

Jack Messman
Chairman and CEO

Novell

June 9, 2003

Mr. Darl McBride
President and CEO
The SCO Group
355 South 520 West
Suite 100
Lindon, Utah 84042

**VIA FACSIMILE AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Re: IBM SVRX Licenses

Dear Mr. McBride:

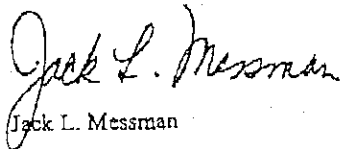
This letter is further to my letter of May 28, 2003 concerning SCO's campaign directed against the Linux community. SCO's response to that letter reinforces Novell's concerns. SCO continues to advance unsubstantiated charges, and to threaten actions that would potentially injure Novell, Novell's customers, and the industry in general.

Recently, SCO has reiterated its threat to terminate IBM's SVRX license. Pursuant to Amendment No. X, however, Novell and SCO granted IBM the "irrevocable, fully paid-up, perpetual right" to exercise all of the rights under the IBM SVRX Licenses that IBM then held. IBM paid \$10,125,000 for the rights under Amendment No. X. Novell believes, therefore, that SCO has no right to terminate IBM's SVRX Licenses, and that it is inappropriate, at best, for SCO to be threatening to do so.

Under Section 4.16(b) of the Asset Purchase Agreement Novell retains the right, at Novell's "sole discretion and direction," to require SCO to "amend, supplement, modify or waive any rights under, or . . . assign any rights to, any SVRX License to the extent so directed in any manner or respect by [Novell]." That section further provides that to the extent SCO "shall fail to take any action concerning the SVRX Licenses" as directed by Novell, Novell "shall be authorized, and is hereby granted, the rights to take any action on [SCO's] own behalf."

Accordingly, pursuant to Section 4.16(b) of the Asset Purchase Agreement, Novell hereby directs SCO to waive any purported right SCO may claim to terminate IBM's SVRX Licenses enumerated in Amendment X or to revoke any rights thereunder, including any purported rights to terminate asserted in SCO's letter of March 6, 2003 to IBM. Novell directs SCO to take this action by noon, MDT, June 12, 2003, and to notify Novell that it has done so by that time.

Sincerely,


Jack L. Messman

Cc: Mr. Ron Lauderdale
V.P., Assistant General Counsel
IBM

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