

Corporate Policy 117

Workforce diversity

Policy Letter

Number: 117M

Date: October 10, 2005

Subject: Workforce diversity

The employees of IBM represent a talented and diverse workforce. Achieving the full potential of this diversity is a business priority that is fundamental to our competitive success. A key element in our workforce diversity programs is IBM's long-standing commitment to equal opportunity.

Business activities such as hiring, promotion, and compensation of employees, are conducted without regard to race, color, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, or age. These business activities and the design and administration of IBM benefit plans comply with all applicable laws, including those dealing with equal opportunity. For qualified people with disabilities, IBM makes workplace accommodations that comply with applicable laws, and which IBM determines are reasonable and needed for effective job performance. In respecting and valuing the diversity among our employees, and all those with whom we do business, managers are expected to ensure a working environment that is free of all forms of harassment.

This policy is based on sound business judgment and anchored in our IBM Values. Every manager in IBM is expected to abide by our policy, and all applicable laws on this subject, and to uphold IBM's commitment to workforce diversity.

Original signed by:

Samuel J. Palmisano

Chairman and Chief Executive Officer