate of Incorporation of Surviving Corporation. The Restated Certificate of Incorporation of Novell in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation.

3.2 Bylaws of Surviving Corporation. The Bylaws of Novell in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation unless and until amended or repealed as provided by applicable law, the Certificate of Incorporation of the Surviving Corporation and such Bylaws.

3.3 Directors and Officers of Surviving Corporation. The directors of Novell immediately prior to the Effective Time shall be the directors of the Surviving Corporation at the Effective Time, each to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation, and the officers of Novell immediately prior to the Effective Time shall be the officers of the Surviving Corporation, in each case, until their respective successors are duly elected or appointed or qualified.

ARTICLE IV

EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE
CONSTITUENT CORPORATIONS; EXCHANGE OF CERTIFICATES

4.1 Effect on Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of WordPerfect Common Stock:

(a) Cancellation of Certain Shares of WordPerfect Common Stock. All shares of WordPerfect Common Stock that are owned directly or indirectly by WordPerfect or by any Subsidiary (as defined below) of WordPerfect and any shares of WordPerfect Common Stock owned by Novell or any Subsidiary of Novell shall be cancelled and no stock of Novell or other consideration shall be delivered in exchange therefor. "Subsidiary" means a corporation or other entity whose voting securities are owned or are otherwise controlled directly or indirectly by a parent corporation or other intermediary entity in an amount sufficient to elect at least a majority of the Board of Directors or other managers of such corporation or other entity.

(b) Conversion of WordPerfect Common Stock. Each issued and outstanding share of WordPerfect Common Stock (other than shares to be cancelled pursuant to Section 4.1(b) hereof and shares, if any, which then or thereafter constitute dissenter's shares within the meaning of Part 16 of the Utah Revised Business Corporation Act ("Dissenter's Shares")) shall be canceled and extinguished and

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converted, without any action on the part of the holders thereof and subject to Section 4(e) hereof, into one share of Novell Common Stock.

(c) Dissenters' Rights. If holders of WordPerfect Common Stock are entitled to dissenters' rights in connection with the Merger under Part 16 of the Utah Revised Business Corporation Act, any Dissenter's Shares shall not be converted into Novell Common Stock but shall be converted into the right to receive such consideration as may be determined to be due with respect to such Dissenter's Shares pursuant to the law of the State of Utah.

(d) Fractional Shares. No fractional shares of Novell Common Stock shall be issued, but in lieu thereof each holder of shares of WordPerfect Common Stock who would otherwise be entitled to receive a fraction of a share of Novell Common Stock shall receive from Novell an amount of cash equal to the per share market value of Novell Common Stock (based on the last sales price of Novell Common Stock as reported on the National Market System of the National Association of Securities Dealers' Automated Quotation System on the Effective Date of the Merger) multiplied by the fraction of a share of Novell Common Stock to which such holder would otherwise be entitled. The fractional share interests of each WordPerfect shareholder shall be aggregated, so that no WordPerfect shareholder shall receive cash in an amount greater than the value of one full share of Novell Common Stock.

4.2 Exchange of Certificates.

(a) Exchange Agent. Mellon Bank, N.A. shall act as exchange agent (the "Exchange Agent") in the Merger.

(b) Novell to Provide Common Stock. Promptly after the Effective Time, Novell shall make available to the Exchange Agent for exchange in accordance with the provisions of this Article IV and the Reorganization Agreement, through such reasonable procedures as Novell may adopt, the shares of Novell Common Stock issuable pursuant to Section 4.1 of these Articles of Merger and the provisions of the Reorganization Agreement in exchange for outstanding shares of WordPerfect Common Stock.

(c) No Further Ownership Rights in WordPerfect Common Stock. All Novell Common Stock delivered upon the surrender for exchange of shares of WordPerfect Common Stock in accordance with the terms of the Reorganization Agreement and these Articles of Merger shall be deemed to have been delivered in full satisfaction of all rights pertaining to such shares of WordPerfect Common Stock. There shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of WordPerfect Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, certificates are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in this Article IV and the Reorganization Agreement.

ARTICLE V

TERMINATION

5.1 Termination by Mutual Agreement. Notwithstanding the approval of these Articles of Merger by the shareholders of WordPerfect, these Articles of Merger may be terminated at any time prior to the Effective Time by mutual written agreement of the Boards of Directors of Novell and WordPerfect.

5.2 Termination of Agreement and Plan of Merger. Notwithstanding the approval of these Articles of Merger by the shareholders of WordPerfect, these Articles of Merger shall terminate forthwith in the event that the Reorganization Agreement shall be terminated as therein provided.

5.3 Effects of Termination. In the event of the termination of these Articles of Merger, these Articles of Merger shall forthwith become void and there shall be no liability on the part of either WordPerfect or Novell or their respective officers or directors, except as otherwise provided in the Reorganization Agreement.

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ARTICLE VI

GENERAL PROVISIONS

6.1 Amendment. These Articles of Merger may be amended by the parties hereto any time before or after approval hereof by the shareholders of WordPerfect but, after such approval, no amendment shall be made which by law requires the further approval of shareholders of WordPerfect without obtaining such approval. These Articles of Merger may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

6.2 Counterparts. These Articles of Merger may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

6.3 Governing Law. These Articles of Merger shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties have duly executed these Articles of Merger as of the date first written above.

WORDPERFECT CORPORATION
1555 North Technology Way
Orem, Utah 84057

By:

R. Duff Thompson, Executive Vice
President

and General Counsel

NOVELL, INC.

122 East 1700 South
Provo, Utah 84606

By:

James R. Tolonen, Chief Financial
Officer

WORDPERFECT CORPORATION

SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT (this "Agreement") is made and entered into as of March 21, 1994, between Novell, Inc., a Delaware corporation ("Novell"), WordPerfect Corporation, a Utah corporation ("WordPerfect") and the undersigned shareholder ("Shareholder") of WordPerfect.

RECITALS

A. Concurrently with the execution of this Agreement, Novell, Novell Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Novell ("Sub"), and WordPerfect have entered into an Agreement and Plan of Reorganization (the "Reorganization Agreement"), which contemplates that WordPerfect and Sub will enter into the Articles of Merger, which Reorganization Agreement and Articles of Merger (collectively, the "Merger Agreements") provide for the merger (the "Merger") of Sub with and into WordPerfect. Pursuant to the Merger, all outstanding capital stock of WordPerfect will be converted into Common Stock of Novell.

B. Shareholder is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of such number of shares of the outstanding Common Stock, no par value per share, of WordPerfect as is indicated on the final page of this Agreement (the "Shares").

C. In consideration of the execution of the Reorganization Agreement by Novell, Shareholder agrees not to transfer or otherwise dispose of any of the Shares, or any other shares of capital stock of WordPerfect acquired by Shareholder hereafter and prior to the Expiration Date (as defined in Section 1.1 below), and agrees to vote the Shares and any other such shares of capital stock of WordPerfect so as to facilitate consummation of the Merger.

NOW, THEREFORE, the parties agree as follows:

1. Agreement to Retain Shares.

1.1 Transfer and Encumbrance. Shareholder agrees not to transfer (except as permitted under Section 1.3 below), sell, exchange, pledge (except in connection with a bona fide loan transaction, provided that any pledgee agrees not to transfer, sell, exchange, pledge or otherwise dispose or encumber the Shares or any New Shares (as defined in Section 1.2 below) prior to the Expiration Date and to be subject to the Proxy (as defined in Section 3 below)) or otherwise dispose of or encumber the Shares or any New Shares or to make any offer or agreement relating thereto, at any time prior to the Expiration Date. As used herein, the term "Expiration Date" shall mean the earlier to occur of (i) such date and time as the Merger shall become effective in accordance with the terms and provisions of the Merger Agreements or (ii) the termination of the Reorganization Agreement in accordance with its terms.

1.2 New Shares. Shareholder agrees that any shares of capital stock of WordPerfect that Shareholder purchases or with respect to which Shareholder otherwise acquires beneficial ownership after the date of this Agreement and prior to the Expiration Date ("New Shares") shall be subject to the terms and conditions of this Agreement to the same extent as if they constituted Shares.

1.3 Permitted Transfers. Shareholder may transfer up to thirty percent (30%) of the Shares or any New Shares to members of Shareholder's immediate family if, prior to any such transfer, (i) Novell receives advice from its counsel that such transfer will not affect the treatment of the Merger as a pooling of interests for accounting purposes and (ii) the transferee agrees to be bound by the provisions of this Agreement.

2. Agreement to Vote Shares. At every meeting of the shareholders of WordPerfect called with respect to any of the following, and at every adjournment thereof, and on every action or approval by written consent

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of the shareholders of WordPerfect with respect to any of the following, Shareholder shall vote the Shares and any New Shares: (i) in favor of approval of the Merger Agreements and the Merger and any matter that could reasonably be expected to facilitate the Merger; and (ii) against approval of any proposal made in opposition to or in competition with consummation of the Merger and the Merger Agreements, against any merger, consolidation, sale of assets, reorganization or recapitalization with any party and against any liquidation or winding up of WordPerfect (each of the foregoing is referred to as an "Opposing Proposal"). Shareholder agrees not, directly or indirectly, to solicit or encourage any offer from any party concerning the possible disposition of all or any substantial portion of WordPerfect's business assets or capital stock.

3. Irrevocable Proxy. Concurrently with the execution of this Agreement, Shareholder agrees to deliver to Novell a proxy in the form attached as Exhibit A (the "Proxy"), which shall be irrevocable to the extent provided in Section 16-10a-722 of the Utah Revised Business Corporation Act, covering the total number of Shares and New Shares of capital stock of WordPerfect beneficially owned (as such term is defined in Rule 13d-3 under the Exchange Act) by Shareholder set forth therein.

4. Affiliates Agreement. Concurrently with the execution of this Agreement, Shareholder agrees to execute and deliver to Novell the Affiliates Agreement in the form attached as Exhibit B.

5. Representations, Warranties and Covenants of Shareholder. Shareholder represents, warrants and covenants to Novell as follows:

5.1 Ownership of Shares. Shareholder: (i) is the beneficial owner of the Shares, which at the date of this Agreement and at all times up until the Expiration Date will be free and clear of any liens, claims, options, charges or other encumbrances; (ii) does not beneficially own any shares of capital stock of WordPerfect other than the Shares (excluding shares as to which Shareholder currently disclaims beneficial ownership in accordance with applicable law); and (iii) has full power and authority to make, enter into and carry out the terms of this Agreement and the Proxy.

5.2 No Proxy Solicitations. Shareholder will not, and will not permit any entity under Shareholder's control, to: (i) solicit proxies or become a "participant" in a "solicitation" (as such terms are defined in Regulation 14A under the Exchange Act) with respect to an Opposing Proposal or otherwise encourage or assist any party in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the timely consummation of the Merger in accordance with the terms of the Merger Agreements; (ii) initiate a shareholders' vote or action by written consent of WordPerfect shareholders with respect to an Opposing Proposal; or (iii) become a member of a "group" (as such term is used in Section 13(d) of the Exchange Act) with respect to any voting securities of WordPerfect with respect to an Opposing Proposal.

6. Additional Documents. Shareholder and Novell hereby covenant and agree to execute and deliver any additional documents necessary or desirable, in the reasonable opinion of Novell, to carry out the purpose and intent of this Agreement.

7. Consent and Waiver. Shareholder hereby gives any consents or waivers that are reasonably required for the consummation of the Merger under the terms of any agreement to which Shareholder is a party or pursuant to any rights Shareholder may have.

8. Termination. This Agreement and the Proxy delivered in connection herewith shall terminate and shall have no further force or effect as of the Expiration Date.

9. Miscellaneous.

9.1 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

9.2 Binding Effect and Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted

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assigns, but, except as otherwise specifically provided herein, neither this Agreement nor any of the rights, interests or obligations of the parties hereto may be assigned by either of the parties without the prior written consent of the other.

9.3 Amendments and Modification. This Agreement may not be modified, amended, altered or supplemented except by the execution and delivery of a written agreement executed by the parties hereto.

9.4 Specific Performance; Injunctive Relief. The parties acknowledge that Novell will be irreparably harmed and that there will be no adequate remedy at law for a violation of any of the covenants or agreements of Shareholder set forth herein. Therefore, it is agreed that, in addition to any other remedies that may be available to Novell upon any such violation, Novell shall have the right to enforce such covenants and agreements by specific performance, injunctive relief or by any other means available to Novell at law or in equity.

9.5 Notices. All notices and other communications pursuant to this Agreement shall be in writing and deemed to be sufficient if contained in a written instrument and shall be deemed given if delivered personally, telecopied, sent by nationally recognized overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following address (or at such other address for a party as shall be specified by like notice):

If to Novell: Novell, Inc.
122 East, 1700 South
Provo, Utah 84606
Attn: Chief Executive Officer
Telecopy No.: (801) 429-3951
Telephone No.: (801) 429-7000

With a copy to: Wilson, Sonsini, Goodrich & Rosati
Two Palo Alto Square
Palo Alto, California 94306
Attn: Larry W. Sonsini, Esq.
Telecopy No.: (415) 493-6811
Telephone No.: (415) 493-9300

If to Shareholder: To the address for notice set forth on the last page hereof.

With a copy to: WordPerfect Corporation
1555 North Technology Way
Orem, Utah 84057
Attn: Chief Executive Officer
Telecopy No.: (801) 228-7077
Telephone No.: (801) 222-4400

With a copy to: Brobeck, Phleger & Harrison
Two Embarcadero Place
2200 Geng Road
Palo Alto, California 94306
Attn: Joshua Green, Esq.
Telecopy No.: (415) 496-2885
Telephone No.: (415) 424-0160

9.6 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the State of Utah.

9.7 Entire Agreement. This Agreement and the Proxy contain the entire understanding of the parties in respect of the subject matter hereof, and supersede all prior negotiations and understandings between the parties with respect to such subject matter.

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9.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

9.9 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first above written.

NOVELL, INC.
By:
Title:

SHAREHOLDER
By:

Shareholder's Address for Notice:

WORDPERFECT CORPORATION

By:
Title:

Shares beneficially owned:
-----shares of WordPerfect Corporation
Common Stock

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IRREVOCABLE PROXY

TO VOTE

WORDPERFECT CORPORATION STOCK

The undersigned shareholder of WordPerfect Corporation, a Utah corporation ("WordPerfect"), hereby irrevocably (to the full extent permitted by Section 16-10a-722 of the Utah Revised Business Corporation Act) appoints the directors on the Board of Directors of Novell, Inc., a Delaware corporation ("Novell"), and each of them, as the sole and exclusive attorneys and proxies of the undersigned, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the full extent that the undersigned is entitled to do so) with respect to all of the shares of capital stock of WordPerfect that now are or hereafter may be beneficially owned by the undersigned, and any and all other shares or securities of WordPerfect issued or issuable in respect thereof on or after the date hereof (collectively, the "Shares") in accordance with the terms of this Proxy. The Shares beneficially owned by the undersigned shareholder of WordPerfect as of the date of this Proxy are listed on the final page of this Proxy. Upon the undersigned's execution of this Proxy, any and all prior proxies given by the undersigned with respect to any Shares are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Shares until after the Expiration Date (as defined below).

This proxy is irrevocable (to the extent provided in Section 16-10a-722 of the Utah Revised Business Corporation Act) is granted pursuant to that certain Shareholder Agreement dated as of March , 1994, between Novell and the undersigned shareholder (the "Shareholder Agreement"), and is granted in consideration of Novell entering into that certain Agreement and Plan of Reorganization dated as of March , 1994 (the "Reorganization Agreement"), among Novell, Novell Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Novell ("Sub"), and WordPerfect, and that certain related Agreement of Merger between Sub and WordPerfect (such agreements are collectively referred to as the "Merger Agreements"). The Merger Agreements provide for the merger of Sub into WordPerfect in accordance with their terms (the "Merger"). As used herein, the term "Expiration Date" shall mean the earlier to occur of (i) such date and time as the Merger shall become effective in accordance with the terms and provisions of the Merger Agreements or (ii) the termination of the Reorganization Agreement in accordance with its terms.

The attorneys and proxies named above, and each of them, are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Shares, and to exercise all voting and other rights of the undersigned with respect to the Shares (including, without limitation, the power to execute and deliver written consents pursuant to Section 16-10a-704 of the Utah Revised Business Corporation Act) at every annual, special or adjourned meeting of the shareholders of WordPerfect and in every written consent in lieu of such meeting: (a) in favor of approval of the Merger and the Merger Agreements and in favor of any matter that could reasonably be expected to facilitate the Merger, and (b) against approval of any proposal made in opposition to or in competition with the consummation of the Merger and the Merger Agreements, against any merger, consolidation, sale of assets, reorganization or recapitalization or WordPerfect with any party other than Novell and its affiliates and against any liquidation or winding up of WordPerfect. The attorneys and proxies named above may not exercise this Irrevocable Proxy on any other matter except as provided in clauses (a) and (b) above. The undersigned shareholder may vote the Shares on all other matters.

Any obligation of the undersigned hereunder shall be binding upon the successors and assigns of the undersigned.

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This proxy is irrevocable (to the full extent permitted by Section 16-10a-722 of the Utah Revised Business Corporation Act).

Dated: -----,
1994

Signature of Shareholder:

Print Name of Shareholder:

Shares beneficially owned:
-----shares of WordPerfect Corporation Common
Stock

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WORDPERFECT CORPORATION

AFFILIATES AGREEMENT

This Affiliates Agreement (this "Agreement") is made and entered into as of March , 1994 between WordPerfect Corporation, a Utah corporation ("WordPerfect"), Novell, Inc., a Delaware corporation ("Novell") and the undersigned affiliate ("Affiliate") of WordPerfect.

RECITALS

A. Concurrently with the execution of this Agreement, WordPerfect and Novell have entered into an Agreement and Plan of Reorganization (the "Reorganization Agreement"), which contemplates that WordPerfect and Novell Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Novell ("Sub"), will enter into Articles of Merger, which Reorganization Agreement and Articles of Merger (collectively, the "Merger Agreements") provide for the merger (the "Merger") of Sub with and into WordPerfect. Pursuant to the Merger, all outstanding capital stock of WordPerfect will be converted into Common Stock of Novell.

B. Affiliate is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of such number of shares of the outstanding Common Stock, no par value per share, of WordPerfect as is indicated on the final page of this Agreement (the "Shares").

C. Affiliate understands that, since the Merger will be accounted for using the "pooling of interests" method and Affiliate is an "affiliate" of WordPerfect (within the meaning of Rule 145 promulgated under the Securities Act of 1933, as amended (the "Securities Act")), the Shares may only be disposed of in a conformity with the limitations described herein. Affiliate has been informed that the treatment of the Merger as a pooling of interests for accounting purposes, and as a tax-free reorganization under applicable provisions of the Internal Revenue Code, is dependent upon the accuracy of certain of the representations and warranties and the compliance with certain of the agreements set forth herein. Affiliate further understands that the representations, warranties and agreement set forth herein will be relied upon by Novell, WordPerfect and their respective counsel and accounting firms.

NOW, THEREFORE, the parties agree as follows:

1. Agreement to Retain Shares.

1.1 Transfer and Encumbrance. Affiliate agrees not to transfer (except as may be specifically required by court order or as permitted under Section 1.3 below), sell, exchange, pledge (except in connection with a bona fide loan transaction, provided that any pledgee agrees not to transfer, sell, exchange, pledge or otherwise dispose or encumbrance the Shares or any New Shares, as defined in Section 1.2 below, prior to the Expiration Date) or otherwise dispose of or encumber the Shares or any New Shares or to make any offer or agreement relating thereto, at any time prior to the Expiration Date. As used herein, the term "Expiration Date" shall mean the date Novell shall have publicly released a report including the combined financial results of Novell and WordPerfect for a period of at least 30 days of combined operations of Novell and WordPerfect.

1.2 New Shares. Affiliate agrees that any shares of capital stock of WordPerfect that Affiliate purchases or with respect to which Affiliate otherwise acquired beneficial ownership after the date of this Agreement and prior to the Expiration Date ("New Shares") shall be subject to the terms and conditions of this Agreement to the same extent as if they constituted Shares.

1.3 Permitted Transfers. Affiliate may transfer up to thirty percent (30%) of the Shares or any New Shares to members of Affiliate's immediate family if, prior to any such transfer, (i) Novell receives advice from its counsel that such transfer will not affect the treatment of the Merger as a pooling of

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interests for accounting purposes and (ii) the transferee agrees to be bound by the provisions of this Agreement.

2. Tax Treatment: Rule 145. Affiliate understands and agrees that it is intended that the Merger will be treated as a "reorganization" for federal income tax purposes. Affiliate further understands and agrees that Affiliate may be deemed to be an "affiliate" of WordPerfect within the meaning of Rule 145, although nothing contained herein should be construed as an admission of such fact.

3. Reliance Upon Representations, Warranties and Covenants. Affiliate has been informed that the treatment of the Merger as a reorganization for federal income tax purposes requires that a sufficient number of former shareholders of WordPerfect maintain a meaningful continuing equity ownership interest in Novell after the Merger. Affiliate understands that the representations, warranties and covenants of Affiliate set forth herein will be relied upon by Novell, WordPerfect and their respective counsel and accounting firms.

4. Representations, Warranties and Covenants of Affiliate. Affiliate represents, warrants and covenants as follows:

(a) Affiliate has full power and authority to execute this Agreement, to make the representations, warranties and covenants herein contained and to perform Affiliate's obligations hereunder.

(b) Set forth below the signatures below is the number of shares of Common Stock of WordPerfect ("WordPerfect Stock") owned by Affiliate, including all WordPerfect Stock as to which Affiliate has sole or shared voting or investment power and all rights, options and warrants to acquire WordPerfect Stock owned or held by Affiliate.

(c) Affiliate will not sell, transfer, exchange, pledge (except in connection with a bona fide loan transaction as set forth in Section 1.1 above) or otherwise dispose of, or make any offer or agreement relating to any of the foregoing with respect to, any shares of Common Stock of Novell ("Novell Stock") that Affiliate may acquire in connection with the Merger, or any securities that may be paid as a dividend or otherwise distributed thereon or with respect thereto or issued or delivered in exchange or substitution therefor (all such shares and other securities of Novell are sometimes collectively referred to as "Restricted Securities"), or any option, right or other interest with respect to any Restricted Securities, unless: (i) such transaction is permitted pursuant to Rule 145(c) and 145(d) under the Securities Act; (ii) counsel representing Affiliate, which counsel is reasonably satisfactory to Novell, shall have advised Novell in a written opinion letter satisfactory to Novell, shall have advised Novell in a written opinion letter satisfactory to Novell and Novell's legal counsel, and upon which Novell and its legal counsel may rely, that no registration under the Securities Act would be required in connection with the proposed sale, transfer or other disposition; (iii) a registration statement under the Securities Act covering the Novell Stock proposed to be sold, transferred or otherwise disposed of, describing the manner and terms of the proposed sale, transfer or other disposition, and containing a current prospectus, shall have been filed with the Securities and Exchange Commission (the "SEC") and made effective under the Securities Act; or (iv) an authorized representative of the SEC shall have rendered written advice to Affiliate (sought by Affiliate or counsel to Affiliate, with a copy thereof and all other related communications delivered to Novell) to the effect that the SEC would take no action, or that the staff of the SEC would not recommend that the SEC take any action, with respect to the proposed disposition if consummated.

(d) Affiliate has, and as of the Effective Time will have, no present plan or intention (a "Plan") to sell, transfer, exchange, pledge (other than in a preexisting bona fide margin account) or otherwise dispose of, including a distribution by a partnership to its partners, or a corporation to its stockholders, or any other transaction which results in a reduction in the risk of ownership (any of the foregoing, a "Sale") of more than thirty percent (30%) of the shares of Novell Stock that Affiliate may acquire in connection with the Merger, or any securities that may be paid as a dividend or otherwise distributed thereon with respect thereto or issued or delivered in exchange or substitution therefor. Affiliate is not aware of, or participating in, any Plan on the part of WordPerfect stockholders to engage in Sales of the shares of Novell Stock to be issued in the Merger such that the aggregate fair market value, as of the Effective Time of the Merger, of the shares subject to such Sales would exceed thirty percent (30%) of

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the aggregate fair market value of all shares of outstanding WordPerfect Stock immediately prior to the Merger. For purposes of the preceding sentence, shares of WordPerfect Stock (i) which are exchanged for cash in lieu of fractional shares of Novell Common Stock or (ii) with respect to which a pre-Merger Sale occurs in a Related Transaction (as hereinafter defined), shall be considered to be shares of WordPerfect Common Stock that are exchanged for Novell Stock in the Merger and then disposed of pursuant to a Plan. A Sale of Novell Stock shall be considered to have occurred pursuant to a Plan if, among other things, such Sale occurs in a Related Transaction. For purposes of this Section 4(d), a "Related Transaction" shall mean a transaction that is in contemplation of, or related or pursuant to, the Merger or the Merger Agreements. If any of Affiliate's representations in this Section 4(d) cease to be true at any time prior to the Effective Time, Affiliate will deliver to each of WordPerfect and Novell, prior to the Effective Time, a written statement to that effect, signed by Affiliate.

5. Rules 144 and 145. From and after the Effective Time and for so long as is necessary in order to permit Affiliate to sell the Novell Stock held by Affiliate pursuant to Rule 145 and, to the extent applicable, Rule 144 under the Securities Act, Novell will use its reasonable efforts to file on a timely basis all reports required to be filed by it pursuant to Section 13 of the Securities Exchange Act of 1934, as amended, referred to in paragraph (c)(1) of Rule 144 under the Securities Act, in order to permit Affiliate to sell the Novell Stock held by it pursuant to the terms and conditions of Rule 145 and the applicable provisions of Rule 144.

6. Limited Resales. Affiliate understands that, in addition to the restrictions imposed under Section 3 of this Agreement, the provisions of Rule 145 limit Affiliate's public resales of Restricted Securities, in the manner set forth in subsections (a), (b) and (c) below:

(a) Unless and until the restriction "Cut-off" provisions of Rule 145(d)(2) or Rule 145(d)(3) set forth below become available, public resales of Restricted Securities may only be made by Affiliate in compliance with the requirements of Rule 145(d)(1). Rule 145(d)(1) permits such resales only: (i) while Novell meets the public information requirements of Rule 144(c); (ii) in brokers' transactions or in transactions with a market maker; and (iii) where the aggregate number of Restricted Securities sold at any time together with all sales of restricted Novell Stock sold for Affiliate's account during the preceding three-month period does not exceed the greater of (A) 1% of the Novell Common Stock outstanding or (B) the average weekly volume of trading in Novell Common Stock on all national securities exchanges, or reported through the automated quotation system of a registered securities association, during the four calendar weeks preceding the date of receipt of the order to execute the sale.

(b) Affiliate may make unrestricted sales of Restricted Securities pursuant to Rule 145(d)(2) if: (i) Affiliate has beneficially owned (within the meaning of Rule 144(d) under the Securities Act) the Restricted Securities for at least two years after the Effective Time of the Merger; (ii) Affiliate is not an affiliate of Novell; and (iii) Novell meets the public information requirements of Rule 144(c).

(c) Affiliate may make unrestricted sales of Restricted Securities pursuant to Rule 145(d)(3) if Affiliate has beneficially owned (within the meaning of Rule 144(d) under the Securities Act) the Restricted Securities for at least three years and is not, and has not been for the last three months, an affiliate of Novell.

(d) Novell acknowledges that the provisions of Section 4(c) of this Agreement will be satisfied as to any sale by the undersigned of the Restricted Securities pursuant to Rule 145(d), by a broker's letter and a letter from the undersigned with respect to that sale stating that each of the above-described requirements of Rule 145(d)(1) has been met or is inapplicable by virtue of Rule 145(d)(2) or Rule 145(d)(3); provided, however, that Novell has no reasonable basis to believe that such sales were not made in compliance with such provisions of Rule 145(d).

7. Legends. Affiliate also understands and agrees that stop transfer instructions will be given to Novell's transfer agent with respect to certificates evidencing the Restricted Securities and that there will be placed on the certificates evidencing the Restricted Securities legends stating in substance:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, PLEDGED, EXCHANGED, TRANSFERRED OR OTHERWISE DISPOSED OF

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EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND THE OTHER CONDITIONS SPECIFIED IN THAT CERTAIN AFFILIATES AGREEMENT DATED AS OF MARCH 21, 1994 AMONG NOVELL, INC., WORDPERFECT CORPORATION AND THE SHAREHOLDER, A COPY OF WHICH AFFILIATES AGREEMENT MAY BE INSPECTED BY THE HOLDER OF THIS CERTIFICATE AT THE OFFICES OF NOVELL INC. NOVELL INC. WILL FURNISH, WITHOUT CHARGE, A COPY THEREOF TO THE HOLDER OF THIS CERTIFICATE UPON WRITTEN REQUEST THEREFOR."

Novell agrees to remove promptly such stop transfer instructions and legend upon full compliance with this Agreement by the undersigned, including, without limitation, a sale or transfer of Novell Stock permitted under Section 4(c) above.

8. Termination. This Agreement shall be terminated and shall be of no further force and effect upon the termination of the Reorganization Agreement pursuant to Section 7.1 of the Reorganization Agreement.

9. Counterparts. This Agreement shall be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument.

10. Binding Agreement. This Agreement will inure to the benefit of and be binding upon and enforceable against the parties and their successors and assigns, including administrators, executors, representatives, heirs, legatees and devisees of Affiliate and any pledgee holding Restricted Securities as collateral.

11. Waiver. No waiver by any party hereto of any condition or of any breach of any provision of this Agreement shall be effective unless in writing and signed by each party hereto.

12. Governing Law. This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Delaware.

13. Attorneys' Fees. In the event of any legal actions or proceeding to enforce or interpret the provisions hereof, the prevailing party shall be entitled to reasonable attorneys' fees, whether or not the proceeding results in a final judgment.

14. Effect of Headings. The section headings herein are for convenience only and shall not affect the construction or interpretation of this Agreement.

15. Third Party Reliance. Counsel to and accountants for the parties shall be entitled to rely upon this Agreement.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the day and year first above written.

WORDPERFECT CORPORATION

By:

Title:

NOVELL, INC.

By:

Title:

AFFILIATE

By:

Affiliate's Address for Notice:

Shares beneficially owned:

-----shares of WordPerfect Common Stock

TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (the "Agreement") is made and entered into as of the day of 1994 between NOVELL, INC., a Delaware corporation ("Novell"), WORDPERFECT CORPORATION, a Utah corporation ("WordPerfect") and Alan C. Ashton, Karen J. Ashton, Emily Ann Ashton, Amy Jo Ashton, Spencer C. Ashton, Morgan A. Ashton, Brigham M. Ashton, Allison Rae Ashton, Samuel L. Ashton, Eliza K. Ashton, Adam C. Ashton, Stephen D. Ashton, Rebekah R. Ashton, Bruce W. Bastian, Melanie L. Bastian, C. Richard Bastian, Darren B. Bastian, Jeffrey H. Bastian, and Robert A. Bastian (each such person a "Stockholder" and all such persons, collectively, the "Stockholders"). Capitalized terms not defined herein shall have the meaning set forth in the Merger Agreement (as hereinafter defined).

WHEREAS, WordPerfect and its Subsidiaries were S corporations as defined in Section 1361 of the Code (as hereinafter defined) for certain taxable years (or portions thereof) ending prior to January 1, 1994;

WHEREAS, WordPerfect owns one hundred percent (100%) of the outstanding capital stock of each of the Subsidiaries;

WHEREAS, the Stockholders own one hundred percent (100%) of the outstanding capital stock of WordPerfect;

WHEREAS, WordPerfect has entered into that certain Agreement and Plan of Reorganization, dated March 21, 1994 (and subsequently amended on May , 1994) among Novell, Novell Acquisition Corp., a Delaware corporation ("Sub"), and WordPerfect (the "Merger Agreement") pursuant to which WordPerfect will be merged into Novell as of the Effective Time of the Merger (the "Merger"); and

WHEREAS, as a condition of the consummation of the Merger, the Stockholders have agreed to make representations and warranties and to provide indemnification with respect to certain tax matters relating to the former status of WordPerfect and its Subsidiaries as S corporations.

NOW, THEREFORE, the parties agree as follows.

ARTICLE I

DEFINITIONS

1.1 Definitions. The following terms, as used herein, have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended, and, in the context of a state or local tax, a reference to the Code or a section of the Code includes any similar applicable provision of state or local law.

"Final Determination" shall have the meaning set forth in section 1313(a) of the Code or under similar state law.

"Party" means Novell, WordPerfect or the Stockholders, and "Parties" means Novell, WordPerfect and the Stockholders.

"Sharing Percentage" shall mean with respect to each Stockholder the percentage shown opposite such Stockholder's name as set forth in Schedule A attached hereto and incorporated herein by this reference.

"Stockholders' Representatives" shall mean the persons designated pursuant to Article IV hereof.

"Taxes" means all taxes, however denominated, including any interest, penalties or additions to tax that may become payable in respect thereof, imposed by any federal, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income, payroll and employee withholding, unemployment insurance, social security, sales and use, excise, profits, value added, ad valorem, occupancy, disability, franchise, gross receipts, environmental, occupation, real and personal property, stamp, transfer, license, net worth, real property gains, capital, and worker's compensation taxes.

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"Tax Returns" means all reports, estimates, information statements and returns relating to, or required to be filed in connection with, any Taxes.

ARTICLE II

THE TERMINATION

2.1 Termination of S Status. The Stockholders, severally and not jointly, hereby represent and warrant that the S corporation elections of WordPerfect and each of its Subsidiaries (that elected to be treated as S corporations) were terminated on or before January 1, 1994.

2.2 Distribution and Tax Sharing Agreements. Except with respect to (i) this Agreement, (ii) any promissory note or other indebtedness currently outstanding and reflected on the financial statements of WordPerfect or (iii) those agreements shown on the disclosure schedule attached hereto as Schedule 2.2, the Stockholders, severally but not jointly, hereby represent and warrant that they are not a party to and do not claim any rights under any Tax indemnity, Tax sharing, Tax allocation agreement with WordPerfect and/or any of its Subsidiaries or under any agreement obligating WordPerfect or any of its Subsidiaries to make any distribution or payment of cash or property to the Stockholders in respect of, or in connection with, their ownership of shares of capital stock of WordPerfect or the Subsidiaries (collectively, "Tax Sharing Agreements"). Except for this Tax Matters Agreement and any promissory notes or other indebtedness currently reflected on the financial statements of WordPerfect, to the extent any such Tax Sharing Agreements have existed or currently exist, the Stockholders, WordPerfect and each of the Subsidiaries hereby agree to terminate any and all such Tax Sharing Agreements effective as of December 31, 1993 and hereby waive any rights they may have now or in the future under such Tax Sharing Agreements.

ARTICLE III

TAX ALLOCATION AND INDEMNIFICATION

3.1 Tax Returns. WordPerfect hereby covenants and agrees on behalf of itself and its Subsidiaries that it shall be responsible for and shall cause the filing of all Tax Returns which it or any of its Subsidiaries is required to file, or in which it or any of its Subsidiaries is to be included (including any combined, unitary or consolidated returns) with respect to all taxable years (or portions thereof) ending on or prior to December 31, 1993.

3.2 Corporate Liability for Taxes.

(a) Except as otherwise provided in Section 3.3 hereof, WordPerfect shall pay or cause to be paid any and all Taxes required to be paid by WordPerfect or any of its Subsidiaries for all taxable years covered by the Tax Returns referred to in Section 3.1 as required by applicable law, and shall indemnify and hold harmless the Stockholders from any liability for such Taxes.

(b) In the event an assessment of additional foreign income taxes by a foreign taxing authority against WordPerfect or any of its Subsidiaries, with respect to any taxable year ending on or prior to December 31, 1993, results in the WordPerfect Stockholders' having a claim for additional credits or deductions for foreign income taxes, then each WordPerfect Stockholder shall apply for a refund to the fullest extent allowed by law in order to realize the greatest refund available with respect to such additional credits or deductions and shall pay to Novell the amount thereof (plus interest received under Section 6611 of the Code) immediately upon receipt of such refund without regard to any other adjustments to such Stockholder's Tax Return for the taxable year for which such refund was received, provided, however, the amount paid hereunder shall be reduced by the reasonable fees and costs associated with such Stockholder's claim for refund and any taxes paid in respect of such refund. The liability of each Stockholder to WordPerfect hereunder shall be several and not joint.

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3.3 Stockholder Indemnification for Certain Federal and State Corporate Tax Liabilities.

(a) Subject to section 3.3(b) below, each Stockholder, severally, in accordance with such Stockholder's Sharing Percentage (and not jointly), hereby indemnifies and agrees to hold each of Novell, WordPerfect and each of its Subsidiaries harmless from, against and in respect of any U.S. federal, Utah or New Mexico income tax liability, if any, resulting from (i) WordPerfect or any of its Subsidiaries failing to qualify as an S corporation under Code Section 1361(a)(1) (as enacted and in effect prior to January 1, 1993) or under applicable Utah or New Mexico state law (A) with respect to the Subsidiaries (other than those Subsidiaries that never purported to be taxed as S corporations) for every taxable year (or any portion of a taxable year) ending on or prior to December 31, 1993 for which each such Subsidiary purported to be taxed as an S Corporation, and (B) with respect to WordPerfect, for every taxable year (or any portion of a taxable year) commencing on or after January 1, 1985 and ending on or before October 1, 1993 or (ii) a breach of any representation or warranty made by the Stockholders in Sections 2.1 and 2.2 of this Tax Matters Agreement. For the purposes of subsection (i) of this section 3.3(a), "income tax liability" shall mean the amount of the income tax liability (plus interest, penalties and additions to taxes imposed with respect thereto) as finally determined by the relevant taxing authority, but only to the extent such amount represents the income tax liability that would have been payable with respect to the amount of taxable income shown on the relevant corporate tax return as originally filed.

(b) The total liability of each Stockholder under section 3.3(a)(i) shall not exceed the sum of (i) the product of the Stockholder's Sharing Percentage and One Hundred Fifteen Million Dollars (\$115,000,000.00) (the "Indemnity Fund"), (ii) the sum of each year's (or that portion of a year's) Indemnity Fund Earnings (as defined below) accrued on or after January 1, 1993; and (iii) the amount of any refund received by such Stockholder as a result of WordPerfect or any of its Subsidiaries failing to qualify as S corporations (a "Failed S Election") for any taxable period (or that portion of any taxable period) during which the relevant corporation reported its filing status as that of an S corporation less any taxes paid in respect of such refund. For purposes of the preceding sentence, a Stockholder shall be deemed to have received a refund on the earlier to occur of (i) the date of the actual receipt of a refund attributable to a Failed S Election or (ii) the date upon which a refund attributable to a Failed S Election is applied against a tax liability of such Stockholder, but only after a Final Determination in respect of such other tax liability. Notwithstanding the immediately preceding sentence, if a Stockholder does not file a claim for refund within 90 days after receipt of written notice of a Final Determination as to a Failed S Election, the Stockholder shall be deemed to have received a refund for purposes of this Section 3.3(b) on the date which is 270 days after date of the receipt of such written notice. For purposes of this Agreement, (i) "Indemnity Fund Earnings" shall mean the product of the Indemnity Fund and 60 percent of the one year Treasury Bill rate in effect as of January 1st of the applicable year, and (ii) for purposes of calculating the Indemnity Fund Earnings, the Indemnity Fund shall be increased each year by the cumulative amount of the Indemnity Fund Earnings for all prior years.

3.4 Audit and Contest Rights.

(a) The parties hereto shall cooperate fully with each other in the conduct of any audit or other proceeding relating to Taxes of WordPerfect or its Subsidiaries and/or relating to Taxes of the Stockholders and shall make available to each other such Tax data and other information as may be reasonably required with respect to any Tax audit. Within twenty (20) days following notice of any proposed adjustment which could give rise to a claim for indemnification under Section 3.3, WordPerfect shall notify the Stockholder Representative of such proposed adjustment and thereafter, the Stockholders' Representatives shall have the right to control any proceedings relating to such proposed adjustment and to determine when, whether and to what extent to settle any such claim, assessment or dispute; provided, however, that WordPerfect shall have the right to control the conduct of any such audit or proceeding for which WordPerfect waives its rights to indemnification under Section 3.3 hereof.

(b) Within twenty (20) days following notice of any proposed adjustment that would not adversely affect Novell, WordPerfect or any of the Subsidiaries (as determined in good faith by WordPerfect) but that could have the effect of increasing the Stockholders' Tax liability for any period, WordPerfect shall notify the Stockholder Representative of such proposed adjustment and thereafter the Stockholders' Representatives

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shall have the right to control any proceedings relating to such proposed adjustment and to determine when, whether and to what extent to settle any such claim, assessment or dispute. The Stockholders' Representative shall notify Novell within twenty (20) days with respect to the Stockholders intent to assume control of such proceeding. If the Stockholders elect not to assume control of such proceeding or fail to respond by written notice within such twenty (20) day period, the provisions of Section 3.4(c) shall apply.

(c) (i) Except as provided in section 3.4(c)(iii), below, neither Novell nor WordPerfect nor any Subsidiary shall make any election, take any Tax Return position, or agree to any Tax adjustment or adjustments that would have the effect of increasing the Stockholders' Tax liability with respect to any period ending on or prior to December 31, 1993 ("Company Action"), without first obtaining the prior written consent of the Stockholders' Agent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the affected company may take the Company Action without the consent of the Stockholders' Agent provided the affected company indemnifies the Stockholders against any increase in the Stockholders' Tax liability resulting from the Company Action.

(ii) A company desiring to take a Company Action shall notify the Stockholders' Agent in writing of the proposed Company Action, and shall provide an estimate to the Stockholders' Agent of the aggregate increase in the Stockholders' taxable income arising out of the Company Action. The Stockholders' Agent shall have sixty (60) days from the date of the request for consent in which to notify the affected company in writing whether the Stockholders' Agent consents to the Company Action. If the Stockholders' Agent does not respond within the sixty (60) day period the Stockholders' Agent shall be conclusively deemed to have consented to the Company Action.

(iii) The action of the Stockholders' Agent to withhold consent with respect to any proposed Tax Return position or adjustment shall be conclusively presumed to be reasonable if the aggregate increase in the Stockholders' taxable income resulting therefrom, when added to any prior approved adjustment or Tax Return positions subject to this section 3.4, would be to increase the Stockholders' aggregate taxable income by \$10 million; provided, however, if Novell provides to the Stockholders' Agent a written opinion of tax counsel (approved by the Stockholders' Agent which approval shall not be unreasonably withheld) that is more likely than not that such Company Action is required by law, then the Stockholders' Agent shall be conclusively presumed to have given consent to such adjustment or Tax Return position, notwithstanding the Stockholders' Agent prior disapproval, if any. However, if the aggregate increase in the Stockholders' taxable income, when added to any prior Company Actions, would be to increase the such taxable income by less than \$10 million, then consent shall not be withheld in the absence of delivery to Novell, within sixty (60) days of the date of the request for such consent, of a written opinion of tax counsel (approved by Novell which approval shall not be unreasonably withheld) to the effect that it is more likely than not that such Tax Return position or adjustment is not required by law. The sixty (60) day period provided in section 3.4(c)(ii) for action by the Stockholders' Agent shall be extended as necessary so that the Stockholders' Agent have no less than fourteen (14) days after receipt of the tax opinion to review and approve the form of the tax opinion. If a proposed adjustment is not consented to pursuant to this Section 3.4(c)(iii), then Novell shall be obligated to pursue the proceedings in a manner consistent with the Stockholders' best interest and the Stockholders shall reimburse Novell for all reasonable fees and costs associated with such proceedings. Solely with respect to an election, the action of a Stockholders' Agent to withhold consent shall be conclusively presumed to be reasonable absent Novell providing to the Stockholders' Agent a written opinion of tax counsel (approved by the Stockholders' Agent which approval will not be unreasonably withheld) to the effect that it is more likely than not that the proposed election is required by law. No action by Novell pursuant to this Section 3.4(c)(iii) shall preclude the Stockholders from contesting any proposed audit adjustment affecting their individual returns under Sections 6241-6245 of the Code.

(d) For purposes of this Section 3.4, an adjustment shall be deemed to be proposed (and WordPerfect and Novell shall be deemed to have received notice of such proposal) as of the first date that WordPerfect or Novell receives written advice from an applicable Taxing authority (or agent thereof) to the effect that such Taxing authority is proposing to make an adjustment to the Tax liability or Tax Return of WordPerfect or any Stockholder.

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(e) In the event of a conflict between the provisions of subsections 3.4(a) or 3.4(b), on the one hand, and subsection 3.4(c) on the other, the provisions of subsection 3.4(a) or (b), as applicable, shall control.

3.5 Payments. The Party or Parties required to make any payment under Section 3.2 or Section 3.3 shall make such payment within thirty (30) days after the Final Determination of any Tax liability resulting in a claim for indemnification hereunder.

ARTICLE IV

STOCKHOLDERS' REPRESENTATIVES

4.1 Stockholders' Representatives. In order to facilitate the resolution of any Tax audit issues between WordPerfect or Novell on the one hand, and the Stockholders, on the other, each Stockholder hereby designates and appoints Alan C. Ashton and Bruce W. Bastian, acting jointly, as his or her representatives hereunder (acting jointly, the "Stockholders' Representatives") and authorizes them to take all actions on his or her behalf under this Agreement including the appointment of an agent ("Stockholders' Agent") to represent the Stockholders on a day to day basis in connection with any and all Tax audits. The Stockholders' Agent shall be . The Stockholders' Representative may change the Stockholders' Agent upon ten (10) days written notice to Novell's Tax Director. Novell and WordPerfect shall be entitled to rely on all unanimous actions, decisions, representations and promises of the Stockholders' Representatives and Stockholders' Agent as if the same had been made by each Stockholder personally, without any obligation to verify, authenticate or seek confirmation of any other facts from the Stockholders or from any other person. Upon the death or legal incapacity of either of the individuals named above, the executor or guardian of the estate of such individual shall succeed him as a Stockholders' Representative.

4.2 Stockholder Vote. If the Stockholders' Representatives are unable to agree with respect to an action to be taken under Section 3.4 of this Agreement, they shall so notify Novell, WordPerfect and the Stockholders in writing. Thereafter, any action to be taken by the Stockholders' Representatives or Stockholders' Agent under Section 3.4 with respect to any such action shall be decided by a majority vote of the Stockholders who would be liable for any resulting Tax under Section 3.3, with each such Stockholder having a vote equal to his or her Sharing Percentage.

ARTICLE V

MISCELLANEOUS

5.1 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which counterparts collectively shall constitute one instrument representing the Agreement between the parties hereto.

5.2 Construction of Terms. Nothing herein expressed or implied is intended, or shall be construed, to confer upon or give any person, from or corporation, other than the parties hereto or their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

5.3 Governing Law. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the substantive laws of the State of Utah without regard to the Utah choice of law rules.

5.4 Amendment and Modification. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties, nor is this Agreement intended to confer upon any other person except the parties any rights or remedies hereunder.

5.5 Interpretation. The title, article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

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5.6 Severability. In the event that any one or more of the provisions of this Agreement shall be held to illegal, invalid or unenforceable in any respect, the same shall not in any respect affect the validity, legality or enforceability of the remainder of this Agreement, and the parties shall use their best efforts to replace such illegal, invalid or unenforceable provisions with an enforceable provision approximating, to the extent possible, the original intent of the parties.

5.7 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no representations, promises, warranties, covenants, or undertakings with respect to the subject matter contained herein, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

5.8 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon each party and such parties' heirs, devisees, legatees, personal representatives, successors and assigns.

5.9 Advice of Counsel. Each party hereto represents that they have consulted with, or had the opportunity to consult with, legal counsel with respect to this Agreement.

5.10 Effective Date. This Agreement shall become effective at the Effective Date of the Merger.

5.11 Notices. All notices and other communications pursuant to this Agreement shall be in writing and deemed to be sufficient if contained in a written instrument and shall be deemed given if delivered personally, telecopied, sent by nationally-recognized overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following address (or at such other address for a party as shall be specified by like notice):

If to Novell: Novell, Inc.
122 East, 1700 South
Provo, Utah 84606
Attn: Tax Director
Telecopy No.: (801) 429-3951
Telephone No.: (801) 429-7000

If to Stockholders' Representatives:

Alan C. Ashton
Bruce W. Bastian

With a copy to: Stockholders' Agent

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

NOVELL INC.,
a Delaware corporation

By: David C. Bradford
Senior Vice President and
General Counsel

WORDPERFECT CORPORATION,
a Utah corporation

By: Adriaan Rietveld, President
and Chief Executive Officer

By: R. Duff Thompson, Secretary

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STOCKHOLDERS' SIGNATURE PAGE

R. Duff Thompson as custodian for:

Allison R. Ashton
Samuel L. Ashton
Eliza K. Ashton
Adam C. Ashton
Stephen D. Ashton
Rebekah R. Ashton
Charles R. Bastian
Darren B. Bastian
Jeffrey H. Bastian
Robert A. Bastian

Alan C. Ashton

Karen Ashton
Emily A. Eddington
Amy J. Young
Spencer C. Ashton

Spencer C. Ashton, as
Attorney-in-fact for Morgan A. Ashton
Brigham M. Ashton
Bruce W. Bastian
Melanie Bastian

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UTAH REVISED BUSINESS CORPORATION ACT

PART 13

DISSENTERS' RIGHTS

16-10A-1301. DEFINITIONS.

For purposes of Part 13:

(1) "Beneficial shareholder" means the person who is a beneficial owner of shares held in a voting trust or by a nominee as the record shareholder.

(2) "Corporation" means the issuer of the shares held by a dissenter before the corporate action, or the surviving or acquiring corporation by merger or share, exchange of that issuer.

(3) "Dissenter" means a shareholder who is entitled to dissent from corporate action under Section 16-10a-1302 and who exercises that right when and in the manner required by Sections 16-10a-1320 through 16-10a-1328.

(4) "Fair value" with respect to a dissenter's shares, means the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action.

(5) "Interest" means interest from the effective date of the corporate action until the date of payment, at the statutory rate set forth in Section 15-1-1, compounded annually.

(6) "Record shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares that are registered in the name of a nominee to the extent the beneficial owner is recognized by the corporation as the shareholder as provided in Section 16-10a-723.

(7) "Shareholder" means the record shareholder or the beneficial shareholder.

16-10A-1302. RIGHT TO DISSENT.

(1) A shareholder, whether or not entitled to vote, is entitled to dissent from, and obtain payment of the fair value of shares held by him in the event any of the following corporate actions:

(a) consummation of a plan of merger to which the corporation is a party if:

(i) shareholder approval is required for the merger by Section 16-10a-1103 or the articles of incorporation; or

(ii) the corporation is a subsidiary that is merged with its parent under Section 16-10a-1104;

(b) consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired;

(c) consummation of a sale, lease, exchange, or other disposition of all, or substantially all, of the property of the corporation for which a shareholder vote is required under Subsection 16-10a-1202(1), but not including a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one year after the date of sale; and

(d) consummation of a sale, lease, exchange, or other disposition of all, or substantially all, of the property of an entity controlled by the corporation if the shareholders of the corporation were entitled to vote upon the consent of the corporation to the disposition pursuant to Subsection 16-10a-1202(2).

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(2) A shareholder is entitled to dissent and obtain payment of the fair value his shares in the event of any other corporate action to the extent the articles of incorporation, bylaws, or a resolution of the board of directors so provides.

(3) Notwithstanding the other provisions of this part, except to the extent otherwise provided in the articles of incorporation, bylaws, or a resolution of the board of directors, and subject to the limitations set forth in Subsection (4), a shareholder is not entitled to dissent and obtain payment under Subsection (1) of the fair value of the shares of any class or series of shares which either were listed on a national securities exchange registered under the federal Securities Exchange Act of 1934, as amended, or on the National Market System of the National Association of Securities Dealers Automated Quotation System, or were held of record by more than 2,000 shareholders, at the time of:

(a) the record date fixed under Section 16-10a-707 to determine the shareholders entitled to receive notice of the shareholders' meeting at which the corporate action is submitted to a vote;

(b) the record date fixed under Section 16-10a-704 to determine shareholders entitled to sign writings consenting to the proposed corporate action; or

(c) the effective date of the corporate action if the corporate action is authorized other than by a vote of shareholders.

(4) The limitation set forth in Subsection (3) does not apply if the shareholder will receive for his shares, pursuant to the corporate action, anything except:

(a) shares of the corporation surviving the consummation of the plan of merger or share exchange;

(b) shares of a corporation which at the effective date of the plan of merger or share exchange either will be listed on a national securities exchange registered under the federal Securities Exchange Act of 1934, as amended, or on the National Market System of the National Association of Securities Dealers Automated Quotation System, or will be held of record by more than 2,000 shareholders;

(c) cash in lieu of fractional shares; or

(d) any combination of the shares described in Subsection (4), or cash in lieu of fractional shares.

(5) A shareholder entitled to dissent and obtain payment for his shares under this part may not challenge the corporate action creating the entitlement unless the action is unlawful or fraudulent with respect to him or to the corporation.

16-10A-1303. DISSENT BY NOMINEES AND BENEFICIAL OWNERS.

(1) A record shareholder may assert dissenters' rights as to fewer than all the shares registered in his name only if the shareholder dissents with respect to all shares beneficially owned by any one person and causes the corporation to receive written notice which states the dissent and the name and address of each person on whose behalf dissenters' rights are being asserted. The rights of a partial dissenter under this subsection are determined as if the shares as to which the shareholder dissents and the other shares held of record by him were registered in the names of different shareholders.

(2) A beneficial shareholder may assert dissenters' rights as to shares held on his behalf only if:

(a) the beneficial shareholder causes the corporation to receive the record shareholder's written consent to the dissent not later than the time the beneficial shareholder asserts dissenters' rights; and

(b) the beneficial shareholder dissents with respect to all shares of which he is the beneficial shareholder.

(3) The corporation may require that, when a record shareholder dissents with respect to the shares held by any one or more beneficial shareholders, each beneficial shareholder must certify to the corporation that both he and the record shareholders of all shares owned beneficially by him have asserted, or will timely assert,

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dissenters' rights. The certification requirement must be stated in the dissenters' notice given pursuant to Section 16-10a-1322.

16-10A-1320. NOTICE OF DISSENTERS' RIGHTS.

(1) If a proposed corporate action creating dissenters' rights under Section 16-10a-1302 is submitted to a vote at a shareholders' meeting, the meeting notice must be sent to all shareholders of the corporation as of the applicable record date, whether or not they are entitled to vote at the meeting. The notice shall state that shareholders are or may be entitled to assert dissenters' rights under this part. The notice must be accompanied by a copy of this part and the materials, if any, that under this chapter are required to be given the shareholders entitled to vote on the proposed action at the meeting. Failure to give notice as required by this subsection does not affect any action taken at the shareholders' meeting for which the notice was to have been given.

(2) If a proposed corporate action creating dissenters' rights under Section 16-10a-1302 is authorized without a meeting of shareholders pursuant to Section 16-10a-704, any written or oral solicitation of a shareholder to execute a Written consent to the action contemplated by Section 16-10a-704 must be accompanied or preceded by a written notice stating that shareholders are or may be entitled to assert dissenters' rights under this part, by a copy of this part, and by the materials, if any, that under this chapter would have been required to be given to shareholders entitled to vote on the proposed action if the proposed action were submitted to a vote at a shareholders' meeting. Failure to give written notice as provided by this subsection does not affect any action taken pursuant to Section 16-10a-704 for which the notice was to have been given.

16-10A-1321. DEMAND FOR PAYMENT -- ELIGIBILITY AND NOTICE OF INTENT.

(1) If a proposed corporate action creating dissenters' rights under Section 16-10a-1302 is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert dissenters' rights:

(a) must cause the corporation to receive, before the vote is taken, written notice of his intent to demand payment for shares if the proposed action is effectuated; and

(b) may not vote any of his shares in favor of the proposed action.

(2) If a proposed corporate action creating dissenters' rights under Section 16-10a-1302 is authorized without a meeting of shareholders pursuant to Section 16-10a-704, a shareholder who wishes to assert dissenters' rights may not execute a writing consenting to the proposed corporate action.

(3) In order, to be entitled to payment for shares under this part, unless otherwise provided in the articles of incorporation, bylaws, or a resolution adopted by the board of directors, a shareholder must have been a shareholder with respect to the shares for which payment is demanded as of the date the proposed corporate action creating dissenters' rights under Section 16-10a-1302 is approved by the shareholders if shareholder approved is required, or as of the effective date of the corporate action if the corporate action is authorized other than by a vote of shareholders.

(4) A shareholder who does not satisfy the requirements of Subsections (1) through (3) is not entitled to payment for shares under this part.

16-10A-1322. DISSENTERS' NOTICE.

(1) If proposed corporate action creating dissenters' rights under Section 16-10a-1302 is authorized, the corporation shall give a written dissenters' notice to all shareholders who are entitled to demand payment for their shares under this part.

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(2) The dissenters' notice required by Subsection (1) must be sent no later than ten days after the effective date of the corporate action creating dissenters' rights under Section 16-10a-1302, and shall:

- (a) state that the corporate action was authorized and the effective date or proposed effective date of the corporate action;
- (b) state an address at which the corporation will receive payment demands and an address at which certificates for certificated shares must be deposited;
- (c) inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received;
- (d) supply a form for demanding payment, which form requests a dissenter to state an address to which payment is to be made;
- (e) set a date by which the corporation must receive the payment demand and by which certificates for certificated shares must be deposited at the address indicated in the dissenters' notice, which dates may not be fewer than 30 nor more than 70 days after the date the dissenters' notice required by Subsection (1) is given;
- (f) state the requirement contemplated by Subsection 16-10a-1303(3), if the requirement is imposed; and
- (g) be accompanied by a copy of this part.

16-10A-1323. PROCEDURE TO DEMAND PAYMENT.

(1) A shareholder who is given a dissenters' notice described in Section 16-10a-1322, who meets the requirements of Section 16-10a-1321, and wishes to assert dissenters' rights must, in accordance with the terms of the dissenters' notice:

- (a) cause the corporation to receive a payment demand, which may be the payment demand form contemplated in Subsection 16-10a-1322(2)(d), duly completed, or may be stated in another writing;
- (b) deposit certificates for his certificated shares in accordance with the terms of the dissenters' notice; and
- (c) if required by the corporation in the dissenters' notice described in Section 16-10a-1322, as contemplated by Section 16-10a-1327, certify in writing, in or with the payment demand, whether or not he or the person on whose behalf he asserts dissenters' rights acquired beneficial ownership of the shares before the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action creating dissenters' rights under Section 16-10a-1302.

(2) A shareholder who demands payment in accordance with Subsection (1) retains all rights of a shareholder except the right to transfer the shares until the effective date of the proposed corporate action giving rise to the exercise of dissenters' rights and has only the right to receive payment for the shares after the effective date of the corporate action.

(3) A shareholder who does not demand payment and deposit share certificates as required, by the date or dates set in the dissenters' notice, is not entitled to payment for shares under this part.

16-10A-1324. UNCERTIFICATED SHARES.

(1) Upon receipt of a demand for payment under Section 16-10a-1323 from a shareholder holding uncertificated shares, and in lieu of the deposit of certificates representing the shares, the corporation may restrict the transfer of the shares until the proposed corporate action is taken or the restrictions are released under Section 16-10a-1326.

(2) In all other respects, the provisions of Section 16-10a-1323 apply to shareholders who own uncertificated shares.

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16-10A-1325. PAYMENT.

(1) Except as provided in Section 16-10a-1327, upon the later of the effective date of the corporate action creating dissenters' rights under Section 16-10a-1302, and receipt by the corporation of each payment demand pursuant to Section 16-10a-1323, the corporation shall pay the amount the corporation estimates to be the fair value of the dissenter's shares, plus interest to each dissenter who has complied with Section 16-10a-1323, and who meets the requirements of Section 16-10a-1321, and who has not yet received payment.

(2) Each payment made pursuant to Subsection (1) must be accompanied by:

(a) (i) (A) the corporation's balance sheet as of the end of its most recent fiscal year, or if not available, a fiscal year ending not more than 16 months before the date of payment;

(B) an income statement for that year;

(C) a statement of changes in shareholders' equity for that year and a statement of cash flow for that year, if the corporation customarily provides such statements to shareholders; and

(D) the latest available interim financial statements, if any;

(ii) the balance sheet and statements referred to in Subsection (i) must be audited if the corporation customarily provides audited financial statements to shareholders;

(b) a statement of the corporation's estimate of the fair value of the shares and the amount of interest payable with respect to the shares;

(c) a statement of the dissenter's right to demand payment under Section 16-10a-1328; and

(d) a copy of this part.

16-10A-1326. FAILURE TO TAKE ACTION.

(1) If the effective date of the corporate action creating dissenters' rights under Section 16-10a-1302 does not occur within 60 days after the date set by the corporation as the date by which the corporation must receive payment demands as provided in Section 16-10a-1322, the corporation shall return all deposited certificates and release the transfer restrictions imposed on uncertificated shares, and all shareholders who submitted a demand for payment pursuant to Section 16-10a-1323 shall thereafter have all rights of a shareholder as if no demand for payment had been made.

(2) If the effective date of the corporate action creating dissenters' rights under Section 16-10a-1322 occurs more than 60 days after the date set by the corporation as the date by which the corporation must receive payment demands as provided in Section 16-10a-1322, then the corporation shall send a new dissenters' notice, as provided in Section 16-10a-1322, and the provisions of Sections 16-10a-1323 through 16-10a-1328 shall again be applicable.

16-10A-1327. SPECIAL PROVISIONS RELATING TO SHARES ACQUIRED AFTER ANNOUNCEMENT OF PROPOSED CORPORATE ACTION.

(1) A corporation may, with the dissenters' notice given pursuant to Section 16-10a-1322, state the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action creating dissenters' rights under Section 16-10a-1302 and state that a shareholder who asserts dissenters' rights must certify in writing, in or with the payment demand, whether or not he or the person on whose behalf he asserts dissenters' rights acquired beneficial ownership of the shares before that date. With respect to any dissenter who does not certify in writing, in or with the payment demand that he or the person on whose behalf the dissenters' rights are being asserted, acquired beneficial ownership of the shares before that date, the corporation may, in lieu of making the payment provided in Section 16-10a-1325, offer to make payment if the dissenter agrees to accept it in full satisfaction of his demand.

(2) An offer to make payment under Subsection (1) shall include or be accompanied by the information required by Subsection 16-10a-1325(2).

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16-10A-1328. PROCEDURE IF SHAREHOLDER DISSATISFIED WITH PAYMENT OR OFFER.

(1) A dissenter who has not accepted an offer made by a corporation under Section 16-10a-1327 may notify the corporation in writing of his own estimate of the fair value of his shares and demand payment of the estimated amount, plus interest, less any payment made under Section 16-10a-1325, if:

(a) the dissenter believes that the amount paid under Section 16-10a-1325 or offered under Section 16-10a-1327 is less than the fair value of the shares;

(b) the corporation fails to make payment under Section 16-10a-1325 within 60 days after the date set by the corporation as the date by which it must receive the payment demand; or

(c) the corporation, having failed to take the proposed corporate action creating dissenters' rights, does not return the deposited certificates or release the transfer restrictions imposed on uncertificated shares as required by Section 16-10a-1326.

(2) A dissenter waives the right to demand payment under this section unless he causes the corporation to receive the notice required by Subsection (1) within 30 days after the corporation made or offered payment for his shares.

16-10A-1330. JUDICIAL APPRAISAL OF SHARES -- COURT ACTION.

(1) If a demand for payment under Section 16-10a-1328 remains unresolved, the corporation shall commence a proceeding within 60 days after receiving the payment demand contemplated by Section 16-10a-1328, and petition the court to determine the fair value of the shares and the amount of interest. If the corporation does not commence the proceeding within the 60-day period, it shall pay each dissenter whose demand remains unresolved the amount demanded.

(2) The corporation shall commence the proceeding described in Subsection (1) in the district court of the county in this state where the corporation's principal office, or if it has no principal office in this state, the county where its registered office is located. If the corporation is a foreign corporation without a registered office in this state, it shall commence the proceeding in the county in this state where the registered office of the domestic corporation merged with, or whose shares were acquired by, the foreign corporation was located.

(3) The corporation shall make all dissenters who have satisfied the requirements of Sections 16-10a-1321, 16-10a-1323, and 16-10a-1328, whether or not they are residents of this state whose demands remain unresolved, parties to the proceeding commenced under Subsection (2) as an action against their shares. All such dissenters who are named as parties must be served with a copy of the petition. Service on each dissenter may be by registered or certified mail to the address stated in his payment demand made pursuant to Section 16-10a-1328. If no address is stated in the payment demand, service may be made at the address stated in the payment demand given pursuant to Section 16-10a-1323. If no address is stated in the payment demand, service may be made at the address shown on the corporation's current record of shareholders for the record shareholder holding the dissenter's shares. Service may also be made otherwise as provided by law.

(4) The jurisdiction of the court in which the proceeding is commenced under Subsection (2) is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the powers described in the order appointing them, or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(5) Each dissenter made a party to the proceeding commenced under Subsection (2) is entitled to judgment:

(a) for the amount, if any, by which the court finds that the fair value of his shares, plus interest, exceeds the amount paid by the corporation pursuant to Section 16-10a-1325; or

(b) for the fair value, plus interest, of the dissenter's after-acquired shares for which the corporation elected to withhold payment under Section 16-10a-1327.

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16-10A-1331. COURT COSTS AND COUNSEL FEES.

(1) The court in an appraisal proceeding commenced under Section 16-10a-1330 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the corporation, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds that the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment under Section 16-10a-1328.

(2) The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

(a) against the corporation and in favor of any or all dissenters if the court finds the corporation did not substantially comply with the requirements of Sections 16-10a-1320 through 16-10a-1328; or

(b) against either the corporation or one or more dissenters, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this part.

(3) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to those counsel reasonable fees to be paid out of the amounts awarded the dissenters who were benefitted.

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APPENDIX C

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

1993 FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the Fiscal Quarter Ended April 30, 1994

or

Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from _____
to _____

Commission File Number: 0-13351

NOVELL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

87-0393339
(I.R.S. Employer
Identification No.)

122 East 1700 South
Provo, Utah 84606
(Address of principal executive offices and zip code)

(801) 429-7000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
Registrant was required to file such reports) and (2) has been subject to such
filing requirements for the past 90 days.

YES NO

As of May 27, 1994 there were 310,849,064 shares of the registrant's common
stock outstanding.

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PART I.

FINANCIAL INFORMATION, ITEM 1. FINANCIAL STATEMENTS

NOVELL, INC.
CONSOLIDATED UNAUDITED CONDENSED BALANCE SHEETS

Dollars in thousands, except per share data	Apr. 30, 1994	Oct. 30, 1993

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 427,396	\$ 328,469
Short-term investments	502,158	335,601
Receivables, less allowances (\$47,971 - April; \$44,266 - October)	290,797	331,662
Other	72,460	56,474
	-----	-----
Total current assets	1,292,811	1,052,206
Property, plant and equipment, net	225,799	216,849
Other assets	60,619	74,800
	-----	-----
Total assets	\$1,579,229	\$1,343,855
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	34,357	38,794
Accrued salaries and wages	43,692	53,756
Accrued marketing liabilities	32,959	29,892
Other accrued liabilities	46,431	41,566
Income taxes payable	67,081	50,588
Deferred revenue	16,152	15,839
	-----	-----
Total current liabilities	240,672	230,435
Deferred income taxes	11,711	--
Minority interests	12,759	10,205
Put warrants	--	106,716
SHAREHOLDERS' EQUITY		
Common stock, par value \$.10 a share		
Authorized - 400,000,000 shares		
Issued - 310,598,991 shares-April		
308,050,977 shares-October	31,060	30,805
Additional paid-in capital	545,963	411,064
Retained earnings	739,964	562,238
Unearned stock compensation	(7,007)	(9,814)
Cumulative translation adjustment	4,107	2,206
	-----	-----
Total shareholders' equity	1,314,087	996,499
	-----	-----
Total liabilities and shareholders' equity	\$1,579,229	\$1,343,855
	=====	=====

See notes to consolidated unaudited condensed financial statements.

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NOVELL, INC.
CONSOLIDATED UNAUDITED CONDENSED STATEMENTS OF INCOME

Amounts in thousands, except per share data	Fiscal Quarter Ended		Six Months Ended	
	Apr. 30, 1994	May 1, 1993	Apr. 30, 1994	May 1, 1993
Net sales	\$406,591	\$280,720	\$717,975	\$540,894
Cost of sales	107,861	49,438	172,001	99,889
Gross profit	298,730	231,282	545,974	441,005
OPERATING EXPENSES				
Sales and marketing	72,233	61,466	141,452	115,051
Product development	53,820	37,123	110,350	71,368
General and administrative	22,568	18,395	45,382	39,442
	148,621	116,984	297,184	225,861
Income from operations	150,109	114,298	248,790	215,144
OTHER INCOME (EXPENSE)				
Investment income	7,912	6,289	18,861	13,191
Other, net	(258)	1,316	(394)	965
	7,654	7,605	18,467	14,156
Income before taxes	157,763	121,903	267,257	229,300
Income taxes	52,851	41,447	89,531	77,962
Net income	\$104,912	\$80,456	\$177,726	\$151,338
Net income per share	\$0.33	\$0.26	\$ 0.57	\$0.49
Weighted average shares outstanding	314,371	311,940	314,154	311,399

See notes to consolidated unaudited condensed financial statements.

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NOVELL, INC.
CONSOLIDATED UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

Amounts in thousands	Six Months Ended	
	Apr. 30, 1994	May 1, 1993
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$177,726	\$151,338
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Costs associated with sale of license	35,000	--
Depreciation and amortization	26,325	18,576
Stock plans income tax benefits	14,278	37,859
Minority interest in earnings (loss)	952	(508)
Decrease (increase) in receivables	40,865	(6,654)
(Increase) decrease in other current assets	(15,986)	1,207
(Decrease) in accounts payable	(4,437)	(11,370)
(Decrease) in accrued salaries and wages	(10,064)	(4,217)
Increase in accrued marketing liabilities	3,067	5,325
Increase in other accrued liabilities	4,865	114
Increase in income taxes payable	16,493	18,356
Increase (decrease) in deferred revenue	313	(2,606)
	289,397	207,420
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock, net	17,473	25,491
Settlement of put warrants	(2,278)	-
Proceeds from minority interests investment	1,602	1,561
	16,797	27,052
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(33,503)	(36,865)
(Increase) in short-term investments	(166,557)	(137,142)
Other	(7,207)	(2,083)
	(207,267)	(176,090)
SUMMARY		
Increase in cash and cash equivalents	98,927	58,382
Cash and cash equivalents - beginning of period	328,469	259,933
Cash and cash equivalents - end of period	\$427,396	\$318,315

See notes to consolidated unaudited condensed financial statements.

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NOVELL, INC.
NOTES TO CONSOLIDATED UNAUDITED CONDENSED FINANCIAL STATEMENTS

A. QUARTERLY FINANCIAL STATEMENTS

The accompanying consolidated unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q but do not include all of the information and footnotes required by generally accepted accounting principles and should therefore, be read in conjunction with the Company's fiscal 1993 Annual Report to Shareholders. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim operating results are not necessarily indicative of the results for a full year.

B. MERGERS, ACQUISITIONS, AND STRATEGIC INVESTMENTS

In April 1991, the Company purchased a minority equity position in UNIX System Laboratories, Inc. (USL) a subsidiary of AT&T that develops and licenses the UNIX operating system and other standards-based software to vendors worldwide. This cash investment of \$15.0 million was accounted for using the cost method. Later, in December 1991, the Company announced the formation of Univel, a 55% owned joint venture with USL, formed to accelerate the expanded use of the UNIX operating system in the personal computer and network computing marketplace. Novell and USL contributed cash and technology rights to Univel. In June 1993, the Company acquired the remaining unowned portion of USL by issuing approximately 11.1 million shares of Novell common stock valued at \$321.8 million in exchange for all of the outstanding stock of USL not previously owned by Novell and assumed additional liabilities of \$9.4 million. The transaction was accounted for as a purchase and, on this basis a one-time write-off of \$268.7 million for purchased research and development was incurred.

Univel has been included in the consolidated financial statements of Novell since December 1991 by virtue of Novell's 55% ownership interest. That ownership interest is now 100% since the June 1993 acquisition of USL, whereby both USL and Univel are now included in the consolidated financial statements of Novell.

In June 1993, the Company purchased all of the outstanding stock not previously owned by Novell of Serius Corporation (Serius), a developer of object-based application tools, for \$17.0 million cash and assumed liabilities of \$5.0 million, whereby Serius became a wholly owned subsidiary of Novell. Novell's previous ownership was a \$1.1 million cash investment. The transaction was accounted for as a purchase and on this basis, resulted in a one-time write-off of \$22.1 million in the third quarter of fiscal 1993.

In June 1993, the Company acquired all of the outstanding stock of Software Transformation, Inc. (STI), a developer of software development tools, by issuing approximately 800,000 shares of Novell Common stock in exchange for all of the outstanding stock of STI. The transaction was accounted for as a pooling of interests, however, prior periods were not restated due to immateriality.

In July 1993, the Company acquired all of the outstanding stock of Fluent, Inc. (Fluent), a developer of multimedia software for personal computers, for \$18.5 million cash and assumed liabilities of \$3.0 million, whereby Fluent became a wholly owned subsidiary of Novell. The transaction was accounted for as a purchase and, on this basis, resulted in a one-time write-off of \$20.7 million in the third quarter of fiscal 1993.

In March 1994, the Company signed a definitive merger agreement to acquire all of the outstanding stock of WordPerfect Corporation (WordPerfect), a developer of application software for personal computers, by issuing 51.4 million shares of Novell common stock in exchange for all of the outstanding shares of WordPerfect common stock and assuming the 7.8 million WordPerfect stock options outstanding. This transaction would be accounted for as a pooling of interests. Additionally in March 1994, the Company signed an agreement with Borland International, Inc. to purchase its QuattroPro spreadsheet product line for approximately \$110 million of cash and a three-year license to reproduce and distribute up to one million copies of current and future versions of Borland's Paradox relational database product for approximately \$35 million of cash. These transactions are all expected to be completed during the third quarter of fiscal 1994.

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C. INCOME TAXES

The Company's estimated effective tax rate for the first six months of fiscal 1994 was 33.5%. The estimated tax rate for fiscal 1994 is equal to the fiscal 1993 rate, excluding the one-time charge related to purchased research and development in the third quarter of fiscal 1993, which was not deductible for income tax purposes. The Company paid cash amounts for income taxes of \$66.1 million and \$25.1 million, in the first six months of fiscal 1994 and 1993, respectively.

The Company adopted the provisions of SFAS No. 109 effective October 31, 1993 for fiscal year 1994. As permitted under the new rules, prior years financial statements have not been restated.

D. COMMITMENTS AND CONTINGENCIES

The Company currently has a \$10.0 million unsecured revolving bank line of credit, with interest at the prime rate. The line can be used for either letter of credit or working capital purposes. The line is subject to the terms of a loan agreement containing financial covenants and restrictions, none of which are expected to significantly affect the Company's operations. At April 30, 1994, there were no borrowings, letter of credit acceptances, or commitments under such line.

The Company has an additional \$10.0 million credit facility with another bank which is not subject to a loan agreement. At April 30, 1994, standby letters of credit of \$207,000 were outstanding under this agreement.

On November 10, 1993, a suit was filed against Novell and certain of its officers and directors alleging violation of federal securities laws. The lawsuit was brought as a purported class action on behalf of purchasers of Novell common stock from June 23, 1993 through July 26, 1993. Novell does not believe that the resolution of this legal matter will have a material adverse effect on its financial position or results of operations.

In December of 1991, Roger Billings and his International Academy of Science, (the Academy) filed suit against Novell alleging that the Company infringes on a patent allegedly owned by the Academy. The case is still in its pretrial phase. On June 6, 1994, Novell filed a petition with the U.S. Patent and Trademark office requesting that it invalidate the patent. The Company believes that the ultimate resolution of this legal proceeding will not have a material adverse effect on its financial position or results of operations.

The Company is a party to a number of additional legal proceedings arising in the ordinary course of its business. The Company believes the ultimate resolution of these claims will not have a material adverse effect on its financial position or results of operations.

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E. PUT WARRANTS

During fiscal 1993, the Company sold put warrants on 5.0 million shares of its stock, callable on specific dates in the first quarter of fiscal 1994, giving third parties the right to sell shares of Novell common stock to the Company at contractually specified prices. The put warrant balance on the balance sheet at October 30, 1993 is the amount the Company would have been obligated to pay if all the put warrants were exercised at the strike price without a cash-out settlement. During the first quarter of fiscal 1994, the Company settled all of its put warrant obligations for cash of \$2.3 million and therefore reversed the put warrant obligation back to paid-in capital.

F. EXPORT SALES

The Company markets internationally through distributors who sell to dealers and end users. For the six months ended April 30, 1994 and May 1, 1993, export sales to international customers were approximately \$308.8 million and \$260.9 million, respectively. In the first six months of fiscal 1994 and fiscal 1993, 58% and 63%, respectively, of export sales were to European countries. Except for Germany, which accounted for 13% of revenue in the first six months of fiscal 1993, no one foreign country accounted for 10% or more of total sales in either period. Except for one multi-national distributor, which accounted for 10% of revenue in the first six months of 1994 and 11% of revenue in the first six months of fiscal 1993, no customer accounted for more than 10% of revenue in any period.

G. NET INCOME PER SHARE

Net income per share is computed using the weighted average number of common shares outstanding during the periods, including common stock equivalents (unless antidilutive). Common stock equivalents consist of outstanding stock options.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

Novell's business strategy is to be a leading supplier of software products for the network computing industry. Over the past several years, in addition to its internal growth, the Company has issued common stock or paid cash to acquire technology companies, invested cash in other technology companies, and formed strategic alliances with still other technology companies. Novell undertook all of these transactions to promote the growth of the network computing industry, and in many cases to also broaden the Company's business as a system software supplier.

In April 1991, the Company invested \$15.0 million in UNIX System Laboratories, Inc. (USL), a subsidiary of AT&T that develops and licenses the UNIX operating system and other standards-based software to customers worldwide. In December 1991, the Company announced the formation of Univel, a joint venture with USL, formed to accelerate the expanded use of the UNIX operating system in the personal computer and network computing marketplace. Novell and USL contributed cash and technology rights to Univel. Then in June 1993, the Company acquired the remaining portion of USL by issuing approximately 11.1 million shares of Novell common stock valued at \$321.8 million in exchange for all of the outstanding stock of USL not previously owned by Novell and assumed additional liabilities of \$9.4 million. The transaction was accounted for as a purchase and, on this basis, resulted in a one-time write-off of \$268.7 million for purchased research and development in the third quarter of fiscal 1993.

In June 1993, the Company purchased all of the outstanding stock not previously owned by Novell of Serius Corporation (Serius), a developer of object-based application tools, for \$17.0 million cash and assumed liabilities of \$5.0 million, whereby Serius became a wholly owned subsidiary of Novell. Novell previously had invested cash of \$1.1 million in Serius. This transaction was accounted for as a purchase and, on this basis, resulted in a one-time write-off of \$22.1 million for purchased research and development in the third quarter of fiscal 1993.

In June 1993, the Company acquired all of the outstanding stock of Software Transformation, Inc. (STI), a developer of software development tools, by issuing approximately 800,000 shares of Novell common stock in exchange for all of the outstanding stock of STI. The transaction was accounted for as a pooling of interests, however, prior periods were not restated due to immateriality.

In July 1993, the Company acquired all of the outstanding stock of Fluent, Inc. (Fluent), a developer of multimedia software for personal computers, for \$18.5 million cash and assumed liabilities of \$3.0 whereby Fluent became a wholly owned subsidiary of Novell. The transaction was accounted for as a purchase and, on this basis resulted in a one-time write-off of \$20.7 million for purchased research and development in the third quarter of fiscal 1993.

In March 1994, the Company signed a definitive merger agreement to acquire all of the outstanding stock of WordPerfect Corporation (WordPerfect), a developer of application software for personal computers, by issuing 51.4 million shares of Novell common stock in exchange for all of the outstanding shares of WordPerfect common stock and assuming the 7.8 million WordPerfect stock options outstanding. This transaction would be accounted for as a pooling of interests. Additionally, the Company signed an agreement with Borland International, Inc. to purchase its Quattro Pro spreadsheet product line for approximately \$110 million of cash, and to purchase a three year license to reproduce and distribute up to one million copies of current and future versions of Borland's Paradox relational database product for approximately \$35 million of cash. These transactions are all expected to be completed during the third quarter of fiscal 1994.

The Company will continue to look for acquisitions, investments, or strategic alliances which it believes complement its overall business strategy.

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RESULTS OF OPERATIONS

NET SALES

	Q2 1994	Change	Q2 1993	YTD 1994	Change	YTD 1993
Net sales (millions)	\$406.6	45%	\$280.7	\$718.0	33%	\$540.9

During the second quarter of fiscal 1994, the Company sold a one time fully paid license for UNIX technology to Sun Microsystems for \$80.5 million. This transaction accounted for 29% growth in net sales for the second quarter of fiscal 1994 compared to the second quarter of fiscal 1993 and 15% growth in the first six months of fiscal 1994 compared to the first six months of fiscal 1993. The analysis of net sales that follows excludes the Sun Microsystems transaction.

The remaining growth in net sales in both the second quarter and the first six months of fiscal 1994 compared to the same periods of fiscal 1993 is the result of increases in the Company's NetWare 3, NetWare J, software royalties, Personal NetWare, connectivity products, and training, offset by decreases in NetWare 4, NetWare 2, NetWare SFT 111, communication products, and hardware royalties. In addition, approximately 7% of the growth in both the second quarter and first six months of fiscal 1994 compared to the same periods of fiscal 1993 is attributable to the acquisition of USL in mid-June 1993 as its revenue was not included in the first six months of fiscal 1993.

Net sales were also favorably affected by growth in both domestic and international sales in the first six months of fiscal 1994 compared to the first six months of fiscal 1993. International sales grew 18% while domestic sales grew 17% in the first six months of fiscal 1994 compared to the first six months of 1993. Export sales were approximately 48% of net sales in both the first six months of fiscal 1994 and the first six months of 1993. The rate of export sales growth began to slow down in late fiscal 1992, primarily due to an economic slowdown in central Europe. However, despite this slowdown in central Europe, the Company expects that total export sales will continue to grow during the remainder of fiscal 1994 because of growth in non-central European markets.

GROSS PROFIT	Q2 1994	Change	Q2 1993	YTD 1994	Change	YTD 1993
Gross profit (millions)	\$298.7	29%	\$231.3	\$546.0	24%	\$441.0
Percentage of net sales	73.5%		82.4	76.0%		81.5%

In connection with the Sun Microsystems transaction, the Company revalued the software and other intangibles remaining on the balance sheet related to the USL acquisition in fiscal 1993. Accordingly, \$35 million of costs associated with the sale of the license to Sun Microsystems were charged to cost of sales during the second quarter of fiscal 1994. Excluding the Sun Microsystems revenue and the related costs, the gross profit percentage would have been 4.2 percentage points higher in the second quarter of fiscal 1994 and 2.5 percentage points higher in the first six months of fiscal 1994.

The remaining decreases of 4.7 percentage points in the second quarter of fiscal 1994 compared to the second quarter of fiscal 1993 and of 3.0 percentage points in the first six months of fiscal 1994 compared to the first six months of fiscal 1993 are attributable to relatively higher costs related to product transitions, the amortization of purchased software acquired in the USL acquisition, and an upgrade program during the second quarter of fiscal 1994. Future fluctuations in the gross profit margin will be primarily attributable to price changes, changes in sales mix by product or distribution channel, and special product promotions. The Company expects the gross profit margin in fiscal 1994 to be down slightly compared to the gross profit margin in fiscal 1993 due to the items described above.

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OPERATING EXPENSES

	Q2 1994	Change	Q2 1993	YTD 1994	Change	YTD 1993
Sales and marketing (millions)	72.2	18%	61.5	\$141.5	23%	\$115.1
Percentage of net sales	17.8%		21.9%	19.7%		21.3%
Product development (millions)	53.8	45%	\$37.1	\$110.4	55%	\$71.4
Percentage of net sales	13.2%		13.2%	15.4%		13.2%
General and administrative (millions)	22.6	23%	\$18.4	\$45.4	15%	\$39.4
Percentage of net sales	5.6%		6.6%	6.3%		7.3%
Total operating expenses (millions)	\$148.6	27%	\$117.0	\$297.2	32%	\$225.9
Percentage of net sales	36.6%		41.7%	41.4%		41.8%

Excluding the Sun Microsystems revenue, sales and marketing expenses were fairly flat at 22% of net sales in both the second quarter and first six months of fiscal 1994 compared to the same periods of fiscal 1993. However, sales and marketing expenses may fluctuate as a percentage of net sales in any given period due to product promotions, advertising, or other discretionary expenses.

Excluding the Sun Microsystems revenue, product development expenses increased as a percentage of net sales in the second quarter to 16.5% and in the first six months of fiscal 1994 to 17.3% compared to the same periods of fiscal 1993. The increase is a result of the acquisitions in fiscal 1993 and from planned headcount increases in an effort to increase the Company's investment in new products. The acquisitions had relatively higher product development expenses as a percentage of net sales.

Excluding the Sun Microsystems revenue, general and administrative expenses remained flat at 7% of net sales in both the second quarter and first six months of fiscal 1994 compared to the same periods of fiscal 1993. Even though these expenses were flat between years, the comparative periods of fiscal 1994 had relatively higher legal fees and lower bad debt expense compared to the same periods of fiscal 1993. These changes tended to offset each other.

Overall, headcount and operating expenses have grown more rapidly than revenues in both the second quarter and first six months of fiscal 1994 compared to the same periods of fiscal 1993 due to the acquisitions, which occurred in the third quarter of fiscal 1993.

	YTD 1994	Change	YTD 1993
Employees	4,336	21%	3,571
Annualized revenue per employee (000's)	\$291	-3%	\$300

Annualized revenue per employee in fiscal 1994 excludes the \$80.5 million of net sales from the Sun Microsystems transaction.

OTHER INCOME (EXPENSE)

	Q2 1994	Change	Q2 1993	YTD 1994	Change	YTD 1993
Other income (expense), net (millions)	\$7.7	1%	\$7.6	\$18.5	31%	\$14.2
Percentage of net sales	1.9%		2.7%	2.6%		2.6%

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The increases in other income (expense) are primarily the result of a larger investment portfolio in fiscal 1994 and the timing of capital gains generated from the portfolio. In order to achieve potentially higher returns, a limited portion of the Company's investment portfolio is invested in mutual funds which incur some market risk. The Company believes that the market risk has been limited by diversification and by use of a funds management timing service which switches funds out of mutual funds and into money market funds when preset signals occur.

INCOME TAXES	Q2	Change	Q2	YTD	Change	YTD
	1994		1993	1994		1993
Income taxes (millions)	\$52.9	27%	\$41.4	\$89.5	15%	\$78.0
Percentage of net sales	13.0%		14.8%	12.5%		14.4%
Effective tax rate	33.5%		34.0%	33.5%		34.0%

The Company's estimated effective tax rate for fiscal 1994 remained at 33.5% which is equal to the fiscal 1993 rate, excluding the effect of the one-time write-off of purchased research and development in fiscal 1993, which was not tax deductible.

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes, in the first quarter of fiscal 1994. Adoption of SFAS No. 109 had no material effect on the financial statements of the Company.

LIQUIDITY AND CAPITAL RESOURCES

Cash and short-term investments increased to \$929.6 million at April 30, 1994 from \$664.1 million at October 30, 1993. The major reasons for this increase were the \$289.4 million of cash provided by operating activities and the \$16.8 million provided by financing activities, offset by the \$40.7 million used by investing activities. The investment portfolio is diversified among security types, industry groups, and individual issuers. The Company's principal source of liquidity has been from operations. At April 30, 1994, the Company's principal unused sources of liquidity consisted of cash and short-term investments and available borrowing capacity of approximately \$19.8 million under its credit facilities. The Company's liquidity needs are principally for the Company's financing of accounts receivable, capital assets, acquisitions and strategic investments and to have flexibility in a dynamic and competitive operating environment.

During fiscal 1994 the Company has continued to generate cash from operations. The Company anticipates being able to fund its current operations and capital expenditures planned for the foreseeable future with existing cash and short-term investments together with internally generated funds. Borrowings under the Company's credit facilities, or public offerings of equity or debt securities are available if the need arises. As the Company grows, investments will continue in product development in new and existing areas of technology. Cash may also be used to acquire technology through purchases and strategic acquisitions. It is anticipated that during the third quarter of fiscal 1994, the Company will use \$145 million of its cash to acquire the QuattroPro spreadsheet product line and one million Paradox licenses from Borland International, Inc. Additionally, it is anticipated that the Company will pay approximately \$120 million to retire all of the short and long-term debt of WordPerfect Corporation, once the merger is completed. Capital expenditures in fiscal 1994 are anticipated to be approximately \$80 million, but could be reduced if the growth of the Company is less than presently anticipated.

PART II. OTHER INFORMATION

All information required by items in Part II is omitted because the items are inapplicable, the answer is negative or substantially the same information has been previously reported by the registrant.

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SIGNATURES

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

Novell, Inc.

Registrant

Date June 7, 1994

/s/ Robert J. Frankenberg

Robert J. Frankenberg
President, and Chief Executive Officer
(Principal Executive Officer)

Date June 7, 1994

/s/ James R. Tolonen

James R. Tolonen
Chief Financial Officer (Principal Financial
and Accounting Executive Officer)

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law permits indemnification of officers and directors in certain circumstances. As permitted by amendments to the Delaware General Corporation Law effective in July 1986, the Registrant has included a provision in its Restated Certificate of Incorporation that, subject to certain limitations, eliminates the ability of the Registrant and its stockholders to recover monetary damages from a director of the Registrant for breach of fiduciary duty as a director. Article VII, Sections 7.01 and 7.02, of the Registrant's Bylaws, a copy of which is filed as Exhibit 3.2 hereto provides for indemnification of the Registrant's directors and officers in certain circumstances. The Registrant has a directors' and officers' liability insurance policy which affords directors and officers insurance coverage for losses arising from claims based on breaches of duty, negligence, error and other wrongful acts. Additionally, the Registrant has entered into indemnification agreements with its directors and executive officers.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) EXHIBITS

EXHIBIT
NUMBER

-
- *2.1 Agreement and Plan of Reorganization (the "Merger Agreement") among the Registrant, Sub, WordPerfect, Alan C. Ashton, Bruce W. Bastian and Melanie L. Bastian, dated as of March 21, 1994, is included as Appendix A filed with this Registration Statement. Certain Disclosure Schedules of WordPerfect and the Registrant setting forth various exceptions to the representations and warranties made by WordPerfect and the Registrant pursuant to the Merger Agreement have been omitted. The Registrant agrees to furnish supplementally copies of these documents to the SEC upon request.
 - *2.2 Form of Articles of Merger among the Registrant and WordPerfect to be executed upon approval of the Merger by the shareholders of WordPerfect is included as Exhibit 1.1 of Appendix A filed with this Registration Statement.
 - *2.3 Form of Shareholder Agreement among the Registrant, Sub, WordPerfect and certain shareholders of WordPerfect and Irrevocable Proxy to Vote WordPerfect Corporation Stock to be executed in connection with the Merger Agreement is included as Exhibit 5.6 of Appendix A filed with this Registration Statement.
 - *2.4 Form of WordPerfect Affiliates Agreement to be executed in connection with the Merger Agreement is included as Exhibit 5.2 of Appendix A filed with this Registration Statement.
 - *2.5 Form of Tax Matters Agreement among the Registrant, Sub, WordPerfect and certain shareholders of WordPerfect to be executed in connection with the Merger Agreement is included as Exhibit 6.2(j) of Appendix A filed with this Registration Statement.
 - *2.6 Amendment to the Merger Agreement dated May 31, 1994.
 - *3.1 Registrant's Restated Certificate of Incorporation, as amended.(1)
 - *3.2 Registrant's Bylaws, as amended.(2)
 - *4.1 Preferred Shares Rights Agreement dated as of December 7, 1988 between the Registrant and Mellon Bank N.A.(3)
 - *5.1 Legal opinion of Wilson, Sonsini, Goodrich & Rosati, counsel to the Registrant.
 - *8.1 Tax opinion of Wilson, Sonsini, Goodrich & Rosati, counsel to the Registrant.
-
- *8.2 Tax opinion of Brobeck, Phleger & Harrison, counsel to WordPerfect.
 - *10.1 Purchase and License Agreement dated as of March 20, 1994 by and between Borland and the Registrant.

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EXHIBIT
NUMBER

*13.1	Registrant's Quarterly Report on Form 10-Q for the quarter ended January 29, 1993.(4)
*13.2	Registrant's 1993 Annual Report on Form 10-K for the fiscal year ended October 30, 1993.(5)
*23.1	Consent of Ernst & Young, independent auditors.
*23.2	Consent of Price Waterhouse, independent auditors.
*23.3	Consent of Counsel (included in Exhibit 5.1 hereto).
*24.1	Power of Attorney (included on page II-4).
*99.1	Form of proxy card.
99.2	Consent of Prospective Director.
99.3	Consent of Prospective Director.

* Previously filed.

- (1) Incorporated by reference from the Registrant's Registration Statement on Form S-4 filed August 15, 1991, and all amendments thereto.
- (2) Incorporated by reference from the Registrant's Registration Statement on Form S-1 filed November 30, 1984, and all amendments thereto (File No. 2-94613).
- (3) Incorporated by reference from the exhibit filed with the Registrant's Registration Statement on Form 8-A dated December 12, 1988.
- (4) Previously filed with the Commission on March 14, 1994.
- (5) Previously filed with the Commission on January 27, 1994.

(B) FINANCIAL STATEMENT SCHEDULES

Not applicable.

ITEM 22. UNDERTAKINGS

(1) The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, as amended (the "Securities Act"), each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) The Registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this Registration Statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the Registrant undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(3) The Registrant undertakes that every prospectus (i) that is filed pursuant to paragraph (2) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the Registration Statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(4) The Registrant hereby undertakes (i) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement (A) to include any prospectus required by section 10(a)(3) of the Securities Act, (B) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the

Registration Statement and (C) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; and (ii) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(5) The Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the Prospectus/Proxy Statement pursuant to Items 4, 10(b), 11 or 13 of Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

(6) The Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

(7) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, NOVELL, INC. HAS DULY CAUSED THIS AMENDMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF PROVO, STATE OF UTAH, ON THE 22ND DAY OF JUNE, 1994.

NOVELL, INC.

By: /s/ DAVID R. BRADFORD
 David R. Bradford,
 Senior Vice President, General
 Counsel and
 Corporate Secretary

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, THIS AMENDMENT TO THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
RAYMOND J. NOORDA* (Raymond J. Noorda)	Chairman of the Board	June 22, 1994
ROBERT J. FRANKENBERG* (Robert J. Frankenberg)	President and Chief Executive Officer (Principal Executive Officer)	June 22, 1994
JAMES R. TOLONEN* (James R. Tolonen)	Chief Financial Officer (Principal Financial and Accounting Officer)	June 22, 1994
ELAINE R. BOND* (Elaine R. Bond)	Director	June 22, 1994
JACK L. MESSMAN* (Jack L. Messman)	Director	June 22, 1994
KANWAL S. REKHI* (Kanwal S. Rekhi)	Executive Vice President, Corporate Technology and Director	June 22, 1994
LARRY W. SONSINI* (Larry W. Sonsini)	Director	June 22, 1994
IAN R. WILSON* (Ian R. Wilson)	Director	June 22, 1994
*By: /s/ DAVID R. BRADFORD (David R. Bradford, Attorney-in-Fact)		June 22, 1994