



CLAIMS DEADLINE: SETTLEMENT CLASS MEMBER CLAIMANTS MUST SUBMIT PROOFS OF CLAIM, ON THE FORM ACCOMPANYING THIS NOTICE POSTMARKED ON OR BEFORE DECEMBER 31, 2003.

EXCLUSION DEADLINE: REQUESTS FOR EXCLUSION FROM THE SETTLEMENT CLASS MUST BE POSTMARKED ON OR BEFORE NOVEMBER 10, 2003.

SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE INSTRUCTIONS ON PAGE 16 HEREIN.

### **NOTICE OF SETTLEMENT FAIRNESS HEARINGS**

NOTICE IS HEREBY GIVEN, pursuant to Rules 23 and 23.1 of the Federal Rules of Civil Procedure and Orders of the above Court dated August 29, 2003, that hearings will be held before the Honorable Thomas C. Platt at the United States Courthouse, 100 Federal Plaza, Central Islip, NY 11722-4438 at 1:30 p.m., on December 5, 2003 (the "Settlement Fairness Hearings") to determine whether proposed settlement of the above-captioned actions (the "Actions") are fair, reasonable, and adequate; to consider approval of the Plans of Allocation or Distribution for the Settlement proceeds; to consider whether the Settlement Shares to be issued pursuant to the Settlement should be exempt from registration with the Securities and Exchange Commission pursuant to Section 3(a)(10) of the Securities Act of 1933, 15 U.S.C. § 77c(a)(10) and may be distributed to class members as freely tradable securities; and to consider the applications of plaintiffs' counsel for attorneys' fees and reimbursement of expenses.

The settlement terms are set forth in the following "Stipulations" dated August 25, 2003: (i) Stipulation and Agreement of Settlement of Securities Class Actions with CA Defendants (the "Securities Class Stipulation") entered in In re Computer Associates Class Action Securities Litigation, Master File No. 98 Civ. 4839 (TCP), and In re Computer Associates 2002 Class Action Securities Litigation, Master File No. 02 Civ. 1226 (TCP) (together, the "Securities Class Actions"); (ii) Stipulation and Agreement of Settlement of Derivative Actions (the "Derivative Stipulation") entered in Federman, etc. v. Russell M. Artzt, et al., No. 03-CIV- 4199 (TCP) (together with Federman, etc. v. Russell M. Artzt, et al., C.A. No. 1955 NC, Delaware Court of Chancery the "Delaware Derivative Actions"); and, (iii) Stipulation and Agreement of Settlement of ERISA Action (the "ERISA Stipulation"), entered in Ambler, et al., v. Computer Associates International, Inc. et al., No. 02-Civ-6281 (TCP) (the "ERISA Action"). (The Securities Class Actions, the Derivative Actions and the ERISA Action are referred to collectively herein as the "Actions.")

### **SUMMARY OF SETTLEMENT AND RELATED MATTERS**

#### **I. Purpose of this Notice**

1. The purpose of this Settlement Notice is to inform you that the Actions, and the proposed Settlement, will affect all members of the Classes and the rights of current CA shareholders. This Settlement Notice describes rights you may have under the proposed Settlement and what steps you may take in relation to the Actions. This Settlement Notice is not an expression of any opinion by the Court as to the merits of any claims or defenses asserted by any party in these Actions, or the fairness or adequacy of the proposed Settlement.

#### **II. Statement of Plaintiff Recovery**

2. Pursuant to the Securities Class Stipulation, Five Million Seven Hundred Thousand (5,700,000) freely tradable shares of common stock of CA (the "Settlement Shares") are being made available for settlement of this litigation and for attorneys' fees and expenses in the Actions.

As to each allowable distribution from the Settlement Shares, if the trading price of CA common stock is below \$23.43 per share (the "Collar Price") at the time of the distribution, plaintiffs' counsel can elect to demand that 38.6% of the Settlement Shares included in such distribution be paid in cash at the Collar Price in lieu of CA common shares.

A Notice and Administration Fund consisting of \$1,750,000 has been established for the costs of administering the Settlement.

The Settlement Shares will be issued and delivered at the time and pursuant to the procedures set forth in the Securities Class Stipulation in the following allowable distributions:

(a) 213,400 of the Settlement Shares will be issued and delivered for the benefit of the ERISA Class (the "ERISA Settlement Fund"), including for payment of such attorneys' fees and administrative expenses, as may be awarded by the Court in the ERISA Action.

(b) The number of Settlement Shares that may be awarded by the Court to counsel as attorneys' fees and expenses in the Securities Class Actions and the Derivative Actions, will be issued and delivered to such counsel.

(c) The number of Settlement Shares that may be awarded by the Court for notice and administration costs (but only to the extent, if any, that notice and administration costs exceed the \$1,750,000 Notice and Administration Fund) will be issued and delivered to the Claims Administrator.

(d) The balance of the Settlement Shares after the above allowable distributions (the "Net Settlement Shares") will be issued and delivered to the Settlement Class Members who submit acceptable Proofs of Claim.

3. The Settlement Class: Plaintiffs estimate that there were approximately 526 million shares of CA common stock traded during the Settlement Class Period which may have been damaged by the alleged conduct described below. Plaintiffs estimate that the average recovery for the Settlement Class per affected share of CA common stock under the Settlement is approximately 1.03 Settlement Shares per 100 affected shares, before deduction of Court-awarded attorneys' fees and expenses. Depending on (i) the number of damaged shares for which claims are submitted, (ii) when during the Settlement Class Period a Settlement Class Member purchased his or her shares of CA

common stock, and (iii) whether and when those shares were sold, and if sold, at what price, an individual Settlement Class Member may receive more or less than this average amount. Settlement Class Members who transacted in options on CA stock also may receive Settlement Shares, but the various terms of those options and available records concerning such option transactions do not permit a useful estimate to be provided concerning the number of affected options or the recovery on those option transactions. For the purposes of the Settlement herein, a Settlement Class Member's distribution from the Net Settlement Shares will be governed by the proposed Plan of Allocation described below at paragraphs 53 through 64, or such other Plan of Allocation as may be approved by the Court.

4. ERISA Class: The ERISA Settlement Fund will be allocated to the members of the ERISA Class pursuant to the ERISA Plan of Distribution, described below in paragraphs 65 through 66, or such other Plan of Distribution as may be approved by the Court. In addition, an Omnibus Proof of Claim form will be submitted on behalf of the participants of the ERISA Class to the Claims Administrator of the Settlement Class for transactions with the Plan in the Settlement Class Period.

5. Shareholder Derivative Claims: No shareholder will receive any direct compensation from the Settlement of the shareholder derivative claims asserted on behalf of CA. Other benefits in the form of corporate governance measures adopted by the CA Board of Directors have been obtained for the settlement of the derivative claims, as described more fully below.

### III. Statement of Potential Outcome of Litigation

6. The parties in the Actions disagreed on both liability and damages. The issues with respect to which parties disagreed on liability include (a) whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws; (b) whether any statements made were false or misleading; (c) whether any facts were omitted as alleged; (d) whether plaintiffs could prove scienter; (e) whether CA's stock price was artificially inflated; (f) whether any individual Board member defendant in the Derivative Actions breached any fiduciary duty to CA; (g) whether defendants in the ERISA Action were fiduciaries of the Computer Associates Savings Harvest Plan (the "Plan") and ; (h) whether the participants in the Plan, and not the fiduciaries of the Plan, were responsible for the alleged losses to their Plan accounts because their accounts were participant directed.

7. The parties do not agree on the average amount of damages per share that would be recoverable even if plaintiffs were to have prevailed on each claim alleged. The issues on which the parties disagree with respect to damages include (a) the appropriate economic model (if any) for determining the amount by which CA common stock was allegedly artificially inflated (if at all) during the Class Periods; (b) the amount by which CA common stock was allegedly artificially inflated (if at all) during the Class Periods; (c) the effect of various market forces influencing the trading price of CA common stock at various times during the Class Periods; (d) the extent to which external facts, such as general market and industry conditions, influenced the trading price of CA common stock at various times during the Class Periods; (e) the extent to which the various matters that plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of CA common stock at various times during the Class Periods; and (f) the extent to which the various allegedly adverse material facts that plaintiffs alleged were omitted influenced (if at all) the trading price of CA common stock at various times during the Class Periods.

8. While plaintiffs' counsel in the Securities Class Action were prepared to go to trial and were confident in their ability to present a prima facie case, they recognize that a trial is a risky proposition and that plaintiffs might not have prevailed on all their claims. Defendants were ready to defend the trial and asserted confidence that they did not violate the securities laws and were not liable. Trial presented many risks to plaintiffs, who bore the burden of proving both liability and damages. In addition to denying liability, defendants denied that plaintiffs were legally damaged and would contend that the decline in the price of CA common stock could be attributed, in whole or in part, to other factors. In the unavoidable "battle of experts" on damages issues, it would have been impossible to predict with any certainty which arguments would find favor with the jury. Therefore, in a trial plaintiffs could have recovered nothing or substantially less than the amount of the Settlement. Further, even assuming plaintiffs had won at trial, plaintiffs anticipated that defendants would have appealed any plaintiffs' verdict and that would have created further uncertainty and delay.

9. Plaintiffs' counsel submit that the recovery set forth herein for the Classes and the terms of the settlement of the Derivative Actions are fair, reasonable and adequate and should be approved by the Court.

10. The defendants deny that they are liable to the plaintiffs, the Classes or CA shareholders and deny that plaintiffs, the Classes or CA shareholders have suffered any damages.

### IV. Statement of Attorneys' Fees and Costs Sought

11. (a) Securities Class Actions: Plaintiffs' counsel in the Securities Class Actions intend to apply for an award of up to 30% of the Settlement Shares as and for their attorneys' fees, and up to approximately 150,000 Settlement Shares for reimbursement of expenses incurred in connection with the prosecution of the Securities Class Actions.

(b) ERISA Action: Plaintiffs' counsel in the ERISA Action intend to apply for an award of up to 30% Settlement Shares in the ERISA Settlement Fund, as and for their attorneys' fees, and up to approximately 1,000 Settlement Shares for reimbursement of expenses incurred in connection with the prosecution of the ERISA Action.

(c) Derivative Actions: Plaintiffs' counsel in the Derivative Actions intend to apply for an award of up to 81,000 Settlement Shares as and for their attorneys' fees and expenses incurred in connection with the prosecution of the Derivative Actions.

12. Such fees and expenses as are awarded by the Court will be paid in Settlement Shares (or, with respect to 38.6% of such Shares, in cash at the Collar Price) pursuant to the procedures set forth in the Securities Class Stipulation. Plaintiffs' counsel have expended

considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced substantial expenses of the litigation, in the expectation that if they were successful in obtaining a recovery that they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

#### V. Further Information

13. Further information regarding the Actions and this Settlement Notice may be obtained by contacting the following plaintiffs' counsel:

For the Settlement Class: Melvyn I. Weiss, Esq., Milberg Weiss Bershad Hynes & Lerach LLP, One Pennsylvania Plaza, New York, NY 10119-0165, telephone (212) 594-5300; Jules Brody, Esq., Stull, Stull & Brody, 6 East 45th Street, New York, NY 10017, telephone (212) 687-7230; and, Richard S. Schiffrin, Esq., Schiffrin & Barroway, Three Bala Plaza East – Suite 400, Bala Cynwyd, PA 19004, telephone (610) 667-7706.

For the ERISA Class: Ellen M. Doyle, Esq., Malakoff Doyle & Finberg PC, 437 Grant Street, Suite 200, Pittsburgh, PA 15219, telephone (412) 281-8400; and, J. Brian McTigue, Esq., The McTigue Law Firm, 5513 Connecticut Ave., Suite 220, Washington, DC 20015, telephone (202) 364-6900.

For current shareholders in connection with the Derivative Action: William B. Federman, Esq., Federman & Sherwood, 120 N. Robinson Avenue – Suite 2720, Oklahoma City, OK 73102; telephone (405) 235-1560.

#### VI. Reasons for the Settlement

14. From the perspective of the plaintiffs, the principal reason for the Settlement is the substantial monetary and other benefits to be provided to the Classes and shareholders now. These benefits must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. From the perspective of the defendants, the principal reasons for the Settlement is to settle and terminate all existing or potential claims against them, and to eliminate the risk of a judgment against defendants, without in any way acknowledging any fault or liability, in order to eliminate the burden and expense of further litigation.

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### **NOTICE OF CERTIFICATION OF CLASS ACTIONS FOR PURPOSES OF SETTLEMENT**

15. The Court, by the entry of orders preliminarily approving the Settlement, has certified, for purposes of the proposed Settlement only, the following classes:

(a) all persons or entities who purchased or transacted in the common stock of CA or common stock options during the period January 20, 1998 through and including February 25, 2002 and who were damaged thereby (the "Settlement Class"); and

(b) all participants in the Computer Associates Savings Harvest Plan and their beneficiaries whose Plan accounts were invested in CA common stock or any investment fund under the Plan that invested in CA stock, during the period January 20, 1998 through and including May 30, 2003, other than the defendants individually named in the Second Amended Class Action Complaint and their immediate family members (the "ERISA Class"). (The Settlement Class and the ERISA Class are collectively referred to herein as the "Classes.")

(c) Excluded from the Classes are the defendants in the above-captioned matters, members of their immediate families, their officers, directors, affiliates, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any of the defendants has a controlling interest or of which any of the defendants is a parent or subsidiary.

16. The Court also certified plaintiffs Steven Sinsheimer, John J. Greco, Felix Glaubach, Jerry Wehmhoefer, Mishel S. Tehrani, Lillian Herschkowitz, Bruce Montague, Kerry Gillispie, John K. Beigen, Jiziang Wu, Richard Wadsworth, Andrew A. Breimann, Capital West Asset Management, LLC, Employee Teamsters Local Nos. 175 & 505 Pension Trust Fund and Local 144 Nursing Home Pension Fund as Representative Plaintiffs in the Securities Class Action. The Court approved the retention of Stull, Stull & Brody, Milberg Weiss Bershad Hynes & Larach LLP and Schiffrin & Barroway as Co-Lead Class Counsel for the Settlement Class.

17. The Court certified John A. Ambler as a class representative for the ERISA Class and approved his retention of Malakoff Doyle & Finberg and the McTigue Law Firm as Class Counsel for the ERISA Class.

### **BACKGROUND OF THE LITIGATION**

#### 1998 Class Action

18. On July 21, 1998, CA issued its regular quarterly earnings release that stated that, while CA's business fundamentals were strong, it expected a slow down in its growth rate over the next several quarters. The following day, CA's common stock fell approximately 31%.

19. Beginning on or about July 23, 1998, eleven class action complaints were filed in the United States District Court for the Eastern District of New York against CA and certain of its current and former officer and directors alleging violations of Section 10(b) and 20(a) of the 1934 Securities Exchange Act, 15 U.S.C. §§ 78 et seq., and Rule 10b-5 on behalf of the class of all persons or entities who purchased or transacted in CA common stock or common stock options during the period January 20, 1998, and July 22, 1998.

20. On October 9, 1998, the Court ordered that the 1998 class action complaints be consolidated under the caption In Re Computer Associates Class Action Securities Litigation, Master File No. 98-CV-4839 (TCP) (the "1998 Class Action"). The Court designated Steven

Sinsheimer, John J. Greco, Felix Glaubach, Jerry Wehmhoefer, Mishel S. Tehrani, Lillian Herschkowitz, Bruce Montague, Kerry Gillispie, John K. Beigen, Jixiang Wu, Richard Wadsworth, and Andrew A. Breimann as Lead Plaintiffs and appointed the law firms of Milberg Weiss Bershad Hynes & Lerach LLP and Stull, Stull & Brody as Co-lead Counsel for the Lead Plaintiffs and the 1998 Class.

21. A Consolidated Amended Class Action Complaint was filed in the 1998 Class Action on or about January 14, 1999, generally alleging that CA and the individual defendants made materially false and misleading statements and omissions concerning CA's financial performance and condition during the period January 20, 1998 through July 22, 1998 through a series of undisclosed sales and accounting "revenue-inflating" activities. The Consolidated Amended Class Action Complaint further alleges that plaintiffs and other Class Members were induced to purchase CA stock at inflated prices during the class period.

22. On or about May 7, 1999, the defendants in the 1998 Class Action moved to dismiss the 1998 Consolidated Amended Class Action Complaint. By Memorandum and Order dated November 15, 1999, the Federal Court denied defendants' motion to dismiss. On January 21, 2000, defendants in the 1998 Class Action answered the Consolidated Amended Class Action Complaint, denying the allegations and asserting affirmative defenses.

23. By Order dated March 30, 2001, the Federal Court certified a class in the 1998 Class Action consisting of:

All persons or entities who purchased or transacted in common stock of Computer Associates International, Inc. ("Computer Associates"), or common stock options during the period January 20, 1998 through July 22, 1998 (the "Class Period") inclusive, and who sustained damages as a result of such transactions (the "Class"). Excluded from the Class are the defendants herein, members of their immediate families, their officers, directors, affiliates, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any of the defendants has a controlling interest or of which any of the defendants is a parent or subsidiary.

As directed by the Federal Court, notice was sent to members of the certified class beginning on or about April 27, 2001.

24. Following the Federal Court's ruling on the motion to dismiss, the parties engaged in discovery over a period of approximately 2½ years. Hundreds of thousands of pages of documents were produced by CA, CA's current and former auditors (Ernst & Young LLP and KPMG Peat Marwick) and current and former customers of the Company. In addition, fifty (50) witnesses were deposed, including current and former officers and members of the CA's Board of Directors, current and former employees of Ernst & Young LLP and KPMG Peat Marwick and expert witnesses.

25. On September 5, 2002, defendants served a motion for summary judgment. Plaintiffs opposed the motion for summary judgment. This Settlement was reached prior to a decision by the Court on the motion for summary judgment.

26. In connection with the Settlement, plaintiffs have filed a Seconded Consolidated Amended Class Action Complaint to include the allegations contained in the 2002 Class Action (described below), covering the entire Settlement Class Period.

#### The 2002 Class Action

27. Beginning in February through May 2002, thirteen class action complaints were filed in the United States District Court for the Eastern District of New York against CA and certain of its current and former officers and directors alleging violations of §§10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78 et seq.

28. Pursuant to an Order of the Court, dated July 25, 2002, (1) the pending securities class actions referred to in paragraph 27 were consolidated for all purposes, and captioned *In re Computer Associates 2002 Class Action Securities Litigation*, Master File No. 02-CV- 1226 (the "2002 Class Action"); (2) Capital West Asset Management, LLC, Employer-Teamsters Local Nos. 175 & 505 Pension Trust Fund, and Local 144 Nursing Home Pension Fund were appointed as Lead Plaintiffs for the 2002 Class Action; and (3) Schiffrin & Barroway, LLP and Milberg Weiss Bershad Hynes & Lerach LLP were appointed as Co-Lead Plaintiffs' Counsel for the 2002 Class Action.

29. On October 22, 2002, an Amended and Consolidated Complaint was filed in the 2002 Class Action asserting claims against CA, Charles B. Wang, Sanjay Kumar, Ira H. Zar and Russell M. Artzt (the "Individual 2002 Defendants"). In addition, claims were asserted against Ernst & Young LLP ("E&Y"), CA's former outside auditor. The Amended and Consolidated Complaint generally alleges violations of the securities laws in connection with CA's accounting practices during the period from May 28, 1999 through February 25, 2002. Plaintiffs also allege claims of insider trading against the Individual 2002 Defendants. As in the 1998 Class Action, the 2002 Class Action alleges that CA made materially false and misleading statements and omissions concerning its financial performance and condition through, among other things, CA's historical practice for accounting for licensing revenue during the period prior to October 2000. The Amended and Consolidated Complaint alleges that Plaintiffs and other Class Members were induced to purchase CA stock at inflated prices as a result of the alleged statements and omissions.

30. CA and the Individual 2002 Defendants moved for a stay of the 2002 Class Action on April 25, 2003 on the grounds that, due to the close interrelationship between the allegations in the 1998 Class Action and the 2002 Class Action regarding CA's accounting practices, the outcome of the 1998 Class Action could be determinative of some, if not all, of the issues in the 2002 Class Action. On April 25, 2003, E&Y separately moved to dismiss the 2002 Class Action.

31. E&Y is not a party to this Settlement. The Settlement was reached prior to the Court's decision on E&Y's motion to dismiss.

### ERISA Action

32. On or about November 27, 2002, a complaint was filed in the United States District Court for the Eastern District of New York, by a participant in the Computer Associates Savings Harvest Plan (the "Plan") against CA, the CA Board of Directors, the Administrative Committee of the Plan and certain current and former officers and directors of CA. On May 30, 2003, plaintiff served an Amended Complaint alleging on behalf of a class that the defendants breached their fiduciary duties and otherwise violated the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 1001 et seq., by using employer and employee contributions to the Plan to purchase the common stock of CA stock at a time when, according to Plaintiff, CA stock was an unsuitable and imprudent investment for the Plan. Plaintiff also alleges that Defendants violated ERISA by failing to take appropriate actions to protect participants and beneficiaries from losses that resulted from the imprudent acquisition and retention of CA stock during the same period. Plaintiff further alleges that Defendants violated ERISA by misrepresenting to Plaintiff and Plan participants the financial status of CA and, consequently, the true value of CA stock.

33. The ERISA Settlement was reached prior to the Defendants filing a response to the Amended Complaint.

34. In connection with the Settlement, the plaintiff in the ERISA Action has filed a Second Amended Class Action Complaint, containing substantially the same allegations, with minor technical corrections, and enlarging the class period to start at January 20, 1998 (rather than March 30, 1998) and making clear that the ERISA Class includes both holders of the CA stock in the Plan and persons who acquired CA stock in the Plan during the class period.

### Derivative Action

35. On April 25, 2002, a derivative action (an action filed by a shareholder asserting claims on behalf of CA) was filed in the Delaware Court of Chancery, New Castle County, against CA as a nominal defendant and the following current and former CA directors: Russell M. Artzt, Willem F.P. de Vogel, Richard A. Grasso, Lewis Ranieri, Alfonse M. D'Amato, Shirley Strum Kenny, Sanjay Kumar, Roel Pieper and Charles B. Wang (the "Derivative Director Defendants") (the "Delaware Derivative Action"). On November 22, 2002, plaintiffs filed a First Amended Complaint alleging that if CA is liable in the 2002 Class Action, or in any related regulatory proceeding, then the Derivative Director Defendants named therein would be liable to CA based on theories of alleged breaches of fiduciary duty and theories of contribution and indemnification. The First Amended Complaint also alleged that defendants Wang, Kumar and Artzt misappropriated and traded on non-public information in breach of fiduciary duties owed to CA.

36. On April 9, 2003, the parties entered into a stipulation in the Delaware Derivative Action whereby defendants' time to respond to the First Amended Complaint would be extended until thirty days after the resolution of the 1998 Class Action and the 2002 Class Action, provided that any party could terminate the stipulation on thirty days written notice.

37. On August 25, 2003, a derivative action against the Derivative Director Defendants named in the Delaware Derivative Action was filed in the United States District Court for the Eastern District of New York (the "Federal Derivative Action"). The Federal Derivative Action contains the same allegations as the Delaware Derivative Action and has been filed to coordinate and facilitate the Settlement of the Actions identified in this Notice.

38. Allegations similar to those contained in the Derivative Actions were asserted by a CA shareholder in a demand letter from her attorney to CA's Board dated May 22, 2002.

### **BACKGROUND TO THE SETTLEMENT**

39. The defendants have denied all allegations of wrongdoing or liability in the Actions and all other accusations of wrongdoing or violations of law. The Stipulations are not and shall not be construed or be deemed to be evidence or an admission or a concession on the part of any of the defendants of any fault or liability or damages whatsoever, and defendants do not concede any infirmity in the defenses which they have asserted or intended to assert in the Actions.

40. Prior to entering into the Settlement, plaintiffs' counsel had conducted a thorough investigation relating to the events and transactions underlying plaintiffs' claims, conducted extensive pretrial discovery and thoroughly evaluated the legal theories relating to plaintiffs' claims and defendants' defenses thereto. Plaintiffs' decisions to enter into this Settlement were made with knowledge of the facts and circumstances underlying plaintiffs' claims and the strengths and weaknesses of those claims. In determining to settle the Actions, plaintiffs and their counsel have taken into account the substantial expense and length of time necessary to prosecute the Actions through trial, post-trial motions, and likely appeals, taking into consideration the significant uncertainties in predicting the outcome of this complex litigation. Plaintiffs' counsel consider that the recovery for the Classes and the benefits from the Settlement represent fair, reasonable and adequate compensation for the claims of the plaintiffs, the Classes and CA's shareholders particularly in view of the risks plaintiffs faced at trial and beyond trial from any appeals. Plaintiffs deem this Settlement to be fair, reasonable and adequate, and in the best interests of the members of the Classes and the shareholders of CA.

41. The settling defendants, while continuing to deny all allegations of wrongdoing or liability whatsoever, desired to settle and terminate all existing or potential claims against them, and to eliminate the risk of a judgment against them, without in any way acknowledging any fault or liability.

42. THE COURT HAS NOT DETERMINED THE MERITS OF THE PLAINTIFFS' CLAIMS OR THE DEFENSES THERETO. THIS SETTLEMENT NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE ANY FINDING OF VIOLATION OF THE LAW OR THAT RECOVERY COULD BE HAD IN ANY AMOUNT IF THE ACTIONS WERE NOT SETTLED.

#### TERMS OF THE SETTLEMENT

43. In full and complete settlement of the claims which have or could have been asserted in the Actions, and subject to the terms and conditions of the Stipulations: a) CA is making Five Million Seven Hundred Thousand 5,700,000 shares of freely-tradable shares of CA common stock (the "Settlement Shares"); b) CA shall pay into an escrow account established by the Claims Administrator One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) which amount shall be used towards payment of the costs and expenses for the Notice in the Securities Class Action, the Derivative Actions and the ERISA Action and for the Notice and Administration of the Settlement of the Securities Class Action (the "Notice and Administration Fund"); and c) CA shall create a Collateral Escrow Fund which shall be administered by defendants' counsel (the "Collateral Escrow Fund") in which CA shall deposit and/or maintain sufficient funds, as adjusted on a quarterly basis equal to the difference between \$23.43 per share and any average lesser price of CA stock over the ten (10) day trading period preceding the end of each fiscal quarter multiplied by 38.6% of the number of Settlement Shares at that time remaining to be issued and delivered.

44. In full and final settlement of the Derivative Actions, the Board of Directors of CA has agreed to cause CA to maintain in effect for a period of not less than three years corporate governance initiatives set forth below:

(a) CA and its Corporate Governance Committee will review its corporate governance principles annually with a view to ensure that, taking into account evolving standards and legal requirements pertaining to corporate governance, the Company's principles continue to set the "Gold Standard." CA will update its principles as needed to incorporate the items agreed upon herein. The Company will publish its updated corporate governance principles on its website.

(b) CA will continue to maintain the position of Lead Independent Director or its equivalent.

(c) CA will continue to maintain the position of Director of Corporate Governance or its equivalent.

(d) CA will maintain its guidelines providing that the Board and Corporate Governance Committee will not nominate to the Board more than three members of the Company's management team (provided that, if the total number of directors exceeds twelve, the limit would be set at 25% of the total number of directors).

(e) In accordance with CA's corporate governance principles, the Board will conduct both a written annual evaluation of the Company's CEO and a written annual self-evaluation. These evaluations may be disclosed solely at the discretion of the Board.

(f) CA will maintain its current eight-year term limit for independent directors, provided that the Board may determine to override the term limits for specific directors when the Corporate Governance Committee and the Board determine it to be in the best interests of the Company and its shareholders to do so.

(g) CA will maintain a non-staggered Board with annual elections for all directors, unless the shareholders of the Company, by the requisite vote, approve otherwise.

(h) As they are now, the Corporate Governance Committee, the Audit Committee, and the Compensation and Human Resource Committee shall be comprised exclusively of independent directors.

(i) The Company's independent auditor will not perform any consulting work for the Company, other than tax consulting work, unless specifically approved by the Audit Committee. Any non-audit fees will be publicly disclosed. The independent audit team assigned to CA or its successor will not perform tax consulting work for CA's CEO, President (if different from the CEO), CFO, Assistant CFO, COO, or any Executive Vice President.

(j) CA currently has extensive internal audit and insider trading policies. CA will maintain an internal audit function staffed by qualified personnel. The Audit Committee will have oversight responsibility with respect to the internal audit function and the Chair of the Audit Committee will review and approve the annual internal audit plan. CA will maintain an insider trading policy. The Company will appoint an attorney from its Legal Department as the administrator of that policy, charged with responsibility for monitoring compliance with its terms. The policy will be reviewed periodically by the administrator, CA's General Counsel and the Director of Corporate Governance to ensure that it incorporates all applicable legal and regulatory requirements, as well as any minimum standards of the New York Stock Exchange, then in effect.

(k) CA will make available to its senior and mid-level management on-line educational programs approved by the Director of Corporate Governance in business ethics and/or corporate governance. The programs will be tailored to the business responsibilities of the targeted personnel who shall acknowledge completion of the program(s).

(l) CA's CEO (and its Chairman of the Board, if other than the CEO) will attend not less than one director education program accredited by Institutional Shareholder Services.

(m) The Committees of the Board shall have authority, on their own decision, to retain legal and/or other advisors of their choice, which advisors shall report directly to the Committee.

(n) CA's Director of Corporate Governance shall be able to report directly to the Corporate Governance Committee of the board as the Director of Corporate Governance deems appropriate.

45. To the extent not already adopted, the above measures would be adopted by Board resolution within 60 days of approval of the settlement provided that any such measure could be altered or removed if the Board, in good faith and upon the advice of counsel, determines that another principle or measure in the same area provides equal or stronger corporate governance standards and/or internal controls, that such principle or measure conflicts or is substantially redundant with any law, regulation or rule, or conflicts or is substantially

redundant with any amendment to the Company's Certificate of Incorporation. At the end of three years, the measures described herein would not be terminated without a majority vote of the independent directors then on the board.

46. On the various effective dates as determined in the respective Stipulations, the members of the Settlement Class, the members of the ERISA Class and all CA shareholders, on behalf of themselves, their heirs, executors, administrators, successors and assigns, and any persons they represent, shall release and forever discharge, and shall forever be enjoined from prosecuting the respective Released Parties (defined below) with respect to the respective Settled Claims (defined below).

47. The "Released Parties" are:

(a) as to the Securities Class Actions -- Computer Associates International, Inc., Charles B. Wang, Sanjay Kumar, Russell M. Artzt, Ira H. Zar, Willem F. P. de Vogel, Richard A. Grasso, Shirley Strum Kenny and Irving Goldstein (the "CA Defendants") and each of their past or present subsidiaries, parents, successors, predecessors, insurers, reinsurers, officers, directors, shareholders, members, employees, agents, fiduciaries, partners, principals, registered representatives, analysts, advisors, investment advisors, independent contractors, underwriters, issuers, insurers, co-insurers, reinsurers, investment bankers, consultants, personal representatives, divisions, assigns, attorneys, accountants (excluding E&Y and any of its affiliates, divisions, subsidiaries, partners, principals, employees, predecessors, successors and assigns), heirs, beneficiaries, members of their immediate families and any person, firm, trust, corporation, or other individual or entity in which any CA Defendant has a controlling interest or which is related to or affiliated with any of the CA Defendants and the legal representatives, heirs, successors in interest or assigns of the CA Defendants. Excluded from this definition of Released Parties is E&Y and any of its affiliates, divisions, subsidiaries, partners, principals, employees, predecessors, successors and assigns;

(b) as to the ERISA Action -- CA, the current and former Board of Directors of CA, the Administrative Committee of the Plan, Charles B. Wang, Sanjay Kumar, the Plan, Peter Schwartz, Ira Zar, Russell M. Artzt, Willem F.P. de Vogel, Irving Goldstein, Richard A. Grasso, Shirley Strum Kenny, Alfonse M. D'Amato, Roel Pieper, Lewis S. Ranieri, Robert E. LaBlanc, Alex Serge Vieux, Charles P. McWade, Kenneth Cron, Gary J. Fernandes, Jay Lorsch, Walter P. Schuetze, Michael E. McElroy, Steven M. Woghin, Lisa Mars, all current and former officers and directors of CA, all named defendants, the Plan and the Plan Trustees, all Plan fiduciaries, all Related Parties (which means each of the Released Parties' past, present, and future directors, officers, fiduciaries, employees, partners, principals, agents, members, independent contractors, registered representatives, underwriters, issuers, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants, auditors, investment bankers, advisors, consultants, trustees, plan administrators, plan fiduciaries, personal representatives, predecessors, successors, successors-in-interest, parents, subsidiaries, divisions, assigns, spouses, heirs, executors, administrators, associates, related or affiliated entities, and members of their families), each and every member of the ERISA Settlement Class, and ERISA Class Counsel; and

(c) as to the Derivative Actions -- means any and all of the Settling Individual Defendants (which means Russell M. Artzt, Willem F. P. de Vogel, Richard A. Grasso, Lewis S. Ranieri, Alfonse A. D'Amato, Shirley Strum Kenny, Sanjay Kumar, Roel Pieper and Charles B. Wang ) and their respective predecessors, successors, affiliates, officers, attorneys, agents, insurers and assigns, any professional partnerships of which any Settling Individual Defendant is a partner and each partner in such partnership, all other current and former officers and directors of CA, and CA as Nominal Defendant.

48. The "Settled Claims" are:

(a) as to the Securities Class Actions -- any and all claims, rights, demands, suits, matters, issues or causes of action or liabilities whatsoever, including, without limitation, claims for negligence, gross negligence, breach of duty, fraud, or violations of law, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known and Unknown Claims, and whether directly, indirectly, representatively or in any other capacity, in connection with, based upon, arising out of, or relating in any way to any allegations, claims, transactions, facts, matters or occurrences, representations or omissions involved, set forth, referred to or that have been or could have been or could be asserted in any forum by any Settlement Class Member against any of the Released Parties which arise out of or relate in any way to (1) the purchase or sale of, or transactions in, CA common stock or stock options during the Settlement Class Period; or (2) any of the allegedly wrongful transactions, disclosures, acts, or occurrences, statements, or omissions, or failures to act which were alleged or asserted in the Securities Class Actions; or (3) any claims in connection with, based upon, arising out of, or relating to the Settlement (but excluding any claims to enforce the terms of the Settlement); provided that the Settled Claims shall not include those claims that are the subject of the ERISA Stipulation and the Derivative Stipulation. The Settled Claims also include any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Securities Class Actions or any forum by the CA Defendants or any of them or the successors and assigns of any of them against any of the Representative Plaintiffs, Settlement Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Securities Class Actions (except for claims to enforce the Settlement.);

(b) as to the ERISA Action -- any and all claims, demands, rights, liabilities, and causes of action, whether known or Unknown Claims, by or on behalf of any and every member of the ERISA Settlement Class on their own behalf and on behalf of any Persons they represent, including the Plan, and their respective heirs, executors, administrators, past and present partners, officers, directors, agents, attorneys, predecessors, successors and assigns, and against any or all of the Released Persons based on or arising out of or relating in any way to the acquisition or retention of CA stock by the Plan or any accounts or funds in the Plan during the ERISA Class Period,

including, but not limited to, claims which relate directly or indirectly to the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act which were alleged in any of the complaints filed in the ERISA Action, or which are based on or arise out of or in any way relate to communications with Plan participants or beneficiaries directly or indirectly pertaining to CA stock during the ERISA Class Period. The Settled Claims also shall include any and all claims by or on behalf of each and every Defendant against Plaintiff, the ERISA Settlement Class, and ERISA Class Counsel relating to the institution, prosecution, or settlement of any or all claims asserted in this action, including, but not limited to, any action for costs or attorneys' fees, as well as for contribution, indemnification, or any other claims relating to payment of the ERISA Settlement Fund or any settlement claim by the Defendants; and

(c) as to the Derivative Actions -- means all claims, rights, demands, suits, matters, issues or causes of action, including both known and Unknown Claims, that have been or could have been asserted by CA or derivatively on behalf of CA in the Derivative Actions by Derivative Plaintiff, by CA, or by any CA shareholder against the Released Parties including, without limitation, claims based upon, arising out of or relating to the acts, facts or events alleged in the Derivative Actions, claims asserted in the Demand Letter, claims for breach of fiduciary duty, breach of CA's policies or procedures, waste, mismanagement, violations of law, money damages or other relief, claims based upon or relating to the claims asserted in the Securities Class Actions and claims based upon, arising out of or relating to this Settlement or the Settlement of the Securities Class Actions and the ERISA Actions.

49. The Settlement also provides that the settling defendants shall release any and all claims they may have against any of the plaintiffs, the Settlement Class, and their attorneys relating to the institution, prosecution, or settlement of any or all claims asserted in this litigation.

50. If the Settlement is approved by the Court, all settled claims which have or could have been asserted in the Actions will be dismissed on the merits and with prejudice as to all Settlement Class Members, ERISA Class Members and CA shareholders, respectively, who shall be forever barred from prosecuting a class action, a derivative action or any action raising or asserting their respective Settled Claims against the Released Parties in each of the Actions.

51. The Stipulations provide that CA may withdraw from and terminate the Settlement in the event that putative Settlement Class Members who purchased in excess of a certain percentage of the shares traded during the Settlement Class Period exclude themselves from the Settlement and that CA may withdraw from and terminate the Settlement in the event that the Derivative Stipulation is not approved.

52. The Settlement will become effective at such time as Final Orders and Judgments in the Securities Class Actions and the Derivative Actions, entered by the Court approving the Settlement, shall become final and not subject to appeal as forth in the Stipulations (the "Effective Date"). If the Effective Date does not occur, none of terms of this settlement shall apply.

#### **PLAN OF ALLOCATION OF THE PROCEEDS OF THE SETTLEMENT AMONG SETTLEMENT CLASS MEMBERS**

53. The Net Settlement Fund shall be distributed to members of the Settlement Class who submit timely and valid Proofs of Claim ("Authorized Claimants"). No distribution will be made to Settlement Class Members who fail to submit a Proof of Claim.

54. The following proposed Plan of Allocation reflects Plaintiffs' contention that because of alleged misrepresentations and omissions about CA's financial condition and prospects, the prices of CA common stock and call options were allegedly inflated artificially (and CA put option prices were allegedly deflated artificially) during the Settlement Class Period, January 20, 1998 through and including February 25, 2002. Within this overall time period, Plaintiffs contend that there were several disclosures which reduced or eliminated some or all of the alleged artificial inflation, including (i) disclosures made on July 22, 1998, when CA's announcements preceded a 30% drop in the price of CA common stock from \$57 per share on July 21, 1998 to \$39.50 per share on July 22, 1998, a \$17.50 per share decrease; (ii) disclosures made on July 5, 2000, when CA's announcements preceded a 40% drop in the price of CA common stock from \$51.13 on July 3, 2000 to \$29.44 on July 5, 2000, a \$21.69 per share decrease; (iii) disclosures made at the beginning of May 2001, when CA's announcements coincided with an approximate 20% drop in the price of CA common stock from \$35.25 on April 27, 2001 to \$30.11 on May 2, 2001, a \$5.41 per share decrease; and (iv) disclosures made around February 21, 2002 when the price of CA common stock fell from \$25.31 on February 19, 2002 to \$15.99 on February 22, 2002, a \$9.32 per share decrease. The proposed Plan of Allocation takes into account plaintiffs' allegations that the individual Defendants had a strong motivation to inflate the price of CA stock prior to July 22, 1998. The proposed Plan of Allocation also recognizes that with respect to purchases made during the period July 23, 1998 through May 27, 1999, Settlement Class Members faced a Statute of Limitations defense that does not exist with respect to purchases at other times during the Settlement Class Period and discounts claims made on purchases made during this period. The proposed Plan also reflects potential loss causation issues relating to the purchasers who sold before May 2, 2001.

55. The defendants deny that they made any material misrepresentations or omitted to disclose any material information and assert that defendants are not liable to plaintiffs for anything. Without admitting any liability, the defendants further contend that even if liability were shown, the plaintiffs suffered no compensable damages, or that at most only a small percentage of the alleged artificial inflation (or deflation) could be attributed to the claims plaintiffs asserted. Defendants assert the prices of CA common stock were not inflated artificially during the Settlement Class Period, and that the prices of its securities reflected market valuations prevalent at that time. Defendants further contend that the decrease in the prices of CA securities were explained and caused, in whole or substantial part, by other, non-actionable factors and causes outside the control of the defendants and not by any alleged fraud. The defendants take no position as to any proposed Plan of Allocation and disclaim any endorsement of the Plan of Allocation proposed by plaintiffs herein. The Federal Court has not made any finding that defendants are liable to plaintiffs or the Settlement Class or that plaintiffs have suffered any compensable damages.

56. The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim" from transactions during the entire Settlement Class Period. The Recognized Claim formula is not intended to be an estimate of the amount that a Settlement Class Member might have been able to recover after a trial, although it takes into account certain strengths and weaknesses of claims made by purchasers during different time periods within the Settlement Class Period; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Shares (and cash, if applicable) will be proportionately allocated to the Authorized Claimants if the proposed Plan of Allocation is approved by the Court.

57. An Authorized Claimant's "Recognized Claim" shall mean the amount determined in accordance with the following:

58. Common Stock Purchases:

**(i) With respect to purchases of CA common stock during the period January 20, 1998 through and including July 22, 1998:**

A) for each share of CA common stock purchased on the open market during the period January 20, 1998 through and including July 22, 1998 and SOLD AT A LOSS prior to July 22, 1998, "Recognized Claim" shall be equal to 10% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.).

B) for each share of CA common stock purchased on the open market during the period January 20, 1998 through and including July 22, 1998 and SOLD AT A LOSS during the period July 22, 1998 through and including October 22, 1998 (90 days following July 22, 1998), "Recognized Claim" shall be equal to the lesser of (i) 100% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$17.50 per share.

C) for each share of CA common stock purchased on the open market during the period January 20, 1998 through and including July 22, 1998 and STILL HELD on October 22, 1998, "Recognized Claim" shall be equal to the lesser of (i) 100% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) \$37.50 per share or (ii) \$17.50 per share.

**(ii) With respect to purchases of CA common stock during the period July 23, 1998 through and including May 27, 1999:**

A) for each share of CA common stock purchased on the open market during the period July 23, 1998 through and including May 27, 1999 and SOLD AT A LOSS prior to July 5, 2000, "Recognized Claim" shall be equal to 2% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.).

B) for each share of CA common stock purchased on the open market during the period July 23, 1998 through and including May 27, 1999 and SOLD AT A LOSS during the period July 5, 2000 through and including October 5, 2000 (90 days following July 5, 2000), "Recognized Claim" shall be equal to the lesser of (i) 10% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$2.17 per share (10% of \$21.69).

C) for each share of CA common stock purchased on the open market during the period July 23, 1998 through and including May 27, 1999 and STILL HELD on October 5, 2000, "Recognized Claim" shall be equal to the lesser of (i) 10% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) \$29.44 per share or (ii) \$2.17 per share.

**(iii) With respect to purchases of CA common stock during the period May 28, 1999 through and including July 5, 2000:**

A) for each share of CA common stock purchased on the open market during the period May 28, 1999 through and including July 3, 2001 and SOLD AT A LOSS prior to July 5, 2000, "Recognized Claim" shall be equal to 5% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.).

B) for each share of CA common stock purchased on the open market during the period May 28, 1999 through and including July 5, 2000 and SOLD AT A LOSS during the period July 5, 2000 through and including April 27, 2001, "Recognized Claim" shall be equal to the lesser of (i) 20% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$4.33 per share (20% of \$21.69 per share).

C) for each share of CA common stock purchased on the open market during the period May 28, 1999 through and including July 5, 2000 and SOLD AT A LOSS during the period April 28, 2001 through and including February 19, 2002, "Recognized Claim" shall be equal to the lesser of (i) 40% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$10.84 per share (40% of (\$21.69 plus \$5.41) per share).

D) for each share of CA common stock purchased on the open market during the period May 28, 1999 through and including July 5, 2000 and SOLD AT A LOSS during the period February 20, 2002 through and including May 28, 2002 (90 days after the end of the Class Period), "Recognized Claim" shall be equal to the lesser of (i) 40% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$14.58 per share 40% of \$21.69 plus \$5.41, plus \$9.32) per share).

E) for each share of CA common stock purchased on the open market during the period May 28, 1999 through and including July 5, 2000 and STILL HELD on May 28, 2002, "Recognized Claim" shall be equal to the lesser of (i) 40% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) \$18.835 per share or (ii) \$14.58 per share.

**(iv) With respect to purchases of CA common stock during the period July 6, 2000 through and including May 2, 2001:**

A) for each share of CA common stock purchased on the open market during the period July 6, 2000 through and including May 2, 2001 and SOLD AT A LOSS prior to April 28, 2001, "Recognized Claim" shall be equal to 10% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.).

B) for each share of CA common stock purchased on the open market during the period July 6, 2000 through and including May 2, 2001 and SOLD AT A LOSS during the period April 28, 2001 through and including February 19, 2002, "Recognized Claim" shall be equal to the lesser of (i) 40% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$2.17 per share (40% of \$5.41 per share).

C) for each share of CA common stock purchased on the open market during the period July 6, 2000 through and including May 2, 2001 and SOLD AT A LOSS during the period February 20, 2002 through and including May 28, 2002 (90 days following the end of the Class Period), "Recognized Claim" shall be equal to the lesser of (i) 40% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$5.89 per share (40% of (\$5.41 plus \$9.32) per share.)

D) for each share of CA common stock purchased on the open market during the period July 6, 2000 through and including May 2, 2001 and STILL HELD on May 28, 2002, "Recognized Claim" shall be equal to the lesser of (i) 40% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) \$18.835 per share or (ii) \$5.89 per share.

**(v) With respect to purchases of CA common stock during the period May 3, 2001 through and including February 25, 2002:**

A) for each share of CA common stock purchased on the open market during the period May 3, 2001 through and including February 25, 2002 and SOLD AT A LOSS prior to February 20, 2002, "Recognized Claim" shall be equal to 7.5% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.).

B) for each share of CA common stock purchased on the open market during the period May 3, 2001 through and including February 25, 2002 and SOLD AT A LOSS during the period February 20, 2002 through and including May 28, 2002, "Recognized Claim" shall be equal to the lesser of (i) 30% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.) or (ii) \$2.79 per share (30% of \$9.32 per share.)

C) for each share of CA common stock purchased on the open market during the period May 3, 2001 through and including February 25, 2002 and STILL HELD on May 28, 2002, "Recognized Claim" shall be equal to the lesser of (i) 30% of the difference, if a loss, between (x) the purchase price paid (including commissions etc.) and (y) \$18.835 per share or (ii) \$2.79 per share.

**59. Call Option Purchases:**

(i) For CA call options purchased during the Settlement Class Period and NOT owned as of the close of trading on July 22, 1998, July 3, 2000, April 27, 2001, April 30, 2001, May 1, 2001, February 19, 2002, February 20, 2002, February 21, 2002 OR February 22, 2002, an Authorized Claimant's "Recognized Claim" shall be 5% of the difference, if a loss, between (x) the amount paid for the call options during the Settlement Class Period (including brokerage commissions and transaction charges) and (y) the sum for which said call options were subsequently sold at a loss (after brokerage commissions and transaction charges) or \$0.00 if the Call Option expired while still owned by the Authorized Claimant). No Loss shall be Recognized based on a sale or writing of any Call Option that was subsequently repurchased.

(ii) For CA call options purchased during the Settlement Class Period that WERE owned by the Authorized Claimant on July 22, 1998, the "Recognized Claim" shall be 40% of the difference, if a loss, between (x) the amount paid for the call options during the Settlement Class Period (including brokerage commissions and transaction charges) and (y) the sum for which said call options were sold at a loss (after brokerage commissions and transaction charges) or \$0.00 if the Call Option expired while still owned by the Authorized Claimant). No Loss shall be Recognized based on a sale or writing of any Call Option that was subsequently repurchased.

(iii) For CA call options purchased during the Settlement Class Period that were owned by the Authorized Claimant on July 3, 2000, April 27, 2001, April 30, 2001, May 1, 2001, February 19, 2002, February 20, 2002, February 21, 2002 OR February 22, 2002, the "Recognized Claim" shall be 30% of the difference, if a loss, between (x) the amount paid for the call options during the Settlement Class Period (including brokerage commissions and transaction charges) and (y) the sum for which said call options were sold at a loss (after brokerage commissions and transaction charges) or \$0.00 if the Call Option expired while still owned by the Authorized Claimant). No Loss shall be Recognized based on a sale or writing of any Call Option that was subsequently repurchased.

**60. Put Option Sales:**

(i) For CA Put Options sold (written) during the Settlement Class Period, but which were NOT the obligation of the Authorized Claimant on July 22, 1998, July 3, 2000, April 27, 2001, April 30, 2001, May 1, 2001, February 19, 2002, February 20, 2002, February 21, 2002 OR February 22, 2002, an Authorized Claimant's "Recognized Claim" shall be 10% of the difference, if a loss, between (x) the amount received for writing the put options during the Class Period (net of brokerage commissions and transaction charges) and (y) the sum for which said put options were repurchased at a loss (including brokerage commissions and transaction charges);

(ii) For CA Put Options sold (written) during the Settlement Class Period that WERE the obligation of the Authorized Claimant on July 22, 1998, the "Recognized Claim" shall be the difference, if a loss, between (x) the amount received for writing the Put Options during the Settlement Class Period (net of brokerage commissions and transaction charges) and (y) the sum for which said Put Options were repurchased at a loss (including brokerage commissions and transaction charges);

(iii) For CA Put Options sold (written) during the Settlement Class Period that WERE the obligation of the Authorized Claimant on July 3, 2000, April 27, 2001, April 30, 2001, May 1, 2001, February 19, 2002, February 20, 2002, February 21, 2002 OR February 22, 2002, the "Recognized Claim" shall be 50% of the difference, if a loss, between (x) the amount received for writing the Put Options during the Settlement Class Period (net of brokerage commissions and transaction charges) and (y) the sum for which said Put Options were repurchased at a loss (including brokerage commissions and transaction charges);

(iv) For CA Put Options written during the Settlement Class Period that were "put" to the Authorized Claimant (i.e. exercised), the Authorized Claimant's "Recognized Claim" shall be calculated under paragraph 58 above, and as if the sale of the Put Option were instead a purchase of CA common stock on the date of the sale of the Put Option, and the "purchase price paid" shall be the strike price less the proceeds received on the sale of the Put Option;

(v) No Loss shall be recognized based on a sale of any Put Option that was previously purchased.

61. Transactions resulting in a gain shall not be included. For Settlement Class Members who held CA securities at the beginning of the Settlement Class Period or made multiple purchases or sales during the Settlement Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, each sale of a CA security during the Settlement Class Period will be matched, in chronological order, first against the CA securities held at the beginning of the Settlement Class Period. Such holdings and sales will be excluded from the calculation of the loss. The remaining sales of a CA security during the Settlement Class Period will then be matched, in chronological order, against purchases of such CA securities during the Settlement Class Period. Purchases made during the Settlement Class Period to cover CA common stock sold "short" prior to the Settlement Class Period shall have no Recognized Claim. A purchase or sale of CA securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of CA securities during the Settlement Class Period shall not be deemed a purchase or sale of CA securities for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. Shares of CA common stock received during the Settlement Class Period in exchange for securities of any other publicly traded corporation or entity shall be deemed a purchase of CA common stock at the merger price and on the merger date.

62. Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Shares based on his, her or its Recognized Claim compared to the Total Recognized Claims of all Authorized Claimants. Each Authorized Claimant shall be paid an amount of Net Settlement Shares determined by multiplying the Net Settlement Shares by a fraction the numerator of which shall be his, her or its "Recognized Claim" and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants. No fractional shares shall be issued and no shares shall be issued to any Authorized Claimant who would not be entitled to receive at least 5 shares of CA common stock based on the initial proration of shares to Authorized Claimants. No adjustment will be made in any cash distribution for fractional shares. Authorized Claimants who would have been allocated less than 5 whole shares on the initial allocation shall be paid an amount based on the proceeds of sale of shares that would otherwise have been allocated to Authorized Claimants except for the minimum share requirement. If the Collar Price is elected, then each Authorized Claimant shall be paid an amount of cash from the Settlement Fund, if any, determined by multiplying the Net Settlement Fund by a fraction the numerator of which shall be his, her or its "Recognized Claim" and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants. No check shall be issued to any Authorized Claimant who would not be entitled to receive at least \$5.00 based on the initial proration of the Net Cash Settlement Fund to Authorized Claimants.

63. Settlement Class Members who do not file acceptable Proofs of Claim will not share in the settlement proceeds. Settlement Class Members who do not submit an acceptable Proof of Claim will nevertheless be bound by the Settlement(s) and the Order(s) and Final Judgment(s) of the Court dismissing this Action.

64. If the Net Settlement Fund includes a cash component, bank drafts will be distributed to Authorized Claimants after the Effective Date of the Settlement(s) and after all claims have been processed. If any funds remain in the Net Settlement Funds by reason of un-cashed bank drafts or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Funds cash their bank drafts, any balance remaining in the Net Settlement Funds one (1) year after the initial distribution of such funds shall be re-distributed, after payment of any unpaid costs or fees incurred in administering the Net Settlement Funds for such re-distribution, to Settlement Class Members who have cashed their bank drafts and who would receive at least \$10.00 from such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Funds, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Lead Counsel.

#### **PLAN OF ALLOCATION OF THE PROCEEDS OF THE ERISA SETTLEMENT AMONG ERISA CLASS MEMBERS**

65. The Administrative Contractor shall make the following ERISA Allocation Calculation, pursuant to which the Net ERISA Fund shall be allocated.

(a) The following calculations shall be based solely upon the records of the Plan or records that are reasonably accessible to the Plan (such as records of CA). The calculations shall be based upon exact records whenever possible. The Plan and Administrative Committee may in good faith rely conclusively upon its records and the records of CA, if applicable, which it believes to be reliable, and may utilize good faith extrapolations and estimates if precise data is unavailable. Defendants shall incur no liability for allocating or distributing the Net ERISA Fund in accordance with the methods provided herein or as otherwise approved by the Court.

(b) For each ERISA Class Member, determine the "Net Loss" (if any) as (1) plus (2) minus (3) minus (4), where:

(1) is equal to the fair market value, as of the first Valuation Date (as defined in the Plan) coincident with or immediately preceding January 20, 1998, of that portion (if any) of the ERISA Class Member's account maintained pursuant to the Plan ("Account") that was invested in CA stock or any Plan investment fund that was invested primarily in CA stock (such an

investment in CA stock or investment fund invested primarily in CA stock referred to as an investment in the "Company Stock Fund"), determined as a dollar amount based on the valuation methodology regularly used by the Plan;

(2) is equal to the sum of the dollar amount of (i) contributions (if any) to the Plan that were first allocated to the Class Member's Account during the ERISA Class Period, but only to the extent (if any) such contributions were, at the time of such allocation, invested in the Company Stock Fund, and (ii) that portion (if any) of the Class Member's Account that was transferred during the ERISA Class Period to the Company Stock Fund from another investment fund made available under the Plan pursuant to the ERISA Class Member's investment election;

(3) is equal to the sum of the dollar amount of (i) any distributions, withdrawals, plan loans or reductions of the ERISA Class Member's Account made during the ERISA Class Period, but only to the extent such distributions, withdrawals, plan loans or reductions resulted in a reduction of the amount of the ERISA Class Member's Account allocated to the Company Stock Fund during the ERISA Class Period, and (ii) that portion (if any) of the Class Member's Account that was transferred during the ERISA Class Period from the Company Stock Fund to another investment fund made available under the Plan pursuant to the ERISA Class Member's investment election; and

(4) is equal to the dollar value, as of the Valuation Date coincident with or immediately preceding May 30, 2003, of the fair market value of that portion (if any) of the ERISA Class Member's Account that was invested in the Company Stock Fund as of such date.

(c) Compute the allocation of the Net ERISA Fund to the Accounts of the ERISA Class Members based on the ratio, determined separately for each ERISA Class Member, of (i) the ERISA Class Member's Net Loss (if any) to (ii) the sum of the Net Losses of all ERISA Class Members. Any ERISA Class Member who does not have a Net Loss shall not share in the allocation and distribution of the Net ERISA Fund.

(d) If, at the time that distribution is to be made, the total fair market value dollar equivalent value of the Net ERISA Fund which would have been allocated to any ERISA Class Member as computed above is (i) less than \$25, that ERISA Class Member shall not receive any distribution of the Net Settlement Funds and the aggregate amount allocated to such ERISA Class Member shall be used to facilitate the distributions in subparagraph (d)(ii) below; and (ii) at least \$25 but less than \$125, then the Administrative Contractor may elect to distribute cash in lieu of shares on account of the Net Settlement Shares allocable to such ERISA Member(s).

66. The Settlement Shares and cash (if any) that comprise the Net ERISA Fund shall be credited to ERISA Class Members' respective Accounts as provided in the paragraph 65 as soon as possible after the issuance of the shares (or shares and cash in lieu of shares), shall be 100% vested, to the extent permitted under the Plan, shall be for such ERISA Class Member's exclusive benefit, and shall be held and distributed from the Plan as provided therein. Each ERISA Class Member shall have the immediate right to sell such shares. Under no circumstances shall any of the Net ERISA Fund (or the proceeds of the Omnibus Proof of Claim) revert to the defendants or be subject to any claim of defendants.

### THE RIGHTS OF CLASS MEMBERS

67. Settlement Class: The Court has certified the 1998 Class Action and the 2002 Class Action to proceed as class actions. If you purchased or transacted in common stock of CA, or common stock options, during the period of January 20, 1998 through February 25, 2002 inclusive (excluding defendants, members of their immediate families, their officers, directors, affiliates, legal representatives, heirs, predecessors, successors and assigns, and any entity in which any of the defendants has a controlling interest or of which any of the defendants is a parent or subsidiary), and sustained damages as a result of such transactions, then you are a Settlement Class Member. Also excluded from the Settlement Class are all persons or entities who previously excluded themselves from the 1998 Class, unless they affirmatively elect to opt back into the Settlement Class as provided in subparagraph (d) below. Settlement Class Members have the following options pursuant to Rule 23 (c) (2) of the Federal Rules of Civil Procedure:

(a) If you wish to remain a member of the Settlement Class, you may share in the proceeds of the Settlement, provided that you submit an acceptable Proof of Claim. Class Members will be represented by the Class Representatives and their counsel, unless they enter an appearance through counsel of their own choice at their own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file an appearance on your behalf on or before November 10, 2003, and must serve copies of such appearance on the attorneys listed in Paragraph 78 below.

(b) If you do not wish to remain a member of the Settlement Class, you may exclude yourself from the Settlement Class by following the instructions in Paragraph 75 below. Persons who exclude themselves from the Settlement Class will **NOT** receive any share of the settlement proceeds and will **NOT** be bound by the Settlement.

(c) If you object to the Settlement or any of its terms, including the Settlement Class Plan of Allocation, or to Plaintiffs' Counsel's application for fees and expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in paragraph 78 below.

(d) If you previously excluded yourself from the class previously certified in the 1998 Class Action, you may elect to opt back into the Settlement Class by submitting a signed written request for inclusion in the Settlement Class. Such request for inclusion in the Settlement Class shall state your name and address and state that you previously excluded yourself from the class previously certified in the 1998 Class Action but now wish to be included in the Settlement Class. To be effective, the written request for re-inclusion in the Settlement

Class must be signed by the beneficial purchaser of the CA stock or his, her or its legal representative, and must be mailed, postage prepaid, to Computer Associates Litigation -- Inclusion Requests, c/o Gilardi & Co. LLC, P.O. Box 5100, Larkspur, CA 94977-5100 and postmarked no later than November 10, 2003. Persons requesting re-inclusion in the Settlement Class should also file a Proof of Claim in accordance with the instructions in paragraph 70 if they wish to share in the proceeds of the Settlement.

68. ERISA Class: The Court has certified the ERISA Action to proceed as a non-opt out class action. If you were a participant or beneficiary in the Plan from January 20, 1998 through May 30, 2003, and your Plan account was invested in the common stock of CA, you are an ERISA Class Member. You are not required to do anything to remain a member of the ERISA Class and to receive, through the Plan, your share, if any, of the Net ERISA Fund you are entitled to receive by virtue of your CA stock investments in the Plan. All ERISA Class Members will be bound by the Settlement, if it is approved by the Court.

69. If you object to the ERISA Settlement or any of its terms, including to plaintiffs' counsel's application for fees and expenses, you may present your objections by following the instructions in paragraph 78 below.

**SUBMISSION AND PROCESSING OF PROOFS OF CLAIM  
FOR SETTLEMENT CLASS ONLY**

70. If you are a Settlement Class Member, to be eligible to receive any distribution from the Net Settlement Shares, you must complete and sign the accompanying Proof of Claim and Release form and send it by first class mail postmarked on or before **December 31, 2003**, addressed as follows:

In re Computer Associates Securities Litigation  
c/o Gilardi & Co. LLC  
Claims Administrator  
P.O. Box 808055  
Petaluma, CA 94975-8055

71. If you are not a member of the ERISA Class and you do not submit a proper Proof of Claim form, you will not be entitled to any share of the Net Settlement Shares. If you are a member of the ERISA Class, an omnibus claim form will be submitted on your behalf in respect of transactions with the Plan within the Settlement Class Period, but you must submit a separate proper Proof of Claim Form with respect to any transactions in CA stock outside of your Plan account.

72. If you are a Settlement Class Member and you do not properly request exclusion from the Settlement Class, you will be bound by the Settlement and the Final Judgment of the Court dismissing the Actions, even if you do not file a Proof of Claim. If you exclude yourself, you will not be bound by the judgment but you will not be entitled to any share of the Net Settlement Shares.

73. All Proofs of Claim must be submitted by the date specified in this Settlement Notice unless such period is extended by Order of the Court.

74. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Eastern District of New York with respect to his, her or its Proof of Claim. The Court has reserved jurisdiction to allow, disallow, or adjust any claim on equitable grounds.

**EXCLUSION FROM SETTLEMENT -- SETTLEMENT CLASS MEMBERS ONLY**

75. Each Member of the Settlement Class shall be bound by all determinations and judgments in the Actions concerning the Settlement, whether favorable or unfavorable, unless such person shall mail, by first class mail, a written request for exclusion from the Settlement Class, postmarked no later than November 10, 2003, addressed to Computer Associates Securities Litigation Exclusions, c/o Gilardi & Co. LLC, P.O. Box 5100, Larkspur, CA 94977-5100. No person or entity may exclude himself, herself or itself from the Settlement Class after that date. In order to be valid, each such request for exclusion must state that such person or entity "requests exclusion from the Settlement Class in the Computer Associates Securities Litigation, Civil Action Nos. 98-4839 and 02-1226" and must be signed by such person or entity. Persons and entities requesting exclusion are requested to provide the following information: the number(s) of shares of CA common stock purchased during the Settlement Class Period and the price(s) paid therefor, and the number(s) of shares of CA common stock sold during the Settlement Class Period and the amount(s) received therefor, and the number of shares still owned as of the close of trading May 30, 2003. The request for exclusion shall not be effective unless the request for exclusion provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

**76. IF YOU ARE AN ERISA CLASS MEMBER, YOU CANNOT REQUEST EXCLUSION FROM THE ERISA CLASS.**

**SETTLEMENT FAIRNESS HEARINGS**

77. At the Settlement Fairness Hearings, the Court will determine whether: 1) to finally approve the Settlements and dismiss the Actions and the claims of the Class Members and CA shareholders; 2) the Plans of Allocation and Distribution for the Settlement Shares is fair and reasonable; 3) the terms and conditions for the distribution of Settlement Shares (and any cash in lieu thereof) are fair and reasonable; 4) the Settlement Shares should be exempt from registration as provided under Section 3(a)(10) of the Securities Act of 1933; and 5) award plaintiffs' counsel the fees and expenses sought by them in the Securities Class Actions, ERISA Action and Derivative Actions

respectively. The Settlement Fairness Hearings may be adjourned from time to time by the Court without further written notice to the Classes.

78. At the Settlement Fairness Hearings, any Settlement Class Member who has not previously submitted a request for exclusion from the Settlement Class, and any ERISA Class Member, may appear in person or by counsel and be heard to the extent allowed by the Court in opposition to the fairness, reasonableness and adequacy of their respective Settlement, their respective Plans of Allocation or Distribution, or their respective applications for awards of attorneys' fees and reimbursement of expenses. Similarly, a current CA shareholder may appear in person or by counsel and be heard to the extent allowed by the Court in opposition to the fairness, reasonableness and adequacy of the settlement of the Derivative Actions and the application for an award of attorneys' fees and expenses therein. However, that in no event shall any person be heard in opposition to the Settlement, the Plans of Allocation and Distribution, or plaintiffs' counsel's applications for attorneys' fees and expenses and in no event shall any paper or brief submitted by any such person be accepted or considered by the Court, unless, on or before November 18, 2003, such person (a) files with the Clerk of the Court notice of such person's intention to appear, showing proof of such person's membership in the Class(es) or status as a current CA shareholder, as the case may be, and providing a statement that indicates the basis for such opposition, along with any documentation in support of such objection, and (b) simultaneously serves copies of such notice, proof, statement and documentation, together with copies of any other papers or briefs such person files with the Court, in person or by mail upon:

Securities Class Plaintiffs' Co-Lead Counsel:

Melvyn I. Weiss, Esq.  
MILBERG WEISS BERSHAD  
HYNES & LERACH LLP  
One Pennsylvania Plaza  
New York, NY 10119-0165

Jules Brody, Esq.  
STULL, STULL & BRODY  
6 East 45th Street  
New York, NY 10017

Richard S. Schiffrin, Esq.  
SCHIFFRIN & BARROWAY  
Three Bala Plaza East, Suite 400  
Bala Cynwyd, PA 19004

ERISA Class Plaintiffs' Counsel:

J. Brian McTigue, Esq.  
THE McTIGUE LAW FIRM  
5513 Connecticut Avenue  
Suite 220  
Washington, DC 20015

Ellen Doyle, Esq.  
Richard Finberg, Esq.  
MALAKOFF DOYLE & FINBERG, P.C.  
437 Grant Street, Suite 200  
Pittsburgh, PA 15219

Linda U. Margolin, Esq.  
BRACKEN MARGOLIN  
& GOUVIS, LTD.  
One Suffolk Square, Suite 300  
Islandia, NY 11749

Derivative Plaintiffs' Counsel:

William B. Federman, Esq.  
FEDERMAN & SHERWOOD  
120 N. Robinson Avenue, Suite 2720  
Oklahoma City, Ok 73102

CA Defendants' Counsel:

David Nachman, Esq.  
PIPER RUDNICK LLP  
1251 Avenue of the Americas  
New York, NY 10020-1104

Attendance at the hearings is not necessary; however, persons wishing to be heard orally in opposition to the Settlement, the Plans of Allocation and Distribution, and/or the request for attorneys' fees are required to indicate in their written objection their intention to appear at the hearings. Persons who intend to object to the Settlement, the Plans of Allocation and Distribution, and/or counsel's application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Fairness Hearings must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearings. Members of the Classes and shareholders do not need to appear at the hearings or take any other action to indicate their approval.

### **ATTORNEYS' FEES AND DISBURSEMENTS**

79. At the Settlement Fairness Hearings or at such other time as the Court may direct, plaintiffs' counsel shall apply to the Court for an award of attorneys' fees from the Settlement Shares. Plaintiffs' counsel in the Securities Class Actions intend to apply to the Court for an award of up to thirty percent (30%) of the Settlement Shares as and for their attorneys' fees, and for reimbursement of their reasonable expenses incurred in litigating the Securities Class Actions in an amount not greater than 150,000 Settlement Shares. Plaintiffs' counsel in the ERISA Action intend to apply to the Court for an award of up to thirty percent (30%) of the Settlement Shares from the ERISA Settlement Fund as and for their attorneys' fees and up to approximately 1,000 Settlement Shares for reimbursement of expenses. Derivative plaintiffs' counsel intends to apply to the Court for an award of attorneys' fees from the Settlement Shares in an amount not greater than 81,000 Settlement Shares. In addition, plaintiffs' counsel in the Securities Class Actions intend to apply to the Court for an award to the representative plaintiffs to reimburse them for their reasonable costs and expenses (including lost wages) directly relating to the representation of the Classes, which award if granted will be paid out of the Settlement Shares awarded to counsel as fees and expenses.

80. To the extent that the costs of giving notice of the Settlement and the costs of administering the Securities Class Action Settlement exceeds the \$1,750,000 that the CA Defendants have agreed to pay for such expenses, plaintiffs' counsel in the Securities Class Action, without further notice to the Classes, may subsequently apply to the Court for fees and expenses of the Claims Administrator incurred in connection with administering and distributing the Settlement proceeds to the Settlement Class. In addition, upon final approval of the

ERISA Settlement, Defendants' Counsel will apply to the Court for expenses incurred in connection with administering and distributing the ERISA Settlement Fund to the ERISA Class. Such expenses allowed by the Court shall be paid solely from the ERISA Settlement Fund.

**SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

81. If you purchased common stock of CA or traded options on CA common stock during the Settlement Class Period (January 20, 1998 through and including February 25, 2002), or if you currently own shares of CA common stock, for the beneficial interest of a person or organization other than yourself, then the Court has directed that within SEVEN (7) DAYS OF YOUR RECEIPT OF THIS SETTLEMENT NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock or options during such time period or for whom you currently hold CA common stock; or, (b) request additional copies of this Settlement Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Settlement Notice and Proof of Claim form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Notice and Administration Fund for your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Computer Associates Securities Litigation  
c/o Gilardi & Co. LLC, Claims Administrator  
P.O. Box 808055  
Petaluma, CA 94975-8055  
(800) 654-5763

**FURTHER INFORMATION**

82. For a more detailed statement of the matters in the Actions, reference is made to the pleadings, to the Stipulations, to the Orders entered by the Court and to the other papers filed in the Actions, which may be inspected at the Office of the Clerk of the United States District Court for the Eastern District of New York, 100 Federal Plaza, Central Islip, NY 11722-4438, during regular business hours.

83. ALL INQUIRIES CONCERNING THIS NOTICE OR THE PROOF OF CLAIM FORM BY THE CLASS MEMBERS SHOULD BE MADE TO THE CLAIMS ADMINISTRATOR IN WRITING.

Dated: September 19, 2003

By Order of the Court  
CLERK OF THE COURT