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6 [Additional Counsel on Signature Page]

7 Attorneys for Plaintiffs

9 DISTRICT COURT  
10 CLARK COUNTY, NEVADA

11 JUDY BAINTo, Derivatively on Behalf of  
COMPUTER SCIENCES CORPORATION,

12 Plaintiff,

13 v.

14 MICHAEL W. LAPHEN, MICHAEL J.  
15 MANCUSO, IRVING W. BAILEY, II,  
DAVID J. BARRAM, STEPHEN L. BAUM,  
16 ERIK BRYNJOLFSSON, RODNEY F.  
CHASE, JUDITH R. HABERKORN, F.  
17 WARREN MCFARLAN, CHONG SUP  
PARK, and THOMAS H. PATRICK,

18 Defendants,

19 -and-

20 COMPUTER SCIENCES CORPORATION,  
21 a Nevada corporation,

22 Nominal Defendant.

) Consolidated Case No.: A-12-661695-B

) Dept. No.: XXVII

) **STIPULATION OF SETTLEMENT**

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1 This Stipulation of Settlement, dated August 23, 2013 (the "Stipulation") is made and  
2 entered into by and among the following Settling Parties<sup>1</sup>: (i) the Plaintiffs, individually and  
3 derivatively on behalf of Computer Sciences Corporation ("CSC" or the "Company"), by and  
4 through their counsel of record in the Actions; (ii) the Individual Defendants, by and through  
5 their counsel of record in the Actions; and (iii) CSC, by and through its counsel of record in the  
6 Actions. This Stipulation is intended by the Settling Parties to fully, finally, and forever resolve,  
7 discharge, and settle the Released Claims, upon and subject to the terms and conditions hereof.

8 **I. BACKGROUND OF THE LITIGATION**

9 On September 13, 2011, plaintiff Che Wu Hung filed a shareholder derivative action in  
10 the Circuit Court of Fairfax County, Virginia. The Virginia Action was removed to the U.S.  
11 District Court for the Eastern District of Virginia on October 24, 2011, voluntarily dismissed  
12 without prejudice on December 15, 2011, and re-filed in the Circuit Court of Fairfax County,  
13 Virginia on December 22, 2011. On May 11, 2012, and October 16, 2012, respectively, the  
14 *Bainto* and *Himmel* actions were filed in the District Court of Clark County, Nevada. The  
15 Actions alleged that certain of CSC's officers and directors breached their fiduciary duties to the  
16 Company by, *inter alia*, causing or allowing the Company to: (i) conceal the Company's progress  
17 on the contract for the United Kingdom's National Health Service ("NHS"), including the timing  
18 and chances of successful completion of the NHS contract; (ii) conceal financial and accounting  
19 irregularities in the Company's Managed Services Sector, primarily in the Nordic Region; and  
20 (iii) fail to maintain adequate internal controls over contract management, accounting, internal  
21 audit, and financial reporting, causing CSC to become a defendant in a consolidated securities  
22 fraud class action, *In re Computer Sciences Corp. Securities Litigation*, No. 1:11-cv-610-TSE-  
23 IDD (E.D. Va.) (the "Securities Class Action").

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26 <sup>1</sup> Capitalized terms used herein are defined in Section IV(1) below, unless otherwise noted.

1 On September 28, 2012, plaintiff Bainto filed an amended complaint in the Nevada  
2 Action. On October 25, 2012, upon stipulation of the parties, the Court consolidated the *Bainto*  
3 and *Himmel* actions, appointed Faruqi & Faruqi, LLP and Robbins Arroyo LLP<sup>2</sup> as Co-Lead  
4 Counsel for the Nevada Plaintiffs, and deemed the amended complaint previously filed by  
5 plaintiff Bainto as the operative complaint for the Nevada Action.

6 On October 19, 2012, upon the joint motion of the parties to the Virginia Action, the  
7 Virginia state court issued an order staying the Virginia Action while discovery proceeded in the  
8 Securities Class Action. The order also required CSC to produce to the Virginia Plaintiff certain  
9 discovery produced in the Securities Class Action.

10 On November 8, 2012, upon joint motion of the parties to the Nevada Action, a similar  
11 order was entered by the Court, requiring that CSC also make available to the Nevada Plaintiffs  
12 certain discovery produced in the Securities Class Action.

13 At the same time, the law firms of Faruqi & Faruqi, LLP, Robbins Arroyo LLP, and  
14 Schubert Jonckheer & Kolbe LLP had been discussing, and reached agreement regarding,  
15 coordination of Plaintiffs in the Actions in connection with review and analysis of the discovery  
16 produced. Thereafter, Plaintiffs developed a discovery plan providing for the efficient and non-  
17 duplicative review of the discovery materials. CSC ultimately produced to Plaintiffs, and  
18 Plaintiffs reviewed, approximately five million pages of confidential documents and twenty-five  
19 deposition transcripts memorializing testimony in the Securities Class Action.

20 In January 2013, the parties to the Actions began discussions concerning possible  
21 resolution of the Actions. In connection with those discussions, Plaintiffs' Counsel sent to  
22 counsel for CSC and the Individual Defendants a comprehensive settlement demand seeking to  
23 resolve the Actions. Over the course of more than four months, the Parties engaged in extensive,  
24 arm's-length negotiations in an effort to resolve the Actions.

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26 <sup>2</sup> The law firm of Robbins Arroyo LLP was formerly known as Robbins Umeda LLP.

1 In or about May 2013, the Settling Parties reached an agreement in principle on core  
2 settlement terms, consisting of significant and material corporate governance reforms to be  
3 implemented or maintained by CSC.

4 Plaintiffs utilized their comprehensive knowledge of the facts in this case which was  
5 developed through extensive discovery review to analyze and develop their settlement proposal  
6 and to confirm the fairness and adequacy of the proposed settlement terms. The terms and  
7 conditions of the Settlement are contained in this Stipulation of Settlement.

## 8 **II. CLAIMS OF THE PLAINTIFFS AND BENEFITS OF SETTLEMENT**

9 Plaintiffs believe that the claims alleged in the Actions have merit. Plaintiffs and  
10 Plaintiffs' Counsel recognize and acknowledge, however, the significant risk, expense, and  
11 length of continued proceedings necessary to prosecute the Actions against the Individual  
12 Defendants through trial and through possible appeals. Plaintiffs' Counsel also have taken into  
13 account the uncertain outcome and the risk of any litigation, especially in complex actions such  
14 as the Actions, as well as the difficulties and delays inherent in such litigation. Plaintiffs'  
15 Counsel also are mindful of the inherent problems of proof and possible defenses to the claims  
16 asserted in such actions.

17 Plaintiffs' Counsel have conducted an extensive investigation, including, *inter alia*:  
18 (i) reviewing CSC's press releases, public statements, U.S. Securities and Exchange Commission  
19 ("SEC") filings, and securities analysts' reports and advisories about the Company; (ii) reviewing  
20 media reports about the Company; (iii) researching the applicable law with respect to the claims  
21 alleged in the Actions and the potential defenses thereto; (iv) preparing and filing derivative  
22 complaints, including an amended complaint; (v) conducting extensive damages analyses;  
23 (vi) participating in informal conferences with Defendants' Counsel regarding the specific facts  
24 of the cases, the perceived strengths and weaknesses of the cases, and other issues in an effort to  
25 facilitate negotiations and fact gathering; (vii) reviewing millions of pages of discovery,  
26 including numerous deposition transcripts, exchanged in the Securities Class Action;

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1 (viii) conducting research into the Company's corporate governance structure in order to make a  
2 settlement demand; and (ix) negotiating this Settlement with Defendants. Based on Plaintiffs'  
3 Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and  
4 controlling legal principles, Plaintiffs' Counsel believe that the Settlement set forth in the  
5 Stipulation is fair, reasonable, and adequate, and confers substantial benefits upon CSC and its  
6 shareholders. Based upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the  
7 Settlement is in the best interests of CSC and Current CSC Shareholders and have agreed to  
8 settle the Actions upon the terms and subject to the conditions set forth herein.

9 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

10 Each Individual Defendant, as well as nominal defendant CSC, has denied and continues  
11 to deny each and all of the claims and contentions alleged in the Actions. Each Individual  
12 Defendant has expressly denied and continues to deny all allegations of wrongdoing or liability  
13 against each of them arising out of any of the conduct, statements, acts, or omissions alleged, or  
14 that could have been alleged, in the Actions. The Individual Defendants and CSC also have  
15 denied and continue to deny, *inter alia*, the allegations that CSC, Plaintiffs, or any other CSC  
16 shareholder suffered damages or was harmed by the conduct alleged in the Actions.

17 Nonetheless, the Individual Defendants and CSC have concluded that further conduct of  
18 the Actions would be protracted and expensive, and that it is desirable that the Actions be fully  
19 and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.  
20 The Individual Defendants and CSC also have taken into account the uncertainty and risks  
21 inherent in any litigation, especially in complex cases like the Actions. Moreover, CSC believes  
22 the Settlement confers substantial benefits on CSC and its shareholders. The Individual  
23 Defendants and CSC have, therefore, determined that it is desirable and beneficial to them that  
24 the Actions be settled in the manner and upon the terms and conditions set forth in this  
25 Stipulation.

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1 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

2 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the  
3 Plaintiffs, individually and derivatively on behalf of CSC, the Individual Defendants, and CSC,  
4 by and through their respective counsel or attorneys of record, that, subject to all necessary court  
5 approvals, the Actions and Released Claims shall be finally and fully compromised, settled, and  
6 released, and the Actions shall be dismissed with prejudice upon the terms and subject to the  
7 conditions of the Stipulation, as follows:

8 **1. Definitions**

9 As used in the Stipulation, the following terms have the meanings specified below:

10 1.1 "Actions" means the Nevada Action and the Virginia Action.

11 1.2 "Court" means the District Court of Clark County, Nevada.

12 1.3 "CSC" or the "Company" means nominal defendant Computer Sciences  
13 Corporation.

14 1.4 "Current CSC Shareholders" means persons who owned CSC common stock as of  
15 the date of the execution of the Stipulation and who continue to hold their CSC common stock as  
16 of the date of the final settlement approval hearing, excluding the Individual Defendants, the  
17 officers and directors of CSC, members of their immediate families, and their legal  
18 representatives, heirs, successors, or assigns, and any entity in which Individual Defendants have  
19 or had a controlling interest.

20 1.5 "Defendants" means the Individual Defendants and nominal defendant CSC.

21 1.6 "Defendants' Counsel" means Skadden, Arps, Slate, Meagher & Flom LLP, 1440  
22 New York Avenue, N.W., Washington, D.C. 20005; Jolley Urga Wirth Woodbury & Standish,  
23 3800 Howard Hughes Pkwy. #1600, Las Vegas, Nevada 89169; Weil, Gotshal & Manges LLP,  
24 767 Fifth Avenue, New York, New York 10153; Lewis and Roca LLP, 3993 Howard Hughes  
25 Parkway, Las Vegas, Nevada 89169; and DiMuroGinsberg PC, 1101 King Street, Suite 610,  
26 Alexandria, Virginia 22314.

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1           1.7     "Effective Date" means the first date by which all of the events and conditions  
2 specified in paragraph 5.1 of the Stipulation have been met and have occurred.

3           1.8     "Final" means (i) the date of final affirmance on an appeal of the Judgment;  
4 (ii) the date of final dismissal of any appeal from the Judgment; or (iii) if no appeal is filed, the  
5 expiration date of the time for filing or noticing any appeal from the Judgment. For purposes of  
6 this paragraph, an "appeal" shall include any petition for a writ of certiorari, petition for review,  
7 or other writ that may be filed in connection with approval or disapproval of the Settlement, but  
8 shall not include any appeal which concerns only the issue of attorneys' fees and reimbursement  
9 of expenses.

10          1.9     "Individual Defendants" means Michael W. Laphen, Michael J. Mancuso, Irving  
11 W. Bailey, II, David J. Barram, Stephen L. Baum, Erik Brynjolfsson, Rodney F. Chase, Judith R.  
12 Haberkorn, F. Warren McFarlan, Chong Sup Park, and Thomas H. Patrick.

13          1.10    "Judgment" means the proposed order to be rendered by the Court, substantially  
14 in the form attached hereto as Exhibit A.

15          1.11    "Nevada Action" means *Bainto v. Laphen et al.*, No. A-12-661695-C (District  
16 Court, Clark County, Nevada) and *Himmel v. Laphen et al.*, No. A-12-670190-C (District Court,  
17 Clark County, Nevada), which actions were consolidated by the Court on October 25, 2012.

18          1.12    "Nevada Plaintiffs" mean Judy Bainto and Daniel Himmel, individually and on  
19 behalf of CSC.

20          1.13    "Nevada Plaintiffs' Counsel" means Faruqi & Faruqi, LLP, 369 Lexington  
21 Avenue, 10th Floor, New York, New York 10017; Robbins Arroyo LLP, 600 B Street, Suite  
22 1900, San Diego, California 92101; Muckleroy Johnson, 6767 W. Tropicana Avenue, Suite 106,  
23 Las Vegas, Nevada 89109; and the Wright Law Office, P.A., 301 Clematis Street, Suite 3000,  
24 West Palm Beach, Florida 33401.

25          1.14    "Person" means an individual, corporation, limited liability corporation,  
26 professional corporation, partnership, limited partnership, limited liability partnership,  
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1 association, joint stock company, estate, legal representative, trust, unincorporated association,  
2 government or any political subdivision or agency thereof, and any business or legal entity and  
3 their spouses, heirs, predecessors, successors, representatives, or assignees.

4 1.15 "Plaintiffs" means the Nevada Plaintiffs and the Virginia Plaintiff.

5 1.16 "Plaintiffs' Counsel" means the Nevada Plaintiffs' Counsel and the Virginia  
6 Plaintiff's Counsel.

7 1.17 "Related Persons" means (i) each of the Released Persons' past or present  
8 directors, officers, employees, partners, members, principals, agents, insurers, co-insurers,  
9 reinsurers, controlling shareholders, attorneys, accountants or auditors, personal or legal  
10 representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns,  
11 spouses, heirs and related or affiliated entities, (ii) entities in which any of the Released Persons  
12 has a controlling interest, (iii) members of any Individual Defendant's immediate family, and  
13 (iv) trusts of which any Individual Defendant or CSC is the settler, or which is for the benefit of  
14 CSC or any Individual Defendant.

15 1.18 "Released Claims" means any and all claims, rights, causes of action, duties,  
16 obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises,  
17 damages, and liabilities of every nature and description, including both known claims and  
18 Unknown Claims (defined below), whether arising under federal, state, foreign or statutory law,  
19 common law or any other law, rule, or regulation, whether fixed or contingent, accrued or not  
20 accrued, matured or unmatured, liquidated or unliquidated, at law or in equity, whether class or  
21 individual in nature, that CSC, Plaintiffs or any other CSC shareholder: (i) asserted in the  
22 Actions; or (ii) could have asserted in the Actions or in any other forum that arise out of, relate  
23 to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures,  
24 statements, representations or omissions or failures to act involved, set forth, or referred to in the  
25 complaints filed in the Actions, including without limitation the claims asserted in *Morefield v.*  
26 *Bailey et al.*, No. 1:12-cv-1468-GBL-TCB (E.D. Va.). Excluded from the term "Released  
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1 Claims" are the claims alleged on behalf of the class in the Securities Class Action. Released  
2 Claims include claims concerning the subject matter stated in this paragraph that have been or  
3 could have been asserted derivatively on behalf of CSC whether or not the plaintiff or plaintiffs  
4 asserting the claim makes a pre-suit demand pursuant to Federal Rule of Civil Procedure 23.1,  
5 Nevada Rule of Civil Procedure 23.1 or any similar, comparable or equivalent statute or rule in  
6 any other jurisdiction, and whether or not the plaintiff or plaintiffs asserting the claim contends  
7 that a pre-suit demand pursuant to Federal Rule of Civil Procedure 23.1, Nevada Rule of Civil  
8 Procedure 23.1 or any similar, comparable or equivalent statute or rule in any other jurisdiction  
9 is excused or has been wrongfully refused.

10 1.19 "Released Persons" means CSC, each of its Related Persons, each and all of the  
11 Individual Defendants and each of their Related Persons.

12 1.20 "Securities Class Action" means the consolidated securities fraud class action  
13 captioned *In re Computer Sciences Corp. Securities Litigation*, No. 1:11-cv-610-TSE-IDD (E.D.  
14 Va.).

15 1.21 "Settlement" means the settlement contemplated by this Stipulation.

16 1.22 "Settlement Hearing" means the hearing on final approval of the proposed  
17 Settlement contemplated by the Stipulation, made upon noticed motion and at which the  
18 Plaintiffs will seek entry of the Judgment.

19 1.23 "Settling Parties" means CSC, the Individual Defendants, and Plaintiffs,  
20 individually and derivatively on behalf of CSC.

21 1.24 "Stipulation" means this Stipulation of Settlement.

22 1.25 "Virginia Action" means *Hung v. Laphen et al.*, CL-2011-18046 (Circuit Court of  
23 Fairfax County, Virginia).

24 1.26 "Virginia Plaintiff" means Che Wu Hung, individually and derivatively on behalf  
25 of CSC.

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1           1.27 "Virginia Plaintiff's Counsel" means Schubert Jonckheer & Kolbe LLP, 3  
2 Embarcadero Center, Suite 1650, San Francisco, California 94111; and Finkelstein Thompson  
3 LLP, James Place, 1077 30<sup>th</sup> Street, NW, Suite 150, Washington, DC 20007.

4           1.28 "Unknown Claims" means any and all Released Claims that any Settling Party or  
5 Current CSC Shareholder does not know or suspect to exist in his, her, or its favor at the time of  
6 the Settlement including, without limitation, those claims which, if known, might have affected  
7 the decision to enter into, or not object to, this Settlement. With respect to any and all Released  
8 Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties  
9 shall expressly, and each Current CSC Shareholder shall be deemed to have, and by operation of  
10 the Judgment shall have, to the fullest extent permitted by law, expressly waived and  
11 relinquished any and all provisions, rights, and benefits conferred by or under California Civil  
12 Code Section 1542 ("§1542") or any other law of the United States or any state or territory of the  
13 United States, or principle of common law, which is similar, comparable, or equivalent to §1542,  
14 which provides:

15           **A general release does not extend to claims which the creditor does not know**  
16           **or suspect to exist in his or her favor at the time of executing the release,**  
17           **which if known by him or her must have materially affected his or her**  
18           **settlement with the debtor.**

19           The Settling Parties and Current CSC Shareholders may hereafter discover facts, legal theories,  
20 or authorities in addition to or different from those now known or believed to be true by them,  
21 with respect to the subject matter of the Released Claims, but the Settling Parties shall expressly,  
22 fully, finally, and forever settle and release, and each Current CSC Shareholder shall be deemed  
23 to have settled and released, and upon the Effective Date and by operation of the Judgment shall  
24 have settled and released, fully, finally, and forever, any and all Released Claims without regard  
25 to the subsequent discovery or existence of such different or additional facts, legal theories, or  
26 authorities. The Settling Parties acknowledge, and the Current CSC Shareholders by operation  
27 of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the  
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1 definition of Released Claims was separately bargained for and was a material element of the  
2 Settlement.

3 **2. Settlement of the Actions**

4 2.1 As a result of the filing, prosecution, and settlement of the Actions, CSC has  
5 implemented and/or will maintain the corporate governance measures described in Exhibit B  
6 attached hereto ("Corporate Governance Measures") through the end of fiscal year 2016. These  
7 Corporate Governance Measures constitute the consideration for this Stipulation, and CSC  
8 acknowledges and agrees that the Corporate Governance Measures set forth in Exhibit B are  
9 significant and extensive and confer substantial benefits upon CSC and its shareholders. CSC  
10 may cease continuing any of the Corporate Governance Measures if the independent directors  
11 sitting on CSC's Board of Directors (the "Board") determine following a review that it is in the  
12 best interests of CSC to do so, at which time CSC will adopt alternative governance measures  
13 designed to accomplish the goals of the discontinued provision. CSC acknowledges and agrees  
14 that (i) the pendency and prosecution of the Actions were a material cause of CSC's agreement to  
15 implement or maintain the Corporate Governance Measures and (ii) the institution of the  
16 Corporate Governance Measures will be effective in preventing the occurrence of wrongdoing of  
17 the type alleged in the Actions.

18 2.2 As soon as practicable after execution of the Stipulation, the Nevada Plaintiffs  
19 shall file the Stipulation together with its exhibits with the Court, and shall apply for entry of a  
20 preliminary approval order (the "Notice Order"), substantially in the form of Exhibit E attached  
21 hereto, requesting: (i) preliminary approval of the Settlement set forth in the Stipulation;  
22 (ii) approval of the form and content of the Summary Notice of Pendency and Proposed  
23 Settlement of Shareholder Derivative Actions ("Summary Notice"), attached hereto as Exhibit C,  
24 and the Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions  
25 ("Notice"), attached hereto as Exhibit D; and (iii) a date for the Settlement Hearing.

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1           2.3     CSC shall cause a copy of the Notice to be filed with the SEC via a Form 8-K.  
2 The Summary Notice shall be published once in *Investor's Business Daily* and shall refer  
3 shareholders to the SEC website to view the detailed Notice and to the websites of CSC, Faruqi  
4 & Faruqi, LLP, Robbins Arroyo LLP, and Schubert Jonckheer & Kolbe LLP to view the detailed  
5 Notice and Stipulation. CSC shall be responsible for all costs associated with publishing the  
6 Summary Notice.

7           **3.       Attorneys' Fees and Reimbursement of Expenses**

8           3.1     Defendants acknowledge that Plaintiffs' Counsel are entitled to be paid reasonable  
9 attorneys' fees and reimbursement of reasonable expenses for their efforts in prosecuting the  
10 Actions and in achieving the Settlement described herein. The Settling Parties agree that no  
11 other attorneys were involved in these efforts. After negotiating the Corporate Governance  
12 Measures to be instituted by CSC in connection with the Settlement of the Actions, the Settling  
13 Parties agreed to negotiate in good faith the amount of reasonable attorneys' fees and  
14 reimbursement of reasonable expenses to be paid to Plaintiffs' Counsel for their efforts in  
15 prosecuting the Actions and in achieving the Settlement described herein. As a result of that  
16 process, the Settling Parties reached an agreement as to a fair and reasonable amount of  
17 attorneys' fees and reimbursement of expenses to be paid to Plaintiffs' Counsel. Subject to Court  
18 approval, CSC has agreed to pay to Plaintiffs' Counsel the agreed-to amount of \$2,000,000.00  
19 (Two Million Dollars) (the "Fee and Expense Amount") for their attorneys' fees and  
20 reimbursement of expenses. Only Plaintiffs' Counsel, as defined above in ¶1.16, shall be entitled  
21 to share in the Fee and Expense Amount, and any application for any fees or expenses by any  
22 person or attorney claiming entitlement to such must be brought exclusively in the Court. The  
23 Settling Parties agree that no other person or attorney is entitled to fees or expenses and  
24 Defendants reserve the right to oppose any such application. In the event that the Court awards  
25 or allocates any fees and expenses to any CSC shareholder other than Plaintiffs, or to any  
26 counsel other than Plaintiffs' Counsel, neither Plaintiffs nor Plaintiffs' Counsel shall be  
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1 responsible for such payments. The Fee and Expense Amount shall be wired to Faruqi & Faruqi,  
2 LLP, as receiving agent for Plaintiffs' Counsel, within ten business days after (i) entry of an  
3 order granting final approval of the Settlement; (ii) dismissal of the Virginia Action; and (iii)  
4 Faruqi & Faruqi, LLP has provided to Jennifer L. Spaziano of Skadden, Arps, Slate, Meagher &  
5 Flom LLP all information necessary to effectuate a transfer of funds, including but not limited to,  
6 wiring instructions, payment address, and a complete, accurate and signed W-9 form for the Fee  
7 and Expense Amount that reflects a valid taxpayer identification number. Faruqi & Faruqi, LLP  
8 shall distribute the Fee and Expense Amount among Plaintiffs' Counsel, upon agreement of all  
9 Plaintiffs' Counsel. CSC, the Individual Defendants, and each of their Related Persons shall  
10 have no responsibility for, and no liability whatsoever with respect to, the division or allocation  
11 of the Fee and Expense Amount. In the event payment is not made in accordance with paragraph  
12 3.1, interest will be assessed on the full amount due at 2% higher than the annual U.S. prime  
13 interest rate quoted by the *Wall Street Journal* on the day that such payment was due. The  
14 failure of the Court to approve the Fee and Expense Amount, in whole or in part, shall have no  
15 effect on the Settlement set forth in this Stipulation.

16         3.2     Payment of the Fee and Expense Amount is subject to the several obligation of  
17 Plaintiffs' Counsel and their law firms (or their successors) to refund that amount within ten  
18 business days, in the event of a reversal or modification on appeal. The Fee and Expense  
19 Amount shall constitute the final and complete payment for Plaintiffs' Counsel's attorneys' fees  
20 and reimbursement of expenses that have been incurred or will be incurred in connection with  
21 the Actions and the resolution of the claims asserted in the Actions. Except as otherwise  
22 provided herein, Plaintiffs, on the one hand, and Defendants, on the other hand, shall bear their  
23 own costs and expenses.

24         3.3     The Settling Parties further stipulate that Plaintiffs' Counsel may apply to the  
25 Court for an incentive amount of \$2,000.00 for each of the Plaintiffs (the "Incentive Amount"),  
26 only to be paid upon Court approval, and to be paid from the Fee and Expense Amount, in  
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1 recognition of Plaintiffs' participation and effort in the prosecution of the Actions. The failure of  
2 the Court to approve any requested Incentive Amount, in whole or in part, shall have no effect on  
3 the Settlement set forth in this Stipulation. Neither CSC nor any of the Individual Defendants  
4 shall be liable for any portion of any Incentive Amount.

5 **4. Releases and Dismissals**

6 4.1 Upon the Effective Date, CSC, Plaintiffs (individually and derivatively on behalf  
7 of CSC), and each Current CSC Shareholder (solely in their capacity as CSC shareholders) shall  
8 be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever  
9 released, relinquished and discharged the Released Claims against the Released Persons.  
10 Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the  
11 terms of this Stipulation.

12 4.2 Upon the Effective Date, the Released Persons shall be deemed to have, and by  
13 operation of the Judgment shall have, fully, finally, and forever released, relinquished and  
14 discharged Plaintiffs and Plaintiffs' Counsel from all claims arising out of, relating to, or in  
15 connection with their institution, prosecution, assertion, settlement, or resolution of the Actions  
16 or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any  
17 Settling Party to enforce the terms of this Stipulation.

18 4.3 The Settling Parties will seek entry of the Judgment by the Court, dismissing the  
19 Actions with prejudice, and barring any claims that have been filed in any court or forum by  
20 CSC, or any CSC shareholder, derivatively on behalf of CSC, relating to or arising out of the  
21 allegations in the Actions.

22 4.4 The Virginia Plaintiff shall seek dismissal of the Virginia Action by nonsuit  
23 within two calendar days of the execution date of this Stipulation.

24 **5. Conditions of Settlement, Effect of Disapproval, Cancellation, or**  
25 **Termination**

26 5.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all  
27 of the following events:  
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- 1 (a) entry of the Notice Order;
- 2 (b) entry of an order granting final approval of the Settlement, following
- 3 notice to Current CSC Shareholders as contemplated by the Stipulation and the Settlement
- 4 Hearing as required by Nevada Rules of Civil Procedure 23.1;
- 5 (c) entry of the Judgment; and
- 6 (d) the Judgment has become Final.

7 5.2 This Settlement is not conditioned on the payment of the Fee and Expense  
8 Amount and an appeal of only the Fee and Expense Amount will not affect the finality of the  
9 Settlement.

10 5.3 If any of the conditions listed in paragraph 5.1 are not met, then the Stipulation  
11 shall be canceled and terminated and the Settling Parties will be restored to their respective  
12 positions as of the execution date of the Stipulation, unless Plaintiffs' Counsel and Defendants'  
13 Counsel mutually agree in writing to proceed with the Stipulation.

14 **6. Miscellaneous Provisions**

15 6.1 The Settling Parties: (a) acknowledge that it is their intent to consummate the  
16 Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and  
17 implement all terms and conditions of the Stipulation and to exercise their best efforts to  
18 accomplish the foregoing terms and conditions of the Stipulation.

19 6.2 The Settling Parties agree that the terms of the Settlement were negotiated in good  
20 faith by the Settling Parties, and reflect a settlement that was reached voluntarily after  
21 consultation with competent legal counsel. The Settling Parties request that the Judgment in the  
22 Nevada Action contain a finding that during the course of the litigation of the Actions, the  
23 Settling Parties and their respective counsel at all times complied with the requirements of  
24 Nevada Rules of Civil Procedure 11 and all other similar rules and laws. The Settling Parties  
25 reserve their right to rebut, in a manner that such party determines to be appropriate, any

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1 contention made in any public forum that the Actions were brought or defended in bad faith or  
2 without a reasonable basis.

3           6.3     Neither the Stipulation nor the Settlement, nor any act performed or document  
4 executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be  
5 deemed to be or may be used as an admission of, or evidence of, the validity of any Released  
6 Claim, or of any wrongdoing or liability of the Released Persons; or (b) is or may be deemed to  
7 be or may be used as an admission of, or evidence of, any fault or omission of any Released  
8 Person in any civil, criminal, or administrative proceeding in any court, administrative agency, or  
9 other tribunal. Released Persons may file the Stipulation and the Judgment in any action that  
10 may be brought against them in order to support a defense or counterclaim based on principles of  
11 *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any  
12 other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

13           6.4     Any and all agreements made and orders entered during the course of the Actions  
14 relating to the confidentiality of information shall survive the Stipulation.

15           6.5     The exhibits to the Stipulation are material and integral parts hereof and are fully  
16 incorporated herein by this reference.

17           6.6     The Stipulation may be amended or modified only by a written instrument signed  
18 by or on behalf of all Settling Parties or their respective successors-in-interest.

19           6.7     The Stipulation and the exhibits attached hereto represent the complete and final  
20 resolution of all disputes between the Settling Parties with respect to the Actions, constitute the  
21 entire agreement among the Settling Parties, and supersede any and all prior negotiations,  
22 discussions, agreements, or undertakings, whether oral or written, with respect to such matters.

23           6.8     The Stipulation shall be deemed drafted equally by all Settling Parties hereto.

24           6.9     This Stipulation and the exhibits attached hereto shall be considered to have been  
25 negotiated, executed, and delivered, and to be wholly performed, in the State of Nevada, and the  
26 rights and obligations of the Settling Parties to the Stipulation shall be construed and enforced in  
27  
28



1 accordance with, and governed by, the internal, substantive laws of the State of Nevada without  
2 giving effect to that State's choice of law principles.

3 6.10 No representations, warranties, or inducements have been made to any party  
4 concerning the Stipulation or its exhibits other than the representations, warranties, and  
5 covenants contained and memorialized in such documents.

6 6.11 Each counsel or other Person executing the Stipulation or its exhibits on behalf of  
7 any Settling Party hereby warrants that such Person has the full authority to do so.

8 6.12 The Stipulation shall be binding upon, and inure to the benefit of, the successors  
9 and assigns of the Settling Parties and the Released Persons hereto.

10 6.13 The Stipulation may be executed by facsimile and in one or more counterparts.  
11 All executed counterparts and each of them shall be deemed to be one and the same instrument.  
12 A complete set of original executed counterparts shall be filed with the Court.

13 6.14 The Court shall retain jurisdiction with respect to implementation and  
14 enforcement of the terms of the Stipulation, and the Settling Parties submit to the jurisdiction of  
15 the Court for purposes of implementing and enforcing the Settlement embodied in the  
16 Stipulation.

17 IN WITNESS WHEREOF, the Settling Parties hereto have caused the Stipulation to be  
18 executed, by their duly authorized attorneys, dated as of August 23, 2013.

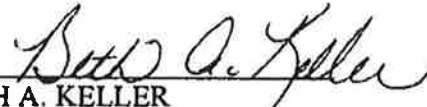
19 **AFFIRMATION**

20 (Pursuant to NRS 239B.030)

21 The undersigned does hereby affirm that the preceding document filed in the above  
22 referenced matter does not contain the social security number of any person.

23 DATED: August 23, 2013

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25 By:   
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27 369 Lexington Avenue, 10th Floor  
28 New York, NY 10017

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DATED: August \_\_, 2013

DATED: August 23<sup>rd</sup>, 2013

DATED: August \_\_, 2013

DATED: August \_\_, 2013

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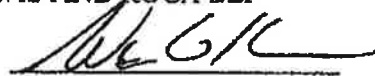
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Brynjolfsson, Rodney F. Chase, Judith R.  
Haberkorn, F. Warren McFarlan, Chong  
Sup Park and Thomas H. Patrick*

DATED: August 23, 2013

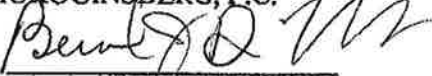
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**INDEX OF EXHIBITS**

<b>Exhibit</b>	<b>Description</b>
A	[Proposed] Final Judgment and Order of Dismissal with Prejudice
B	Settlement Terms
C	Summary Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions
D	Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions
E	[Proposed] Order Preliminarily Approving Derivative Settlement and Providing for Notice

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# **EXHIBIT A**

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6 Attorneys for Plaintiffs  
7  
8

9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 JUDY BAINTO, Derivatively on Behalf of ) Consolidated Case No.: A-12-661695-B  
COMPUTER SCIENCES CORPORATION, )  
12 Plaintiff, ) Dept. No.: XXVII  
13 v. )  
14 MICHAEL W. LAPHEN, MICHAEL J. ) **[PROPOSED] FINAL JUDGMENT AND**  
MANCUSO, IRVING W. BAILEY, II, ) **ORDER OF DISMISSAL WITH**  
15 DAVID J. BARRAM, STEPHEN L. BAUM, ) **PREJUDICE**  
ERIK BRYNJOLFSSON, RODNEY F. )  
16 CHASE, JUDITH R. HABERKORN, F. )  
WARREN MCFARLAN, CHONG SUP )  
17 PARK, and THOMAS H. PATRICK, )  
18 Defendants, )  
19 -and- )  
20 COMPUTER SCIENCES CORPORATION, a )  
Nevada corporation, )  
21 Nominal Defendant. )  
22

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1           This matter came before the Court for hearing pursuant to the Order of this Court, dated  
2 \_\_\_\_\_, 2013 ("Order"), on the application of the Settling Parties for approval of the proposed  
3 settlement (the "Settlement") set forth in the Stipulation of Settlement dated August 23, 2013 (the  
4 "Stipulation"). Due and adequate notice having been given to Current CSC Shareholders as required  
5 in said Order, and the Court having considered all papers filed and proceedings had herein and  
6 otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY  
7 ORDERED, ADJUDGED, AND DECREED that:

8           1.       This Judgment incorporates by reference the definitions in the Stipulation, and all  
9 capitalized terms used herein shall have the same meanings as set forth in the Stipulation.

10          2.       This Court has jurisdiction over the subject matter of the Nevada Action, including all  
11 matters necessary to effectuate the Settlement.

12          3.       The Court finds that the Settlement is fair, reasonable, and adequate as to each of the  
13 Settling Parties, and hereby finally approves the Settlement in all respects, finds that the Settlement  
14 provides substantial benefits to CSC and its shareholders, and orders the Settling Parties to perform  
15 its terms to the extent the Settling Parties have not already done so.

16          4.       The Nevada Action and all claims contained therein, as well as all of the Released  
17 Claims, are dismissed with prejudice. Plaintiffs, on the one hand, and Defendants, on the other hand,  
18 shall bear their own costs, except as otherwise provided in the Stipulation.

19          5.       Upon the Effective Date, CSC, Plaintiffs (individually and derivatively on behalf of  
20 CSC), and each Current CSC Shareholder (solely in their capacity as CSC shareholders) shall be  
21 deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released,  
22 relinquished and discharged the Released Claims against the Released Persons and shall forever be  
23 BARRED, ENJOINED AND RESTRAINED from commencing, instituting, prosecuting or  
24 maintaining any of the Released Claims against any of the Released Persons. Nothing herein shall in  
25 any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

26          6.       Upon the Effective Date, the Released Persons shall be deemed to have, and by  
27 operation of the Judgment shall have, fully, finally, and forever released, relinquished and  
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1 discharged Plaintiffs and Plaintiffs' Counsel from all claims arising out of, relating to, or in  
2 connection with their institution, prosecution, assertion, settlement, or resolution of the Actions or  
3 the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling  
4 Party to enforce the terms of the Stipulation.

5 7. The Court finds that the Summary Notice of Pendency and Proposed Settlement of  
6 Shareholder Derivative Actions published in *Investor's Business Daily*, and the Notice of Pendency  
7 and Proposed Settlement of Shareholder Derivative Actions posted on the websites of CSC, Faruqi  
8 & Faruqi, LLP, Robbins Arroyo LLP, and Schubert, Jonckheer & Kolbe, LLP, and filed by CSC  
9 with the U.S. Securities and Exchange Commission via a Form 8-K, provided the best notice  
10 practicable under the circumstances of these proceedings and of the matters set forth therein,  
11 including the Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said  
12 notices fully satisfied the requirements of Nevada Rules of Civil Procedure 23.1 and the  
13 requirements of due process.

14 8. The Court finds that during the course of the Actions, the Settling Parties and their  
15 counsel, at all times, complied with Nevada Rules of Civil Procedure 11 and all other similar rules  
16 and law.

17 9. The Court finds that the Fee and Expense Amount is fair and reasonable and hereby  
18 directs CSC to cause the transfer of the Fee and Expense Amount to Plaintiffs' Counsel in  
19 accordance with the terms set forth in the Stipulation.

20 10. The Court hereby approves the Incentive Amount for each of the Plaintiffs, to be paid  
21 from the Fee and Expense Amount, in recognition of Plaintiffs' participation and effort in the  
22 prosecution of the Actions.

23 11. Any appeal entered regarding the Fee and Expense Amount and/or the Incentive  
24 Amount shall in no way disturb or affect and shall be considered separate from this Judgment.

25 12. Neither the Stipulation nor the Settlement, nor any act performed or document  
26 executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to  
27 be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any  
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# **EXHIBIT B**

## EXHIBIT B

### **I. THE DERIVATIVE ACTIONS ARE A MATERIAL CAUSE OF CSC'S DECISION TO MAINTAIN OR ADOPT SUBSTANTIAL AND MATERIAL CORPORATE GOVERNANCE MEASURES**

Plaintiffs Che Wu Hung, Judy Bainto, and Daniel Himmel ("Plaintiffs") filed derivative actions on December 22, 2011, May 11, 2012, and October 16, 2012, (the "Derivative Actions") respectively, on behalf of Computer Sciences Corporation ("CSC" or the "Company"). Plaintiffs' complaints alleged that certain of CSC's officers and directors breached their fiduciary duties to the Company by, *inter alia*, causing or allowing the Company to: (i) conceal the Company's progress on the contract for the United Kingdom's National Health Service ("NHS"), including the timing and chances of successful completion of the NHS contract; (ii) conceal financial and accounting irregularities in the Company's Managed Services Sector ("MSS"), primarily in the Nordic Region; and (iii) fail to maintain adequate internal controls over contract management, accounting, internal audit, and financial reporting, causing CSC to become a defendant in a consolidated securities fraud class action, *In re Computer Sciences Corporation Securities Litigation*, Civ. A. No. 1:11-cv-610-TSE-IDD (E.D. Va.).

As a result of, among other things, the filing, prosecution and settlement of the Derivative Actions, CSC has implemented and/or will implement the corporate governance measures described herein ("Corporate Governance Measures"). CSC acknowledges and agrees that the Corporate Governance Measures, set forth in detail below, are significant and extensive and confer substantial benefits upon CSC and its shareholders. CSC also acknowledges and agrees that the pendency and prosecution of the Derivative Actions were a material cause of CSC's agreement to implement or maintain the Corporate Governance Measures.

## **II. OVERVIEW**

CSC has implemented and/or will implement the following Corporate Governance Measures that, among other things:

- take disciplinary action against employees who have engaged in misconduct;
- support ethical behavior through CSC's compensation and performance management systems;
- appoint strong, effective leaders;
- enhance CSC's Global Ethics and Compliance program;
- overhaul and devote greater resources to CSC's Internal Audit Department;
- strengthen CSC's internal controls and accounting procedures; and
- provide more training and technical guidance to CSC's Finance and Administration ("F&A") employees.

The Corporate Governance Measures go beyond the requirements of applicable law to ensure that conduct of the type alleged in the Derivative Actions does not occur.

## **III. PERSONNEL CHANGES**

The Corporate Governance Measures underscore CSC's commitment to integrity and compliance by requiring that the Company employ personnel who understand and fully embrace their ethical obligations and possess the skills to meet those obligations. CSC has made numerous personnel changes, including:

- Termination or acceptance of resignations of and/or reassignment of approximately half of the Nordic region's existing senior finance staff;
- Appointment of a seasoned financial executive and U.K. chartered accountant as the Nordic Finance Director;
- Recruitment of new permanent staff with the appropriate skills, experience and credentials to lead the Nordic region;



- Addition of qualified employees from elsewhere in the organization, including several experienced, certified accountants, to support the Nordic region's new Finance Director and Controller;
- Termination, reassignment, or discipline of eight employees in Australia, including the CFO, the Controller, the Assistant Controller, three Finance Directors and a Finance Analyst. Three additional employees who otherwise would have faced disciplinary action resigned; and
- Suspension of five F&A employees in the U.K. and discipline of three others.

In addition, CSC has filled open positions of its leadership team with executives whose credentials and accomplishments demonstrate a strong commitment to the highest standards of excellence and integrity. Such executives include the new Chief Executive Officer, Chief Financial Officer, Controller, Vice President of Corporate Internal Audit, President of MSS, Vice President of F&A of MSS, President of Global Sales and Marketing, Chief Operating Officer for MSS, Chief Accounting Officer and Vice President and General Manager of the Global Healthcare Industry Group.<sup>1</sup>

#### **IV. GLOBAL ETHICS AND COMPLIANCE PROGRAM**

CSC has established a Global Ethics & Compliance Program ("E&C Program") that provides clear ways for employees to ask questions about ethics or report questionable behavior, sets forth procedures through which the Company will address concerns promptly and effectively, strengthens the Company's communication about ethical behavior, and reaffirms the Company's commitment to integrity. The new E&C Program includes the following:

- Increase in the global team of compliance professionals on staff;
- Three distinct units to focus on (i) Ethics and Integrity Programs, (ii) Global Ethics and Compliance Operations and (iii) Program Effectiveness and Investigations,

---

<sup>1</sup> The titles of members of CSC's leadership team may change from time to time due to changes in CSC's organizational structure.

thereby enhancing the Company's capabilities to detect, investigate and respond to potential misconduct;

- Elevation of the position of Chief Ethics and Compliance Officer to Vice President, a position that reports directly to the Audit Committee and (for administrative purposes only) to the General Counsel, and carries greater authority to enforce Company policies and investigate potential wrongdoing;
- Improvement of CSC's OpenLine hotline (including international toll-free, reverse charge, and collect calling, and multi-lingual web and telephone access points) to provide a means for employees to ask questions and submit tips, and report violations confidentially and, where allowable by law, anonymously;
- Revision of CSC's Code of Ethics and Standards of Conduct and its reintroduction as the Code of Business Conduct, which addresses more topics and issues, encourages consideration of ethical issues through hypothetical scenarios, directs employees to use the OpenLine to ask questions or report suspected misconduct, emphasizes the importance of training, and contains updated anti-bribery guidance;
- Mandatory ethics and compliance training for all employees on an annual basis; and
- More robust corporate investigations that focus on detecting and preventing misconduct, including accounting fraud, asset misappropriation, corruption, and bribery.

## **V. IMPROVEMENTS IN SUPPORT OF COMPLIANCE**

### **A. Strengthening of Internal Audit Department**

CSC has restructured its Internal Audit Department to enhance its effectiveness, including:

- appointing a new Vice President of Internal Audit;
- creating four geographic or business-line Audit Executive positions reporting to the Vice President of Internal Audit; and
- reorganizing Internal Audit as a predominantly outsourced function that will focus on audits of financial accounting, balance sheets, and key financial controls.

CSC has strengthened its Internal Audit Department by:

- including additional subject matter experts to supplement existing audit resources;
- strengthening its oversight of the implementation of appropriate remedial measures to address risks or deficiencies identified in internal audits; and

- instituting ongoing Quality Assurance Reviews ("QARs") of the Internal Audit Department's program and practices, including an independent QAR at least once every five years.

## **B. Implementation of Human Resources Procedures**

CSC has implemented the following Human Resources procedures to ensure that employees' incentives reflect their ethical obligations and encourage ethical behavior and reflect the Company's commitment to integrity:

- The Company will evaluate the commitment of members of senior management to ethics and compliance as a component of their performance review.
- The Company will consider individual performance, management tone at the top (based on input from direct reports), long-term corporate performance and country audit scores in connection with bonuses and performance-based compensation.
- The Company will institute a 360° review process, or a similar review process, for the most senior line manager in each country and all executives above that level.
- The Company established its right, subject to local law, to claw back compensation awarded to any country manager or above who is found to have engaged in wrongdoing.

In addition, the Company has implemented new Human Resources policies to prevent, detect, and respond to instances of misconduct more effectively. In particular:

- The Company will conduct formal, documented exit interviews of all senior management, each country's most senior line manager, and employees that report directly to them, as well as all finance, legal and human resources personnel;
- For any employee who is the subject of an investigation, the Company will take custody of that employee's computer and electronic media and will preserve and maintain the employee's electronic data;
- All severance agreements with individuals who are implicated as culpable in investigations will include a clause requiring cooperation in ongoing Company investigations, subject to local law;
- The Company's Human Resources Department will maintain a report concerning unfilled positions and the risks of leaving such positions unfilled; and
- The Human Resources Department will develop succession plans for all country, regional, and corporate executive positions and will update them annually.

### **C. Operations Management for Contracts**

CSC has created the new role of Vice President of Global Contracts and Commercial Management to manage the contract life cycle. The Vice President of Global Contracts and Commercial Management oversees the Contracts and Commercial Management Team which team consists of six professionals located around the world who have extensive experience in contract negotiation, contract management, sales, commercial operations, and contract dispute resolution. The Contracts and Commercial Management team tracks and oversees contracts at all stages, including bid, negotiation, contract review, delivery, and renegotiation. The Contracts and Commercial Management team also supervises the Company's relationships with subcontractors, vendors, and other parties associated with the Company's contracts. The team reviews subcontractors and client-required suppliers, and develops risk profiles and risk mitigation plans relating to the possibility of non-performance. The team performs due diligence on third-party agreements related to major contract proposals.

### **D. Enterprise Risk Management ("ERM")**

In order to assess potential risks and anticipate process breakdowns, CSC has placed greater emphasis on CSC's ERM function, which will (i) be overseen by the Vice President of Internal Audit and (ii) collaborate with the Legal, Compliance, Internal Audit, and Operations groups to strengthen the Company's understanding of its risks and how to respond to those risks, and will report directly to the Audit Committee.

## **VI. STRENGTHENED CONTROLS AND PROCESSES**

The Corporate Governance Measures include improved policies and procedures affecting a variety of functions and play a critical role in ensuring the accuracy and integrity of the Company's financial reports.

### **A. Accounting Procedures and Processes**

CSC has changed its accounting policies and procedures by (i) increasing the reporting requirements for one-off charges and variances from budgets; (ii) establishing new controls for the financial close process and (iii) imposing a more rigorous process for balance sheet reconciliations. In addition, the Corporate Controller's Office expanded the role of the in-house Virtual Technical Accounting Team. It established a toll-free "Technical Accounting Hotline" to answer accounting questions from CSC employees and is establishing procedures for responding to these inquiries and tracking their resolutions.

### **B. Improvements to Finance and Accounting Manual**

CSC has revised and implemented policies and procedures to improve controls surrounding the Financial Closing and Reporting process for each of the Company's business units and to improve the account reconciliation process. These revised procedures limit the ability of Company personnel to change results during the close process, and will help the Company detect and quickly correct balance sheet errors, whether intentional or unintentional. Policies concerning percentage of completion ("POC") accounting, cost capitalization and T&T expenses have been revised to ensure rigorous adherence to accounting rules and procedures. The Corporate Governance Measures also provide for implementation of policies to prevent accumulation of unsupported or aged balances in prepaid and other balance sheet accounts, and to ensure timely identification of and accounting for impairment of long-term contracts.

### **C. Improved Nordic Region Controls**

CSC has strengthened the procedures and controls in the Nordic business, including (i) adoption of new journal entry procedures; (ii) amendments to the account reconciliation process; (iii) elimination of multi-use balance sheet accounts; (iv) implementation of a dispute review

process; (v) removal of the Nordic fixed asset register from the region; and (vi) enhanced review and approval process for transition and transformation costs.

#### **D. Improved Australia Controls**

CSC has strengthened the procedures and controls in Australia, including improvements to (i) manual journal entries; (ii) fixed asset capitalizations and determinations of useful economic lives; (iii) monthly account reconciliations; (iv) revenue recognition; (v) lease vs. buy determinations; (vi) accruals; and (vii) contract impairments.

### **VII. FINANCE AND ADMINISTRATION TRAINING**

#### **A. CSC Finance and Accounting University**

CSC has established CSC Finance and Accounting University which will provide training to F&A employees around the globe. The University's curriculum features in-house courses on technical accounting, ethics, management and other subjects. The University will be accredited to award continuing professional education ("CPE") credit. All F&A personnel will be required to complete a minimum of 15 CPE hours annually.

#### **B. Meetings**

To reinforce best practices throughout the F&A organization, CSC plans to hold an annual meeting for country controllers and country and business CFOs. These meetings provide a forum to discuss new accounting pronouncements, F&A policy changes, audit and tax updates and ethical issues. The Company also plans to hold quarterly telephonic meetings for F&A personnel worldwide to discuss the same topics.

#### **C. Training and Guidance for the Nordic Region**

CSC has facilitated training for all finance staff on financial reporting matters relevant to the Nordic business. The training was designed to reinforce Company policies and procedures, and CSC's Code of Ethics and Standards of Conduct and also focused on technical accounting

areas such as revenue recognition, percentage of completion accounting and software revenue recognition, software capitalization, lease accounting, deferred expenses, account reconciliations, and journal entry review and approval.

#### **D. Training and Guidance for Australia**

The Company has conducted training for Australia's 165 F&A employees. Like the training in the Nordic region, this training reinforced Company policies, procedures, and the Code of Business Ethics and Standards of Conduct, and it educated employees about certain areas of technical accounting related to previously identified problems in the region.

### **VIII. ENHANCED AUDIT COMMITTEE RESPONSIBILITIES AND OTHER OVERSIGHT RESPONSIBILITIES**

CSC shall enact, continue or formalize the following additional corporate governance measures:

- The Audit Committee shall review and discuss with the appropriate members of management, including the Vice President of Global Contracts and Commercial Management, the Company's contracts management processes at least twice a year.
- The CSC Internal Audit Department shall conduct a comprehensive review of policies, practices and procedures regarding the Company's internal audit function, and shall make a report and recommendation to the Audit Committee concerning these policies, practices and procedures, including recommendations for improvements. After review of any such report, the Audit Committee shall vote on which recommendations to adopt.
- The Audit Committee shall review and discuss with the appropriate members of management, the independent auditors and internal auditors: (a) the scope and results of the annual audit, including a report prepared in accordance with Item 407 of Regulation S-K, to be included in the Company's proxy statement, and (b) management's assessment of internal control over financial reporting and any related reports and attestations.
- The Audit Committee shall annually review the overall plan of the audit as proposed by the independent auditors including the scope of the examination to be performed, the assistance to be provided by the internal auditors and any developments in accounting principles and auditing standards that may affect either the financial statements or the audit.

- The Audit Committee shall meet with the Company's independent auditors prior to issuance of any filings on Forms 10-Q or 10-K.
- The Audit Committee shall meet with the Controller, Chief Ethics and Compliance Officer and the Vice President of Enterprise Risk Management and Internal Audit at least quarterly.
- Prior to the filing of any audit report, the Audit Committee shall timely request a report from independent auditors concerning other material written communications between the independent auditors and Company management, such as any management letter or schedule of unadjusted differences.
- The Audit Committee's duties shall include assessing and appropriately responding to, if necessary, the following: (a) the process for establishing and monitoring internal controls; (b) the scope and results of the internal audit program and (c) the internal auditing compliance with appropriate audit standards.
- The Audit Committee shall conduct or authorize investigations into any activities it deems necessary and appropriate.
- The Company shall utilize a financial reporting checklist to ensure that the Company's accounting policies fulfill GAAP reporting requirements. The Controller shall review the checklist to ensure that all policies are up-to-date prior to the issuance of any filings on Forms 10-Q or 10-K.
- The Company shall provide annual training to the finance team and other relevant personnel of the Company with respect to proper revenue recognition under GAAP and the proper methods of accounting for taxes under U.S. GAAP and tax rules.
- In fiscal year 2014 or fiscal year 2015, an independent consulting firm shall facilitate a comprehensive self-evaluation of the Board and its various committees.

## **IX. CONCLUSION**

Except as otherwise noted, CSC shall undertake or continue these Corporate Governance Measures through the end of fiscal year 2016; provided that CSC may cease continuing any of these measures if the independent directors sitting on CSC's Board determine, following review, that it is in the best interests of CSC to do so, at which time the Company will adopt alternative governance measures designed to accomplish the goals of the discontinued provision.



# **EXHIBIT C**

1 **MUCKLEROY JOHNSON**  
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2 Nevada Bar No. 009634  
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4 Las Vegas, NV 89103  
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6 Attorneys for Plaintiffs  
7  
8

9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 JUDY BAINTO, Derivatively on Behalf of ) Consolidated Case No.: A-12-661695-B  
COMPUTER SCIENCES CORPORATION, )  
12 ) Plaintiff, ) Dept. No.: XXVII  
13 ) v. )  
14 ) **SUMMARY NOTICE OF PENDENCY**  
MICHAEL W. LAPHEN, MICHAEL J. ) **AND PROPOSED SETTLEMENT OF**  
MANCUSO, IRVING W. BAILEY, II, ) **SHAREHOLDER DERIVATIVE**  
15 DAVID J. BARRAM, STEPHEN L. BAUM, ) **ACTIONS**  
ERIK BRYNJOLFSSON, RODNEY F. )  
16 CHASE, JUDITH R. HABERKORN, F. )  
WARREN MCFARLAN, CHONG SUP )  
17 PARK, and THOMAS H. PATRICK, )  
18 ) Defendants, )  
19 ) -and- )  
20 ) COMPUTER SCIENCES CORPORATION, a )  
Nevada corporation, )  
21 ) Nominal Defendant. )  
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1 **TO: ALL OWNERS OF COMPUTER SCIENCES CORPORATION ("CSC") COMMON**  
2 **STOCK AS OF AUGUST 23, 2013 ("CURRENT CSC SHAREHOLDERS")**

3 YOU ARE HEREBY NOTIFIED that the Settling Parties to the above derivative action as  
4 well as the state derivative action pending in the Circuit Court of Fairfax County, Virginia, captioned  
5 *Hung v. Laphen et al.*, CL-2011-18046 (collectively the "Actions") have entered into a Stipulation of  
6 Settlement (the "Stipulation") to resolve the claims raised by the Actions.

7 PLEASE BE FURTHER ADVISED that pursuant to an Order of the District Court of Clark  
8 County, Nevada (the "Court"), a hearing will be held on \_\_\_\_\_, 2013, at \_\_\_\_\_ .m.,  
9 before the Honorable Nancy Allf, Department XXVII, Regional Justice Center, Courtroom 3A, 200  
10 Lewis Avenue, Las Vegas, Nevada 89155, for the purpose of determining: (a) whether the settlement  
11 of the Actions by way of the adoption of certain corporate governance provisions (as set forth in  
12 more detail in the Stipulation on file with the Court) should be finally approved by the Court as fair,  
13 reasonable, and adequate to CSC and Current CSC Shareholders; (b) whether the Nevada Action  
14 should be dismissed with prejudice; and (c) whether the Fee and Expense Amount and the Incentive  
15 Amount should be finally approved (the "Settlement Hearing").

16 If you are a Current CSC Shareholder, your rights to pursue certain derivative claims on  
17 behalf of CSC may be affected by this Settlement.

18 A detailed Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions  
19 (the "Notice") describing the Actions, the proposed settlement (the "Settlement"), and the rights of  
20 Current CSC Shareholders with regard to the Settlement was published by CSC as a Company  
21 Current Report on Form 8-K on \_\_\_\_\_, 2013, and was filed with the U.S. Securities and Exchange  
22 Commission (the "SEC") on that date. If you are a Current CSC Shareholder and wish to receive a  
23 copy of the detailed Notice, you may obtain a copy by referring to the SEC's website at  
24 [www.sec.gov](http://www.sec.gov) or CSC's website at [www.csc.com](http://www.csc.com). You may also find additional information  
25 concerning the Settlement, including a copy of the Notice and the Stipulation, on the respective  
26 websites of CSC at [www.csc.com](http://www.csc.com), Faruqi & Faruqi, LLP at [www.faruqilaw.com](http://www.faruqilaw.com), Robbins Arroyo  
27 LLP at [www.robbinsarroyo.com/notices/](http://www.robbinsarroyo.com/notices/), and Schubert Jonckheer & Kolbe LLP at  
28 [www.schubertlawfirm.com](http://www.schubertlawfirm.com).

1 A Current CSC Shareholder wishing to assert an objection to the Settlement must, no later  
2 than fourteen (14) calendar days prior to the Settlement Hearing:

3 (i) file with the Clerk of the Clark County, Nevada District Court, 200 Lewis  
4 Avenue, Las Vegas, NV 89155, a written objection to the Settlement setting forth: (a) the nature of  
5 the objection; (b) proof of ownership of CSC common stock through the date of the Settlement  
6 Hearing, including the number of shares of CSC common stock and the date of purchase; and (c) any  
7 documentation in support of such objection; and

8 (ii) if a Current CSC Shareholder intends to appear and requests to be heard at the  
9 Settlement Hearing, such shareholder must, in addition to the requirements of subsection (i) above,  
10 file with the Clerk of the Court: (a) a written notice of such shareholder's intention to appear; (b) a  
11 statement that indicates the basis for such appearance; and (c) the identities of any witnesses the  
12 shareholder intends to call at the Settlement Hearing and the subjects of their testimony; and

13 (iii) if a Current CSC Shareholder files a written objection and/or written notice of  
14 intent to appear, such shareholder must also simultaneously serve copies of such notice, proof,  
15 statement and documentation, together with copies of any other papers or briefs such shareholder  
16 files with the Court (either by hand delivery or by first class mail) upon each of the following:

17 BETH A. KELLER  
18 FARUQI & FARUQI, LLP  
19 369 Lexington Avenue, 10th Floor  
20 New York, NY 10017  
Telephone: (212) 983-9330  
Facsimile: (212) 983-9331

21 *Co-Lead Counsel for Nevada Plaintiffs*

22 KEVIN SEELY  
23 ROBBINS ARROYO LLP  
24 600 B Street, Suite 1900  
25 San Diego, CA 92101  
Telephone: (619) 525-3990  
Facsimile: (619) 525-3991

26 *Co-Lead Counsel for Nevada Plaintiffs*

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3 Embarcadero Center, Suite 1650  
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Facsimile: (415) 788-0161

*Counsel for Virginia Plaintiff*

JENNIFER L. SPAZIANO  
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1440 New York Avenue, N.W.  
Washington, D.C. 20005  
Telephone: (202) 371-7000  
Facsimile: (202) 393-5760

*Counsel for Nominal Defendant CSC and for  
Michael W. Laphen and Michael J. Mancuso*

1 STEPHEN A. RADIN  
2 WEIL, GOTSHAL & MANGES LLP  
3 767 Fifth Avenue  
4 New York, NY 10153  
5 Telephone: (212) 310-8000  
6 Facsimile: (212) 310-8007

7 *Counsel for Individual Defendants Irving W.  
8 Bailey, II, David J. Baram, Stephen L. Baum,  
9 Erik Brynjolfsson, Rodney F. Chase, Judith R.  
10 Haberkorn, F. Warren McFarlan, Chong Sup  
11 Park and Thomas H. Patrick*

12 Any Current CSC Shareholder who does not timely make his, her, or its objection to the  
13 Settlement shall be deemed to have waived such objection and shall forever be foreclosed from  
14 making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement, and  
15 shall otherwise be bound by the Judgment to be entered and the releases to be given.

16 **PLEASE DO NOT TELEPHONE THE COURT OR CSC**  
17 **REGARDING THIS NOTICE**

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# **EXHIBIT D**

1 **MUCKLEROY JOHNSON**  
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dustin@muckleroyjohnson.com

6 Attorneys for Plaintiffs  
7  
8

9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 

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JUDY BAINTO, Derivatively on Behalf of ) Consolidated Case No.: A-12-661695-B  
COMPUTER SCIENCES CORPORATION, )  
12 Plaintiff, ) Dept. No.: XXVII  
13 v. )  
14 MICHAEL W. LAPHEN, MICHAEL J. ) **NOTICE OF PENDENCY AND**  
MANCUSO, IRVING W. BAILEY, II, ) **PROPOSED SETTLEMENT OF**  
15 DAVID J. BARRAM, STEPHEN L. BAUM, ) **SHAREHOLDER DERIVATIVE**  
ERIK BRYNJOLFSSON, RODNEY F. ) **ACTIONS**  
16 CHASE, JUDITH R. HABERKORN, F. )  
WARREN MCFARLAN, CHONG SUP )  
17 PARK, and THOMAS H. PATRICK, )  
18 Defendants, )  
19 -and- )  
20 COMPUTER SCIENCES CORPORATION, a )  
Nevada corporation, )  
21 Nominal Defendant. )  
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1 **TO: ALL OWNERS OF COMPUTER SCIENCES CORPORATION ("CSC") COMMON**  
2 **STOCK AS OF AUGUST 23, 2013 ("CURRENT CSC SHAREHOLDERS")**

3 **PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS**  
4 **MAY BE AFFECTED.**

5 This Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions (the  
6 "Notice") has been provided to you pursuant to an Order of the Clark County, Nevada District Court  
7 (the "Court"). The purpose of the Notice is to advise you of the proposed Settlement (the  
8 "Settlement"), as set forth in a Stipulation of Settlement dated August 23, 2013 (the "Stipulation"), of  
9 the consolidated shareholder derivative litigation pending before the Court and captioned-above, as  
10 well as the shareholder derivative litigation pending in the Circuit Court of Fairfax County, Virginia,  
11 captioned *Hung v. Laphen et al.*, CL-2011-18046 (collectively, the "Actions"), and of the Settlement  
12 Hearing. The Settlement will fully resolve the Actions on the terms set forth in the Stipulation and  
13 summarized in this Notice, including the dismissal of the Actions with prejudice. For a more  
14 detailed statement of the matters involved in the Actions and the Settlement and the terms discussed  
15 in this Notice, the Stipulation may be viewed on the websites of CSC at [www.csc.com](http://www.csc.com), Faruqi &  
16 Faruqi, LLP at [www.faruqilaw.com](http://www.faruqilaw.com), Robbins Arroyo LLP at [www.robbinsarroyo.com/notices/](http://www.robbinsarroyo.com/notices/), and  
17 Schubert Jonckheer & Kolbe LLP at [www.schubertlawfirm.com](http://www.schubertlawfirm.com). The Stipulation may also be  
18 inspected at the Office of the Clerk of the Clark County, Nevada District Court located at 200 Lewis  
19 Avenue, Las Vegas, Nevada 89155, during regular business hours of each business day.

20 You may have the right to object to the Settlement, including the Fee and Expense Amount  
21 or the Incentive Amount, in the manner provided herein. If you fail to object in the manner provided  
22 herein at least fourteen (14) calendar days prior to the Settlement Hearing, you will be deemed to  
23 have waived your objections and will be bound by the Judgment to be entered and the releases to be  
24 given, unless otherwise ordered by the Court.

25 This Notice is not intended to be an expression of any opinion by the Court with respect to  
26 the merits of the claims made in the Actions, but is merely to advise you of the pendency and  
27 Settlement of the Actions.

28 **I. DEFINITIONS USED IN THIS NOTICE**

1. "Actions" means the Nevada Action and the Virginia Action.



- 1           2.       "Court" means the District Court of Clark County, Nevada.
- 2           3.       "CSC" or the "Company" means nominal defendant Computer Sciences Corporation.
- 3           4.       "Current CSC Shareholders" means persons who owned CSC common stock as of the  
4 date of the execution of the Stipulation and who continue to hold their CSC common stock as of the  
5 date of the final settlement approval hearing, excluding the Individual Defendants, the officers and  
6 directors of CSC, members of their immediate families, and their legal representatives, heirs,  
7 successors, or assigns, and any entity in which Individual Defendants have or had a controlling  
8 interest.
- 9           5.       "Defendants" means the Individual Defendants and nominal defendant CSC.
- 10          6.       "Defendants' Counsel" means Skadden, Arps, Slate, Meagher & Flom LLP, 1440  
11 New York Avenue, N.W., Washington, D.C. 20005; Jolley Urga Wirth Woodbury & Standish, 3800  
12 Howard Hughes Pkwy. #1600, Las Vegas, Nevada 89169; Weil, Gotshal & Manges LLP, 767 Fifth  
13 Avenue, New York, New York 10153; Lewis and Roca LLP, 3993 Howard Hughes Parkway, Las  
14 Vegas, Nevada 89169; and DiMuroGinsberg PC, 1101 King Street, Suite 610, Alexandria, VA  
15 22314.
- 16          7.       "Effective Date" means the first date by which all of the events and conditions  
17 specified in paragraph 5.1 of the Stipulation have been met and have occurred.
- 18          8.       "Final" means (i) the date of final affirmance on an appeal of the Judgment; (ii) the  
19 date of final dismissal of any appeal from the Judgment; or (iii) if no appeal is filed, the expiration  
20 date of the time for filing or noticing any appeal from the Judgment. For purposes of this paragraph,  
21 an "appeal" shall include any petition for a writ of certiorari, petition for review, or other writ that  
22 may be filed in connection with approval or disapproval of the Settlement, but shall not include any  
23 appeal which concerns only the issue of attorneys' fees and reimbursement of expenses.
- 24          9.       "Individual Defendants" means Michael W. Laphen, Michael J. Mancuso, Irving W.  
25 Bailey, II, David J. Barram, Stephen L. Baum, Erik Brynjolfsson, Rodney F. Chase, Judith R.  
26 Haberkorn, F. Warren McFarlan, Chong Sup Park, and Thomas H. Patrick.
- 27          10.       "Judgment" means the proposed order to be rendered by the Court.
- 28

1           11.     "Nevada Action" means *Bainto v. Laphen et al.*, No. A-12-661695-C (District Court,  
2 Clark County, Nevada) and *Himmel v. Laphen et al.*, No. A-12-670190-C (District Court, Clark  
3 County, Nevada), which actions were consolidated by the Court on October 25, 2012.

4           12.     "Nevada Plaintiffs" mean Judy Bainto and Daniel Himmel, individually and on behalf  
5 of CSC.

6           13.     "Nevada Plaintiffs' Counsel" means Faruqi & Faruqi, LLP, 369 Lexington Avenue,  
7 10th Floor, New York, New York 10017; Robbins Arroyo LLP, 600 B Street, Suite 1900, San  
8 Diego, California 92101; Muckleroy Johnson, 6767 W. Tropicana Avenue, Suite 106, Las Vegas,  
9 Nevada 89109; and the Wright Law Office, P.A., 301 Clematis Street, Suite 3000, West Palm Beach,  
10 Florida 33401.

11          14.     "Person" means an individual, corporation, limited liability corporation, professional  
12 corporation, partnership, limited partnership, limited liability partnership, association, joint stock  
13 company, estate, legal representative, trust, unincorporated association, government or any political  
14 subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors,  
15 successors, representatives, or assignees.

16          15.     "Plaintiffs" means the Nevada Plaintiffs and the Virginia Plaintiff.

17          16.     "Plaintiffs' Counsel" means the Nevada Plaintiffs' Counsel and the Virginia Plaintiff's  
18 Counsel.

19          17.     "Related Persons" means (i) each of the Released Persons past or present directors,  
20 officers, employees, partners, members, principals, agents, insurers, co-insurers, reinsurers,  
21 controlling shareholders, attorneys, accountants or auditors, personal or legal representatives,  
22 predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs and  
23 related or affiliated entities, (ii) entities in which any of the Released Persons has a controlling  
24 interest, (iii) members of any Individual Defendant's immediate family, and (iv) trusts of which any  
25 Individual Defendant or CSC is the settler, or which is for the benefit of CSC or any Individual  
26 Defendant.

27          18.     "Released Claims" means any and all claims, rights, causes of action, duties,  
28 obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises,

1 damages, and liabilities of every nature and description, including both known claims and Unknown  
2 Claims (defined below), whether arising under federal, state, foreign or statutory law, common law  
3 or any other law, rule, or regulation, whether fixed or contingent, accrued or not accrued, matured or  
4 unmatured, liquidated or unliquidated, at law or in equity, whether class or individual in nature, that  
5 CSC, Plaintiffs or any other CSC shareholder: (i) asserted in the Actions; or (ii) could have asserted  
6 in the Actions or in any other forum that arise out of, relate to, or are in connection with the claims,  
7 allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or  
8 failures to act involved, set forth, or referred to in the complaints filed in the Actions, including  
9 without limitation the claims asserted in *Morefield v. Bailey et al.*, No. 1:12-cv-1468-GBL-TCB  
10 (E.D. Va.). Excluded from the term "Released Claims" are the claims alleged on behalf of the class  
11 in the Securities Class Action. Released Claims include claims concerning the subject matter stated  
12 in this paragraph that have been or could have been asserted derivatively on behalf of CSC whether  
13 or not the plaintiff or plaintiffs asserting the claim makes a pre-suit demand pursuant to Federal Rule  
14 of Civil Procedure 23.1, Nevada Rule of Civil Procedure 23.1 or any similar, comparable or  
15 equivalent statute or rule in any other jurisdiction, and whether or not the plaintiff or plaintiffs  
16 asserting the claim contends that a pre-suit demand pursuant to Federal Rule of Civil Procedure 23.1,  
17 Nevada Rule of Civil Procedure 23.1 or any similar, comparable or equivalent statute or rule in any  
18 other jurisdiction is excused or has been wrongfully refused.

19       19.     "Released Persons" means CSC, each of its Related Persons, each and all of the  
20 Individual Defendants and each of their Related Persons.

21       20.     "Securities Class Action" means the consolidated securities fraud class action  
22 captioned *In re Computer Sciences Corp. Securities Litigation*, No. 1:11-cv-610-TSE-IDD (E.D.  
23 Va.).

24       21.     "Settlement" means the settlement contemplated by the Stipulation.

25       22.     "Settlement Hearing" means the hearing on final approval of the proposed Settlement  
26 contemplated by the Stipulation, made upon noticed motion and at which the Plaintiffs will seek  
27 entry of the Judgment.

28

1           23.     "Settling Parties" means CSC, the Individual Defendants, and Plaintiffs, individually  
2 and derivatively on behalf of CSC.

3           24.     "Stipulation" means the Stipulation of Settlement dated August 23, 2013.

4           25.     "Virginia Action" means *Hung v. Laphen et al.*, CL-2011-18046 (Circuit Court of  
5 Fairfax County, Virginia).

6           26.     "Virginia Plaintiff" means Che Wu Hung, individually and derivatively on behalf of  
7 CSC.

8           27.     "Virginia Plaintiff's Counsel" means Schubert Jonckheer & Kolbe LLP, 3  
9 Embarcadero Center, Suite 1650, San Francisco, California 94111; and Finkelstein Thompson LLP,  
10 James Place, 1077 30<sup>th</sup> Street NW, Washington, DC 20007.

11          28.     "Unknown Claims" means any and all Released Claims that any Settling Party or  
12 Current CSC Shareholder does not know or suspect to exist in his, her, or its favor at the time of the  
13 Settlement including, without limitation, those claims which, if known, might have affected the  
14 decision to enter into, or not object to, this Settlement. With respect to any and all Released Claims,  
15 the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall  
16 expressly, and each Current CSC Shareholder shall be deemed to have, and by operation of the  
17 Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any  
18 and all provisions, rights, and benefits conferred by or under California Civil Code Section 1542  
19 ("§1542") or any other law of the United States or any state or territory of the United States, or  
20 principle of common law, which is similar, comparable, or equivalent to §1542, which provides:

21           **A general release does not extend to claims which the creditor does not know or**  
22           **suspect to exist in his or her favor at the time of executing the release, which if**  
23           **known by him or her must have materially affected his or her settlement with**  
24           **the debtor.**

24           The Settling Parties and Current CSC Shareholders may hereafter discover facts, legal theories, or  
25 authorities in addition to or different from those now known or believed to be true by them, with  
26 respect to the subject matter of the Released Claims, but the Settling Parties shall expressly, fully,  
27 finally, and forever settle and release, and each Current CSC Shareholder shall be deemed to have  
28 settled and released, and upon the Effective Date and by operation of the Judgment shall have settled

1 and released, fully, finally, and forever, any and all Released Claims without regard to the  
2 subsequent discovery or existence of such different or additional facts, legal theories, or authorities.  
3 The Settling Parties acknowledge, and the Current CSC Shareholders by operation of law shall be  
4 deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released  
5 Claims was separately bargained for and was a material element of the Settlement.

## 6 **II. THE DERIVATIVE ACTION**

7 The Plaintiffs brought suit against the Individual Defendants solely on behalf of CSC and  
8 solely for the benefit of CSC and not for any recovery for the direct benefit of any shareholders. The  
9 Plaintiffs generally alleged that certain of CSC's officers and directors breached their fiduciary duties  
10 to the Company by, *inter alia*, causing or allowing the Company to: (i) conceal the Company's  
11 progress on the contract for the United Kingdom's National Health Service ("NHS"), including the  
12 timing and chances of successful completion of the NHS contract; (ii) conceal financial and  
13 accounting irregularities in the Company's Managed Services Sector, primarily in the Nordic  
14 Region; and (iii) fail to maintain adequate internal controls over contract management, accounting,  
15 internal audit, and financial reporting, causing CSC to become a defendant in the Securities Class  
16 Action. Plaintiffs sought, among other things, damages, disgorgement by the Individual Defendants,  
17 and corporate governance reforms to be implemented by CSC.

## 18 **III. CLAIMS OF THE PLAINTIFFS AND BENEFITS OF SETTLEMENT**

19 Plaintiffs believe that the claims alleged in the Actions have merit. Plaintiffs and Plaintiffs'  
20 Counsel recognize and acknowledge, however, the significant risk, expense, and length of continued  
21 proceedings necessary to prosecute the Actions against the Individual Defendants through trial and  
22 through appeal. Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk  
23 of any litigation, especially in complex actions such as the Actions, as well as the difficulties and  
24 delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems of  
25 proof and possible defenses to the claims asserted in such actions.

26 Plaintiffs' Counsel have conducted an extensive investigation, including, *inter alia*:  
27 (i) reviewing CSC's press releases, public statements, SEC filings, and securities analysts' reports  
28

1 and advisories about the Company; (ii) reviewing media reports about the Company; (iii) researching  
2 the applicable law with respect to the claims alleged in the Actions and the potential defenses  
3 thereto; (iv) preparing and filing derivative complaints, including an amended complaint; (v)  
4 conducting extensive damages analyses; (vi) participating in informal conferences with Defendants'  
5 Counsel regarding the specific facts of the cases, the perceived strengths and weaknesses of the  
6 cases, and other issues in an effort to facilitate negotiations and fact gathering; (vii) reviewing  
7 millions of pages of discovery, including numerous deposition transcripts, exchanged in the  
8 Securities Class Action; (viii) conducting research into the Company's corporate governance  
9 structure in order to make a settlement demand; and (ix) negotiating this Settlement with Defendants.  
10 Based on Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations,  
11 defenses, and controlling legal principles, Plaintiffs' Counsel believe that the Settlement set forth in  
12 the Stipulation is fair, reasonable, and adequate, and confers substantial benefits upon CSC and its  
13 shareholders. Based upon Plaintiffs' Counsel's evaluation, Plaintiffs have determined that the  
14 Settlement is in the best interests of CSC and Current CSC Shareholders and have agreed to settle  
15 the Actions upon the terms and subject to the conditions set forth in the Stipulation.

16 **IV. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

17 Each Individual Defendant, as well as nominal defendant CSC, has denied and continues to  
18 deny each and all of the claims and contentions alleged in the Actions. Each Individual Defendant  
19 has expressly denied and continues to deny all allegations of wrongdoing or liability against each of  
20 them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been  
21 alleged, in the Actions. The Individual Defendants and CSC also have denied and continue to deny,  
22 *inter alia*, the allegations that CSC, Plaintiffs, or any other CSC shareholder suffered damages or  
23 was harmed by the conduct alleged in the Actions.

24 Nonetheless, the Individual Defendants and CSC have concluded that further conduct of the  
25 Actions would be protracted and expensive, and that it is desirable that the Actions be fully and  
26 finally settled in the manner and upon the terms and conditions set forth in the Stipulation. The  
27 Individual Defendants and CSC also have taken into account the uncertainty and risks inherent in  
28 any litigation, especially in complex cases like the Actions. Moreover, CSC believes the Settlement

1 confers substantial benefits on CSC and its shareholders. The Individual Defendants and CSC have,  
2 therefore, determined that it is desirable and beneficial to them that the Actions be settled in the  
3 manner and upon the terms and conditions set forth in the Stipulation.

4 **V. THE SETTLEMENT HEARING**

5 The Settlement Hearing will be held on \_\_\_\_\_, 2013 at \_\_\_\_\_ .m. at the Clark  
6 County, Nevada District Court before the Honorable Nancy Allf, Department XXVII, Regional  
7 Justice Center, Courtroom 3A, 200 Lewis Avenue, Las Vegas, Nevada 89155, for the purpose of  
8 determining: (i) whether the Settlement is fair, reasonable, and adequate, and should be finally  
9 approved by the Court; (ii) whether a Judgment should be entered dismissing the Nevada Action  
10 with prejudice; and (iii) whether the Fee and Expense Amount and Incentive Amount should be  
11 approved. The Settlement Hearing may be continued by the Court at the Settlement Hearing or at  
12 any adjourned session thereof without further notice.

13 **VI. THE SETTLEMENT**

14 The Settlement was reached in good faith by the Settling Parties after engaging in arm's-  
15 length negotiations conducted in good faith. The terms and conditions of the proposed Settlement  
16 are set forth fully in the Stipulation. The Stipulation has been filed with the Court and is also  
17 available for viewing on the websites of CSC at [www.csc.com](http://www.csc.com), Faruqi & Faruqi, LLP at  
18 [www.faruqilaw.com](http://www.faruqilaw.com), Robbins Arroyo LLP at [www.robbinsarroyo.com/notices/](http://www.robbinsarroyo.com/notices/), and Schubert  
19 Jonckheer & Kolbe LLP at [www.schubertlawfirm.com](http://www.schubertlawfirm.com). The following is only a summary of its  
20 terms.

21 As a result of the filing, prosecution, and settlement of the Actions, CSC has implemented or  
22 will maintain the corporate governance measures described in Exhibit B attached to the Stipulation  
23 ("Corporate Governance Measures") through the end of fiscal year 2016. The Corporate  
24 Governance Measures include, among other things:

- 25 • overhauling its senior leadership team and appointing strong, effective leaders and  
26 filling top organizational positions with executives whose credentials and accomplishments  
27 demonstrate a strong commitment to the highest standards of excellence and integrity;

28

- 1 • implementation of a "claw back" policy to enhance compensation and performance
- 2 management programs to encourage ethical behavior;
- 3 • enhancing the Audit Committee responsibilities and other oversight improvements;
- 4 • strengthening the Company's internal controls and accounting procedures;
- 5 • overhauling and devoting greater resources to the Internal Audit Department;
- 6 • providing more training and technical guidance to the Finance and Administration
- 7 employees;
- 8 • enhancing the Global Ethics and Compliance program;
- 9 • taking disciplinary action against employees who engaged in misconduct; and
- 10 • supporting ethical behavior through compensation and performance management
- 11 systems.

12 These Corporate Governance Measures constitute the consideration for this Stipulation, and  
13 CSC acknowledges and agrees that the Corporate Governance Measures set forth in Exhibit B to the  
14 Stipulation are significant and extensive and confer substantial benefits upon CSC and its  
15 shareholders. CSC may cease continuing any of the Corporate Governance Measures if the  
16 independent directors on CSC's Board of Directors determine following a review that it is in the best  
17 interests of CSC to do so, at which time CSC will adopt alternative governance measures designed to  
18 accomplish the goals of the discontinued provision. CSC acknowledges and agrees that (i) the  
19 pendency and prosecution of the Actions were a material cause of CSC's agreement to implement or  
20 maintain the Corporate Governance Measures and (ii) the institution of the Corporate Governance  
21 Measures will be effective in preventing the occurrence of wrongdoing of the type alleged in the  
22 Actions.

23 **VII. DISMISSAL AND RELEASES**

24 If the Court approves the Settlement, the Settling Parties will ask the Court at the Settlement  
25 Hearing to enter the Judgment dismissing the Nevada Action with prejudice in accordance with the  
26 terms of the Stipulation.

27 Upon the Effective Date, CSC, Plaintiffs (individually and derivatively on behalf of CSC),  
28 and each Current CSC Shareholder (solely in their capacity as CSC shareholders) shall be deemed to



1 have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished  
2 and discharged the Released Claims against the Released Persons. Nothing herein shall in any way  
3 impair or restrict the rights of any Settling Party to enforce the terms of this Stipulation.

4 Also upon the Effective Date, the Released Persons shall be deemed to have, and by  
5 operation of the Judgment shall have, fully, finally, and forever released, relinquished and  
6 discharged Plaintiffs and Plaintiffs' Counsel from all claims arising out of, relating to, or in  
7 connection with their institution, prosecution, assertion, settlement, or resolution of the Actions or  
8 the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling  
9 Party to enforce the terms of this Stipulation.

10 **VIII. ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES OF PLAINTIFFS'**  
11 **COUNSEL AND INCENTIVE AMOUNT FOR PLAINTIFFS**

12 In recognition of the substantial benefits conferred on CSC by the Corporate Governance  
13 Measures instituted or to be instituted by CSC, the Settling Parties reached an agreement as to a fair  
14 and reasonable amount of attorneys' fees and reimbursement of expenses to be paid to Plaintiffs'  
15 Counsel. To date, Plaintiffs' Counsel have neither received any payment for their services in  
16 conducting the Actions, nor have they been reimbursed for their out-of-pocket expenses incurred.  
17 Accordingly, subject to Court approval, CSC has agreed to pay to Plaintiffs' Counsel the agreed-to  
18 amount of \$2,000,000.00 (the "Fee and Expense Amount") for Plaintiffs' Counsel's attorneys' fees  
19 and reimbursement of expenses. CSC shareholders are not personally liable for the Fee and Expense  
20 Amount.

21 In addition, Plaintiffs' Counsel may apply to the Court for an incentive amount of up to  
22 \$2,000.00 for each of the Plaintiffs, only to be paid upon Court approval, in recognition of Plaintiffs'  
23 participation and effort in the prosecution of the Action (the "Incentive Amount"). The Incentive  
24 Amount, if approved by the Court, shall be paid to Plaintiffs from the Fee and Expense Amount.  
25 Neither CSC nor any of the Individual Defendants shall be liable for any portion of any Incentive  
26 Amount.

27 The Settlement is not conditioned on Court approval of the Fee and Expense Amount or the  
28 Incentive Amount.

1 **IX. THE RIGHT TO OBJECT AND/OR BE HEARD AT THE HEARING**

2 Any Current CSC Shareholder may comment, object and/or appear and show cause, if he,  
3 she, or it has any concern why the settlement of the Actions should not be approved as fair,  
4 reasonable, and adequate, or why a judgment should not be entered thereon, or why the Fee and  
5 Expense Amount or the Incentive Amount should not be approved; provided, however, unless  
6 otherwise ordered by the Court, no Current CSC Shareholder shall be heard or entitled to contest the  
7 approval of the terms and conditions of the Settlement, or, if approved, the judgment to be entered  
8 thereon approving the same, or the approval of the Fee and Expense Amount and the Incentive  
9 Amount unless that shareholder has, *at least fourteen (14) calendar days prior to the Settlement*  
10 *Hearing*: (1) filed with the Clerk of the Court, Clark County, Nevada District Court, 200 Lewis  
11 Avenue, Las Vegas, NV 89155, a written objection to the Settlement setting forth: (a) the nature of  
12 the objection; (b) proof of ownership of CSC common stock through the date of the Settlement  
13 Hearing, including the number of shares of CSC common stock and the date of purchase; and (c) any  
14 documentation in support of such objection; and (2) if a Current CSC Shareholder intends to appear  
15 and requests to be heard at the Settlement Hearing, such shareholder must have, in addition to the  
16 requirements of (1) above, filed with the Clerk of the Court: (a) a written notice of such  
17 shareholder's intention to appear; (b) a statement that indicates the basis for such appearance; and  
18 (c) the identities of any witnesses the shareholder intends to call at the Settlement Hearing and the  
19 subjects of their testimony. If a Current CSC Shareholder files a written objection and/or written  
20 notice of intent to appear, such shareholder must also simultaneously serve copies of such notice,  
21 proof, statement and documentation, together with copies of any other papers or briefs such  
22 shareholder files with the Court (either by hand delivery or by first class mail) upon each of the  
23 following:

24 BETH A. KELLER  
25 FARUQI & FARUQI, LLP  
26 369 Lexington Avenue, 10th Floor  
27 New York, NY 10017  
Telephone: (212) 983-9330  
Facsimile: (212) 983-9331

WILLEM JONCKHEER  
SCHUBERT JONCKHEER & KOLBE, LLP  
3 Embarcadero Center, Suite 1650  
San Francisco, CA 94111  
Telephone: (415) 788-4220  
Facsimile: (415) 788-0161

28 *Co-Lead Counsel for Nevada Plaintiffs*

*Counsel for Virginia Plaintiff*

1 KEVIN SEELY  
2 ROBBINS ARROYO LLP  
3 600 B Street, Suite 1900  
4 San Diego, CA 92101  
5 Telephone: (619) 525-3990  
6 Facsimile: (619) 525-3991

7 *Co-Lead Counsel for Nevada Plaintiffs*

JENNIFER L. SPAZIANO  
SKADDEN, ARPS, SLATE, MEAGHER &  
FLOM LLP  
1440 New York Avenue, N.W.  
Washington, D.C. 20005  
Telephone: (202) 371-7000  
Facsimile: (202) 393-5760

*Counsel for Nominal Defendant CSC and for  
Michael W. Laphen and Michael J. Mancuso*

8 STEPHEN A. RADIN  
9 WEIL, GOTSHAL & MANGES LLP  
10 767 Fifth Avenue  
11 New York, NY 10153  
12 Telephone: (212) 310-8000  
13 Facsimile: (212) 310-8007

14 *Counsel for Individual Defendants Irving W.  
15 Bailey, II, David J. Baram, Stephen L. Baum,  
16 Erik Brynjolfsson, Rodney F. Chase, Judith R.  
17 Haberkorn, F. Warren McFarlan, Chong Sup  
18 Park and Thomas H. Patrick*

19 Any Current CSC Shareholder who does not make his, her, or its objection in the manner provided  
20 herein shall be deemed to have waived such objection and shall forever be foreclosed from making  
21 any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the  
22 Stipulation and to the Fee and Expense Amount and Incentive Amount, unless otherwise ordered by  
23 the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

#### 24 **X. CONDITIONS FOR SETTLEMENT**

25 The Settlement is conditioned upon the occurrence of certain events described in the  
26 Stipulation. Those events include the occurrence of the Effective Date, which requires, among other  
27 things: (1) entry of the requested Judgment by the Court; and (2) expiration of the time to appeal  
28 from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the  
Stipulation is not met and the Effective Date does not occur, the Stipulation might be terminated and,  
if terminated, will become null and void, and the parties to the Stipulation will be restored to their

1 respective positions as of August 23, 2013, unless Plaintiffs' Counsel and Defendants' Counsel  
2 mutually agree in writing to proceed with the Stipulation.

3 **XI. EXAMINATION OF PAPERS AND INQUIRIES**

4 This Notice contains only a summary of the terms of the Settlement. For a more detailed  
5 statement of the matters involved in the Actions, the Settlement and the terms discussed in this  
6 Notice, the Stipulation may be viewed on the respective websites of CSC at [www.csc.com](http://www.csc.com), Faruqi &  
7 Faruqi, LLP at [www.faruqilaw.com](http://www.faruqilaw.com), Robbins Arroyo LLP at [www.robbinsarroyo.com/notices/](http://www.robbinsarroyo.com/notices/), and  
8 Schubert Jonckheer & Kolbe LLP at [www.schubertlawfirm.com](http://www.schubertlawfirm.com). The Stipulation may also be  
9 inspected at the Office of the Clerk of the Clark County, Nevada District Court, 200 Lewis Avenue,  
10 Las Vegas, NV 89155, during regular business hours of each business day.

11 Any other inquiries regarding the Settlement or the Actions should be addressed to one of the  
12 following:

13 BETH A. KELLER  
14 FARUQI & FARUQI, LLP  
15 369 Lexington Avenue, 10th Floor  
16 New York, NY 10017  
Telephone: (212) 983-9330  
Facsimile: (212) 983-9331

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17 *Co-Lead Counsel for Nevada Plaintiffs*

*Counsel for Virginia Plaintiff*

18 KEVIN SEELY  
19 ROBBINS ARROYO LLP  
20 600 B Street, Suite 1900  
21 San Diego, CA 92101  
Telephone: (619) 525-3990  
Facsimile: (619) 525-3991

22 *Co-Lead Counsel for Nevada Plaintiffs*

23  
24 **PLEASE DO NOT TELEPHONE THE COURT OR CSC REGARDING THIS NOTICE.**

25  
26  
27  
28

874537

# **EXHIBIT E**

1 **MUCKLEROY JOHNSON**  
MARTIN A. MUCKLEROY, ESQ.  
2 Nevada Bar No. 009634  
DUSTIN A. JOHNSON, ESQ.  
3 Nevada Bar No. 009306  
6767 W. Tropicana Avenue, Suite 106  
4 Las Vegas, NV 89103  
Telephone: (702) 248-1065  
5 martin@muckleroyjohnson.com  
dustin@muckleroyjohnson.com

6 Attorneys for Plaintiffs

7  
8 **DISTRICT COURT**  
9  
10 **CLARK COUNTY, NEVADA**

11 JUDY BAINTO, Derivatively on Behalf of  
COMPUTER SCIENCES CORPORATION,

12 Plaintiff,

13 v.

14 MICHAEL W. LAPHEN, MICHAEL J.  
MANCUSO, IRVING W. BAILEY, II,  
15 DAVID J. BARRAM, STEPHEN L. BAUM,  
ERIK BRYNJOLFSSON, RODNEY F.  
16 CHASE, JUDITH R. HABERKORN, F.  
WARREN MCFARLAN, CHONG SUP  
17 PARK, and THOMAS H. PATRICK,

18 Defendants,

19 -and-

20 COMPUTER SCIENCES CORPORATION, a  
Nevada corporation,

21 Nominal Defendant.  
22

) Consolidated Case No.: A-12-661695-B  
)  
) Dept. No.: XXVII  
)

) **[PROPOSED] ORDER**  
) **PRELIMINARILY APPROVING**  
) **DERIVATIVE SETTLEMENT AND**  
) **PROVIDING FOR NOTICE**

23  
24  
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1           WHEREAS, the Settling Parties have made application, pursuant to Nevada Rule of Civil  
2 Procedure 23.1, for an order: (i) preliminarily approving the proposed settlement (the "Settlement")  
3 of the Actions, in accordance with a Stipulation of Settlement dated August 23, 2013 (the  
4 "Stipulation"), which, together with the exhibits annexed thereto, sets forth the terms and conditions  
5 for the proposed Settlement of the Actions and dismissal of the Nevada Action with prejudice, upon  
6 the terms and conditions set forth therein; (ii) approving the form and content of the Summary  
7 Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions ("Summary  
8 Notice") for publication in *Investor's Business Daily*; and (iii) approving the form and content of the  
9 Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions ("Notice") for  
10 posting on the websites of CSC, Faruqi & Faruqi, LLP, Robbins Arroyo LLP, Schubert Jonckheer &  
11 Kolbe LLP, and for filing by CSC with the U.S. Securities and Exchange Commission ("SEC") via a  
12 Form 8-K.

13           WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth  
14 in the Stipulation (in addition to those capitalized terms defined herein); and

15           WHEREAS, upon consent of the Settling Parties, after review and consideration of the  
16 Stipulation filed with the Court and the exhibits annexed thereto, and after due deliberation,

17           IT IS HEREBY ORDERED that:

18           1.       The Court, for purposes of this Order, adopts all defined terms as set forth in the  
19 Stipulation.

20           2.       The Court hereby preliminarily approves, subject to further consideration at the  
21 Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including  
22 the terms and conditions for settlement and dismissal with prejudice of the Nevada Action.

23           3.       A hearing (the "Settlement Hearing") shall be held before this Court on \_\_\_\_\_,  
24 2013 at \_\_\_\_\_ .m. Department XXVII, Regional Justice Center, Courtroom 3A, 200 Lewis  
25 Avenue, Las Vegas, Nevada 89155, to determine: (i) whether the settlement of the Actions on the  
26 terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to CSC and the  
27 Current CSC Shareholders, and should be finally approved by the Court; (ii) whether a Judgment as

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1 provided in paragraph 1.10 of the Stipulation and attached as Exhibit A to the Stipulation should be  
2 entered herein; and (iii) whether the agreed upon Fee and Expense Amount and Incentive Amount  
3 should be approved.

4 4. The Court approves, as to form and content, the Summary Notice and the Notice  
5 attached as exhibits to the Stipulation and for convenience, annexed as Exhibits 1 and 2 hereto  
6 respectively, and finds that the publishing, posting, and/or filing with the SEC of such notices,  
7 substantially in the manner and form set forth in this Order, meets the requirements of Nevada Rule  
8 of Civil Procedure 23.1 and due process, and is the best notice practicable under the circumstances  
9 and shall constitute due and sufficient notice to all Persons entitled thereto.

10 5. Not later than five (5) business days following entry of this Order, CSC, Faruqi &  
11 Faruqi, LLP, Robbins Arroyo LLP, and Schubert Jonkheer & Kolbe LLP shall cause the Notice,  
12 substantially in the form annexed as Exhibit 2 hereto, and the Stipulation to be posted on each of  
13 their respective websites.

14 6. Not later than five (5) business days following entry of this Order, CSC shall cause a  
15 copy of the Notice to be filed with the SEC as a filing on Form 8-K.

16 7. Not later than ten (10) business days following entry of this Order, CSC shall cause  
17 the Summary Notice, substantially in the form annexed as Exhibit 1 hereto, to be published once in  
18 *Investor's Business Daily*.

19 8. At least seven (7) business days prior to the Settlement Hearing, CSC shall serve on  
20 counsel in the Nevada Action and file with the Court proof, by affidavit or declaration, of the  
21 publication of the Summary Notice in the *Investor's Business Daily* and the filing of the Form 8-K.

22 9. At least seven (7) business days prior to the Settlement Hearing, CSC and Plaintiffs'  
23 Counsel shall file with the Court proof, by affidavit or declaration, of the posting of the Notice and  
24 Stipulation on their respective websites.

25 10. All Current CSC Shareholders shall be bound by all orders, determinations, and  
26 judgments in the Actions concerning the Settlement, whether favorable or unfavorable to the Current  
27 CSC Shareholders.



1           11. Pending final determination of whether the Settlement should be approved, no  
2 Current CSC Shareholder, either directly, representatively, or in any other capacity, shall institute,  
3 commence or prosecute against any of the Individual Defendants or CSC, or derivatively on behalf  
4 of CSC, any action or proceeding in any court or tribunal asserting any of the Released Claims. CSC  
5 also shall not institute, commence or prosecute against any of the Individual Defendants any action  
6 or proceeding in any court or tribunal asserting any of the Released Claims.

7           12. All papers in support of the Settlement and the Settling Parties' responses to  
8 objections, if any, by Current CSC Shareholders shall be filed with the Court and served at least  
9 seven (7) calendar days prior to the Settlement Hearing.

10           13. Any Current CSC Shareholder may object and/or appear and show cause, if he, she,  
11 or it has any concern why the Settlement of the Actions should not be approved as fair, reasonable,  
12 and adequate, or why a judgment should not be entered thereon, or why the Fee and Expense  
13 Amount or the Incentive Amount should not be approved; provided, however, unless otherwise  
14 ordered by the Court, no Current CSC Shareholder shall be heard or entitled to contest the approval  
15 of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon  
16 approving the same, or the Fee and Expense Amount and the Incentive Amount unless that  
17 shareholder has, at least fourteen (14) calendar days prior to the Settlement Hearing: (1) filed with  
18 Clerk of the Clark County, Nevada District Court, 200 Lewis Avenue, Las Vegas, NV 89155, a  
19 written objection to the Settlement setting forth: (a) the nature of the objection; (b) proof of  
20 ownership of CSC common stock through the date of the Settlement Hearing, including the number  
21 of shares of CSC common stock and the date of purchase; and (c) any documentation in support of  
22 such objection; and (2) if a Current CSC Shareholder intends to appear and requests to be heard at  
23 the Settlement Hearing, such shareholder must have, in addition to the requirements of (1) above,  
24 filed with the Clerk of the Court: (a) a written notice of such shareholder's intention to appear; (b) a  
25 statement that indicates the basis for such appearance; and (c) the identities of any witnesses the  
26 shareholder intends to call at the Settlement Hearing and the subjects of their testimony. If a Current  
27 CSC Shareholder files a written objection and/or written notice of intent to appear, such shareholder  
28

1 must also simultaneously serve copies of such notice, proof, statement and documentation, together  
2 with copies of any other papers or briefs such shareholder files with the Court (either by hand  
3 delivery or by first class mail) upon each of the following thereof:

4 BETH A. KELLER  
5 FARUQI & FARUQI, LLP  
6 369 Lexington Avenue, 10th Floor  
7 New York, NY 10017  
8 Telephone: (212) 983-9330  
9 Facsimile: (212) 983-9331

WILLEM JONCKHEER  
SCHUBERT JONCKHEER & KOLBE LLP  
3 Embarcadero Center, Suite 1650  
San Francisco, CA 94111  
Telephone: (415) 788-4220  
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22 Any Current CSC Shareholder who does not make his, her, or its objection in the manner provided  
23 herein shall be deemed to have waived such objection and shall forever be foreclosed from making  
24 any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the  
25 Stipulation and to the Fee and Expense Amount and Incentive Amount, unless otherwise ordered by  
26 the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

27 14. Neither the Stipulation nor the Settlement, nor any act performed or document  
28 executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed

1 to be or may be offered, attempted to be offered, or used in any way by the Settling Parties as a  
2 presumption, a concession, or an admission of, or evidence of, any fault, wrongdoing, or liability of  
3 the Released Persons, or of the validity of any Released Claims; or (b) is intended by the Settling  
4 Parties to be offered or received as evidence or used by any other person in any other Action or  
5 proceedings, whether civil, criminal, or administrative. Released Persons may file the Stipulation  
6 and Judgment in any action that may be brought against them in order to support a defense or  
7 counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release,  
8 good faith settlement, judgment or reduction, or any other theory of claim preclusion or issue  
9 preclusion or similar defense or counterclaim.

10           15.     The Court reserves the right to adjourn the date of the Settlement Hearing or modify  
11 any other dates set forth herein without further notice to the Current CSC Shareholders, and retains  
12 jurisdiction to consider all further applications arising out of or connected with the Settlement.

13           16.     The Court may approve the Settlement, with such modifications as may be agreed to  
14 by the Settling Parties, if appropriate, without further notice to the Current CSC Shareholders.

15           IT IS SO ORDERED:

16  
17 DATED: \_\_\_\_\_

\_\_\_\_\_  
HONORABLE NANCY ALLF  
CLARK COUNTY DISTRICT JUDGE

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**INDEX OF EXHIBITS**

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<b>Exhibit</b>	<b>Description</b>
1	Summary Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions
2	Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions