CA, INC.
Form PRE 14A
June 18, 2007

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant [ü]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ü]	Preliminary Proxy Statement
[ ]	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[ ]	Definitive Proxy Statement
[ ]	Definitive Additional Materials
[ ]	Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-2.

CA, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

[ü] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

Table of Contents

July [ ], 2007

To Our Stockholders:

On behalf of the Board of Directors and management of CA, Inc., we are pleased to invite you to the 2007 Annual Meeting of Stockholders. The meeting will be held in the [ ] at the Hyatt Regency Wind Watch Hotel in Hauppauge, NY on August 22, 2007 beginning at 10:00 a.m. Eastern Daylight Time.

Further details concerning the meeting, including the formal agenda, are contained in the accompanying Notice of Annual Meeting and Proxy Statement. At the meeting, there also will be management reports on our business and a discussion period during which you will be able to ask questions.

Whether or not you plan to attend in person, please vote your shares via the Internet, by telephone or by following the instructions in the accompanying materials.

Thank you for your consideration and continued support.

Sincerely,

William E. McCracken	John A. Swainson
Chairman of the Board of Directors	*President and Chief Executive Officer*

Table of Contents

CA, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of CA, Inc.:

The 2007 Annual Meeting of Stockholders of CA, Inc. will be held on Wednesday, August 22, 2007, at 10:00 a.m. Eastern Daylight Time in the [ ] at the Hyatt Regency Wind Watch Hotel located in Hauppauge, NY, for the following purposes:

(1) to elect directors, each to serve until the next annual meeting or until his or her successor is duly elected and qualified;

(2) to ratify the stockholder protection rights agreement;

(3) to ratify the appointment of KPMG LLP as our independent registered public accountants for the fiscal year ending March 31, 2008;

(4) to approve the CA, Inc. 2007 Incentive Plan;

(5) to consider a stockholder proposal to amend our By-laws to require supermajority Board ratification of the compensation of the chief executive officer; and

(6) to transact any other business that properly comes before the meeting and any adjournment or postponement.

The Board of Directors has fixed the close of business on June 28, 2007 as the record date for determining the stockholders entitled to notice of and to vote at the meeting and any adjournment.

Admission tickets are on the outside back cover of this Notice of Annual Meeting and Proxy Statement. To enter the meeting, you will need an admission ticket or other proof that you are a stockholder. If you hold your shares through a broker or nominee, you will need to bring either a copy of the voting instruction card provided by your broker or nominee, or a copy of a brokerage statement showing your ownership as of June 28, 2007.

A list of stockholders entitled to vote at the 2007 Annual Meeting will be available for inspection upon the request of any stockholder for any purpose germane to the Annual Meeting at our principal offices, One CA Plaza, Islandia, New York during the ten days prior to the meeting, during ordinary business hours, and at the Hyatt Regency Wind Watch Hotel, 1717 Motor Parkway, Hauppauge, NY during the Annual Meeting.

Whether or not you expect to attend, **STOCKHOLDERS ARE REQUESTED TO VOTE THEIR SHARES VIA THE INTERNET OR VIA TELEPHONE (BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD), OR TO SIGN, DATE AND RETURN THE ENCLOSED FORM OF PROXY IN THE ENVELOPE PROVIDED.** No postage is required if mailed in the United States.

Kenneth V. Handal
Executive Vice President, Global Risk & Compliance, and Corporate Secretary

Islandia, New York

July [ ], 2007

TABLE OF CONTENTS

Table of Contents

CA, INC.

One CA Plaza
Islandia, NY 11749

PROXY STATEMENT

GENERAL INFORMATION

Proxy Solicitation

This Proxy Statement is furnished to the holders of the common stock, par value $.10 per share (the Common Stock), of CA, Inc. (we , us or the Company) in connection with the solicitation of proxies by the Board of Directors for use at the 2007 Annual Meeting of Stockholders and any adjournment or postponement. The meeting will be held on August 22, 2007, at 10:00 a.m. Eastern Daylight Time. The matters expected to be acted upon at the meeting are set forth in the preceding Notice of Annual Meeting. At present, the Board of Directors knows of no other business to come before the meeting.

The Notice of Annual Meeting, Proxy Statement and form of proxy will be mailed to stockholders beginning on or about July [ ], 2007. We will bear the cost of soliciting proxies. In addition to the use of the mails, proxies may be solicited by personal or telephone conversation, telegram, facsimile, and postings on our website, **ca.com**, or by our directors, officers and employees, for which they will not receive any additional compensation. We will also make arrangements with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of shares of Common Stock held by such persons, and we may reimburse such custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred. We have also retained Innisfree M & A Incorporated (Innisfree) to assist us in soliciting proxies. The fees to be paid to Innisfree are estimated to be $15,000 plus out-of-pocket costs.

Voting and Revocability of Proxy

The shares represented by valid proxies received and not revoked will be voted at the meeting. Where a proxy specifies a choice with respect to a matter to be acted upon, the shares represented by the proxy will be voted in accordance with the instructions given. If you return a signed proxy card without indicating your vote on a matter submitted at the meeting, your shares will be voted on that particular matter as follows: (1) FOR the Board s nominees for election as directors; (2) FOR ratification of the stockholder protection rights agreement; (3) FOR ratification of the appointment of KPMG LLP as our independent registered public accountants for the fiscal year ending March 31, 2008; (4) FOR the CA, Inc. 2007 Incentive Plan; and (5) AGAINST the stockholder proposal to amend our By-laws to require supermajority Board ratification of the compensation of the chief executive officer. A stockholder may revoke a proxy at any time before it is exercised by filing a written revocation with the Corporate Secretary, submitting a proxy bearing a later date (including by telephone or the Internet), or voting in person at the meeting (please note that if you hold your shares through a bank or broker and you want to vote in person at the meeting, you must obtain a proxy from your bank or broker authorizing you to vote those shares and you must bring this proxy to the meeting). If any other business properly comes before the meeting or any adjournment or postponement, it is the intention of the persons named in the enclosed proxy card to vote the shares represented thereby on such matters in accordance with their best judgment.

Record Date and Voting Rights

Only stockholders of record at the close of business on June 28, 2007 are entitled to notice of and to vote at the meeting or any adjournment. On June 28, 2007, we had outstanding [ ] shares of Common Stock. Each outstanding share of Common Stock is entitled to one vote. A majority of the outstanding shares of Common Stock present or represented by proxy at the meeting will constitute a quorum.

Votes cast at the meeting by proxy or in person will be tabulated by inspectors of election. The inspectors of election will treat shares of Common Stock represented by a properly signed and returned proxy as present

Table of Contents

at the meeting for purposes of determining a quorum, whether or not the proxy is marked as casting a vote or abstaining on any or all matters. Abstentions and broker non-votes (described below) are counted as present and entitled to vote for purposes of determining a quorum.

Assuming that a quorum is present at the meeting, the majority of the votes cast at the meeting will be required to elect the directors, which means that the number of votes cast for the director must exceed the number of votes cast against the director. Abstentions and broker non-votes will have no effect on the election of directors since only votes cast for and against a director will be counted. If a director does not receive the requisite vote, the Board of Directors will have 90 days from the certification of the vote to accept or reject the individual s irrevocable resignation that all incumbent directors were required to submit before the mailing of this Proxy Statement. For more information on the majority vote standard for election of directors, see Corporate Governance below.

Assuming that a quorum is present at the meeting, the affirmative vote of the holders of a majority of the shares of Common Stock present or represented by proxy at the meeting and entitled to vote on the subject matter will be required to approve Proposals 2, 3 and 4. In determining whether Proposals 2, 3 and 4 have received the requisite number of affirmative votes, abstentions will have the effect of a vote against these proposals, and broker non-votes, if any, will reduce the absolute number, but not the percentage, of affirmative votes needed for approval of these proposals.

The affirmative vote of the holders of not less than a majority of the outstanding shares of Common Stock entitled to vote on the proposal will be required to approve Proposal 5. In determining whether Proposal 5 has received the requisite number of affirmative votes, abstentions and broker non-votes, if any, will have the effect of a vote against this proposal. Accordingly, if a majority of the outstanding shares of Common Stock are not voted in favor of Proposal 5, either by a vote at the meeting or by valid proxy, Proposal 5 will not be approved.

Broker Non-Votes

A broker non-vote occurs when your broker submits a proxy for your shares but does not indicate a vote on a particular matter because the broker has not received voting instructions from you and does not have authority to vote on that matter without such instructions. Broker non-votes are treated as present for purposes of determining a quorum but are not counted as votes for or against the matter in question or as abstentions, nor are they counted in determining the number of votes present for the particular matter.

Under the rules of the New York Stock Exchange (the NYSE), if your broker holds shares in your name and delivers this Proxy Statement to you, the broker, in the absence of voting instructions from you, is entitled to vote your shares on Proposals 1 and 3, but not on Proposals 2, 4 and 5.

Annual Report

[Our Annual Report for the fiscal year ended March 31, 2007 accompanies this Proxy Statement and is also available on our website at **ca.com**. Stockholders are referred to the Annual Report for financial and other information about us. The Annual Report is not a part of this Proxy Statement.]

Table of Contents

INFORMATION REGARDING BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS, THE BOARD AND MANAGEMENT

The following table sets forth information, based on data provided to us, with respect to beneficial ownership of shares of Common Stock as of May 18, 2007 for (1) each person known by us to beneficially own more than five percent of the outstanding shares of Common Stock, (2) each of our directors and nominees for election as directors, (3) each individual who served as our principal financial officer during fiscal year 2007, (4) each of our three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer (collectively, together with the Chief Executive Officer, the Chief Financial Officer and each other individual who served as our principal financial officer during fiscal year 2007, the Named Executive Officers), and (5) all of our directors and executive officers as a group.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned[1]	Percent of Class
Holders of More Than 5%:		
Walter H. Haefner[2] Careal Holding AG Utoquai 49 8022 Zurich, Switzerland	125,813,380	23.80%
Hotchkis and Wiley Capital Management, LLC[3] 725 S. Figueroa Street, 39th Floor Los Angeles, CA 90017	67,643,775	12.80%
Private Capital Management, L.P.[4] 8889 Pelican Bay Boulevard Suite 500 Naples, FL 34108	64,162,857	12.14%
NWQ Investment Company, LLC[5] 2049 Century Park East, 16th Floor Los Angeles, CA 90067	52,205,671	9.88%
Pzena Investment Management, LLC[6] 120 West 45th Street, 20th Floor New York, NY 10036	32,660,206	6.18%
Legg Mason Capital Management, Inc. LMM LLC[7] 100 Light Street Baltimore, MD 21202	26,486,092	5.01%
Directors and Nominees:		
Raymond J. Bromark[8][9]	0	*
Alfonse M. D Amato[8]	32,050	*
Gary J. Fernandes[8]	1,125	*
Robert E. La Blanc[8]	7,750	*
Christopher B. Lofgren[8]	0	*
Jay W. Lorsch[8]	6,750	*
William E. McCracken[8]	0	*

Lewis S. Ranieri[8][10]	174,050	*
Walter P. Schuetze[8]	14,250	*
John A. Swainson[10]	469,105	*
Laura S. Unger[8]	0	*
Ron Zambonini[8]	0	*

Table of Contents

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned[1]	Percent of Class
Named Executive Officers (Non-Directors):		
Russell Artzt	2,340,022	*
Michael Christenson	78,664	*
Robert Cirabisi[11]	97,702	*
Nancy E. Cooper[11]	50,000	*
Robert W. Davis[11][12]	48,588	*
Kenneth V. Handal	217,548	*
All Directors, Nominees and Executive Officers as a Group (23 persons)	3,780,401	0.72%

* Represents less than 1% of the outstanding Common Stock.

(1) Except as indicated below, all persons have represented to us that they exercise sole voting and investment power with respect to their shares. The amounts shown in this column include the following shares of Common Stock issuable upon exercise of stock options that either are currently exercisable or will become exercisable within 60 days after May 18, 2007: Mr. D Amato 20,250; Mr. Fernandes 1,125; Mr. La Blanc 6,750; Mr. Lorsch 6,750; Mr. Ranieri 6,750; Mr. Schuetze 6,750; Mr. Swainson 348,869; Mr. Artzt 1,075,576; Mr. Christenson 50,317; Mr. Cirabisi 62,096; Mr. Handal 180,196, and all directors and executive officers as a group 1,933,040. Amounts shown in the above table also include shares held in the CA Savings Harvest Plan, our 401(k) plan, and acquired through the Employee Stock Purchase Plan.

(2) According to a Schedule 13D/A filed on October 30, 2003, Walter H. Haefner, through Careal Holding AG, a company wholly owned by Mr. Haefner, exercises sole voting power and sole dispositive power over these shares.

(3) According to a Schedule 13G/A filed on February 14, 2007 by Hotchkis & Wiley Capital Management, LLC (HWCM), HWCM exercises sole voting power over 50,122,331 shares and sole dispositive power over 67,643,775 shares. According to the Schedule 13G/A, the shares are owned of record by clients of HWCM and HWCM disclaims beneficial ownership of the shares.

(4) According to a Schedule 13G/A filed on February 14, 2007 by Private Capital Management L.P. (PCM), PCM exercises sole voting and dispositive power over 2,850,440 shares and shared voting and dispositive power over 61,312,417 shares. According to the Schedule 13G/A, PCM exercises shared voting authority with respect to shares held by clients of PCM that have delegated proxy voting authority to PCM and PCM disclaims beneficial ownership of shares over which it has dispositive power.

(5) According to a Schedule 13G/A filed on February 9, 2007 by NWQ Management Company, LLC (NWQ), NWQ exercises sole voting power over 45,311,195 shares and sole dispositive power over 52,205,671 shares. According to the Schedule 13G/A, the shares are beneficially owned by clients of NWQ.

(6) According to a Schedule 13G filed on February 13, 2007 by Pzena Investment Management, LLC (PIM), PIM exercises sole voting power over 16,467,793 shares and sole dispositive power over 32,660,206 shares.

(7) According to a Schedule 13G filed on February 15, 2007 by Legg Mason Capital Management, Inc. and LMM LLC (collectively, the LM Group), the LM Group exercises shared voting and dispositive power over 22,986,092 shares held by Legg Mason Capital Management, Inc. and 3,500,000 shares held by LLM LLC.

(8) Under our prior and current compensation plans for non-employee directors, such directors have received a portion of their fees in the form of deferred stock units. On the January 1st immediately following termination of service, a director receives shares of Common Stock in an amount equal to the number of deferred stock units accrued in his/her deferred compensation account. As of May 18, 2007, our non-employee directors had the following approximate number of deferred stock units: Mr. Bromark 0; Mr. D Amato 18,993; Mr. Fernandes 23,200; Mr. La Blanc 26,387; Mr. Lofgren 10,049; Mr. Lorsch 23,037; Mr. McCracken 7,241; Mr. Ranieri 13,339; Mr. Schuetze 21,507; Ms. Unger 8,360; and Mr. Zambonini 6,688. The deferred stock units are not included in the above table. See Compensation of Directors for more information.

(9) On April 26, 2007, the Board of Directors elected to increase the number of directors serving on the Board from eleven to twelve. The Board then elected Mr. Bromark to fill the vacancy.

(10) As of May 18, 2007, Messrs. Ranieri and Swainson had pledged 167,300 and 55,069 shares of Common Stock, respectively.

Table of Contents

(11) Mr. Davis employment terminated on July 31, 2006. Mr. Cirabisi served as interim Chief Financial Officer from the time Mr. Davis ceased serving as Chief Financial Officer until August 15, 2006, when Ms. Cooper s appointment as Chief Financial Officer became effective. Mr. Cirabisi continues to serve as our corporate controller and principal accounting officer.

(12) Mr. Davis stock ownership is based on the last public filing reflecting his ownership, a Form 4 Statement of Changes in Beneficial Ownership filed with the Securities and Exchange Commission (the SEC) on March 3, 2006.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Nominees

On the recommendation of the Corporate Governance Committee, the Board of Directors has nominated the persons named below for election as directors at the meeting, each to serve until the next annual meeting or until his or her successor is duly elected and qualified.

The Board has determined that eleven of the nominees (all of the nominees other than Mr. Swainson) are independent under NYSE listing requirements and our Corporate Governance Principles (the Principles) which are attached hereto as Exhibit A.

In the course of the Board s determination regarding the independence of each non-management director, it considered transactions, relationships and arrangements (as described below) as required by the independence guidelines contained in the Principles. The Board did not consider transactions that occurred prior to fiscal year 2007 of the type covered by the 3-year look back provisions of the NYSE independence standards where the Board had previously considered such transactions in determining in prior years that such directors were independent.

With respect to fiscal year 2007, the Board evaluated for Mr. Lofgren the annual amount of purchases from us by the company where he serves as an executive officer and determined that the amount of such purchases was below the greater of $1 million or two percent of the consolidated gross revenues of the other company pursuant to director independence standard 1 set forth in the Principles.

In addition, with respect to Messrs. Fernandes, La Blanc and Ranieri and Ms. Unger, the Board considered the amount of our discretionary charitable contributions to charitable organizations where he or she serves as a director, trustee or in a similar capacity (but not as an executive officer or employee), which are permitted by director independence standard 6 set forth in the Principles. These contributions constituted less than the greater of $1 million or two percent of the other organization s total consolidated gross revenues during the organization s last completed fiscal year (which is consistent with the threshold specified in director independence standard 5 set forth in the Principles that would have been applicable if Messrs. Fernandes, La Blanc and Ranieri and Ms. Unger had been executive officers or employees of these charitable organizations). The Corporate Governance Committee, comprised entirely of independent directors, reviewed and/or approved any such contribution over the amount of $50,000.

Mr. Swainson is deemed not to be independent because of his current position as our President and Chief Executive Officer. Each of the nominees has confirmed to us that he or she expects to be able to continue to serve as a director until the end of his or her term. If, however, at the time of the Annual Meeting, any of the nominees named below is not available to serve as a director (an event which the Board does not anticipate), all the proxies granted to vote in favor of such director s election will be voted for the election of such other person or persons, if any, as the Board may nominate.

All members of the Audit and Compliance, Compensation and Human Resource, and Corporate Governance Committees are independent directors as defined by NYSE listing requirements and the Principles. Members of the Audit and Compliance Committee also satisfy the separate SEC independence requirements.

Our policy is that all directors and nominees should attend annual meetings. All of our directors then in office attended the 2006 Annual Meeting of Stockholders.

Table of Contents

Set forth below are the nominees names, biographical information, age and the year in which each was first elected a director.

Name	Biographical Information	Age	Director Since
Raymond J. Bromark	Retired Partner of PricewaterhouseCoopers LLP (PwC). Mr. Bromark was Head, Professional, Technical, Risk and Quality Group of PwC from 2001 to 2006 and provided consulting services to PwC from July 2006 through April 2007. He is a member of the American Institute of Certified Public Accountants (the AICPA) and the University of Delaware s Weinberg Center for Corporate Governance s Advisory Board. Mr. Bromark was PwC s representative on the AICPA s Center for Public Company Audit Firms Executive Committee. He was also a member of the Financial Accounting Standards Advisory Council, the Public Company Accounting Oversight Board s Standing Advisory Group and the AICPA s Special Committee on Financial Reporting, its SEC Practice Section Executive Committee and its Ethics Executive Committee.	61	2007
Alfonse M. D Amato	Managing Director of Park Strategies LLC, a business consulting firm, since January 1999. Mr. D Amato was a United States Senator from January 1981 until January 1999. During his tenure in the Senate, he served as Chairman of the Senate Committee on Banking, Housing and Urban Affairs, and Chairman of the Commission on Security and Cooperation in Europe.	69	1999
Gary J. Fernandes	Chairman and President of FLF Investments, a family business involved with the acquisition and management of commercial real estate properties and other assets, since 1999. Mr. Fernandes retired as Vice Chairman of Electronic Data Systems Corporation (EDS), a global technology services company, in 1998, after serving on the Board of Directors of EDS since 1981. After retiring from EDS, Mr. Fernandes founded Convergent Partners, a venture capital fund focusing on buyouts of technology-related companies. He also served as Chairman and CEO of GroceryWorks, Inc., an internet grocery fulfillment company until 2001. He currently serves on the Board of Directors of BancTec, Inc., a privately held systems integration, manufacturing and services company, Blockbuster International, a NYSE listed provider of home entertainment services, and eTelecare Global Solutions, Inc., a provider of complex business process outsourcing solutions. Mr. Fernandes also serves as an advisory director of MHT Partners, a Dallas-based investment banking firm	63	2003

serving mid-market companies. He serves on the Board of Governors of Boys and Girls Clubs of America, and is a director of the Boys and Girls Club of Dallas. He also serves as a trustee of the O Hara Trust and the Hall-Voyer Foundation.

Table of Contents

Name	Biographical Information	Age	Director Since
Robert E. La Blanc	Founder and President of Robert E. La Blanc Associates, Inc., an information technologies consulting and investment banking firm, since 1981. Mr. La Blanc was previously Vice Chairman of Continental Telecom Corporation and, before that, a general partner of Salomon Brothers, Inc. He is also a director of Fibernet Telecom Group, Inc. and a family of Prudential Mutual Funds.	73	2002
Christopher B. Lofgren	President and Chief Executive Officer of Schneider National, Inc., a provider of transportation, logistics and related services, since 2002. Prior to being appointed CEO, Mr. Lofgren served as Chief Operating Officer from 2000 to 2002, and Chief Information Officer from 1996 to 2002. Mr. Lofgren also serves on the Advisory Board of the School of Industrial and Systems Engineering at Georgia Tech, as a board member of the Green Bay, Wisconsin Boys & Girls Club, the Executive Committee and the Board of Directors of the American Trucking Associations, Inc. (ATA) and the Board of Directors of the American Transportation Research Institute, a research trust affiliated with the ATA.	48	2005
Jay W. Lorsch	Louis Kirstein Professor of Human Relations at the Harvard Business School since 1978. Mr. Lorsch has served as Faculty Chairman of the Harvard Business School s Global Corporate Governance Initiative since 1998. He is the author of more than a dozen books and consultant to the boards of directors of several Fortune 500 companies. He has held several major administrative positions at the school, including Senior Associate Dean from 1986 to 1995.	74	2002
William E. McCracken	President of Executive Consulting Group, LLC since 2002. Mr. McCracken has been Chairman of the Board of the Company since June 2007. During a 36-year tenure at IBM, Mr. McCracken held several different executive offices, including serving as general manager of the IBM Printing Systems Division and general manager of Worldwide Marketing of IBM PC Company. He is currently a member of the Board of Directors of IKON Office Solutions. He is also Chairman of the Board of Trustees of Lutheran Social Ministries of New Jersey and President of the Greater Plainfield Habitat for Humanity.	64	2005

Table of Contents

Name	Biographical Information	Age	Director Since
Lewis S. Ranieri	Mr. Ranieri is the prime originator and founder of the Hyperion private equity funds and chairman and/or director of various other non-operating entities owned directly and indirectly by Hyperion. Mr. Ranieri also serves as Chairman, Chief Executive Officer and President of Ranieri & Co., Inc., a private investment advisor and management corporation. He is also Chairman of American Financial Realty Trust, Capital Lease Funding, Inc., Franklin Bank Corp. and Root Markets, Inc., an internet-based marketing company. Prior to forming Hyperion, Mr. Ranieri had been Vice Chairman of Salomon Brothers, Inc., and worked for Salomon from July 1968 to December 1987. Mr. Ranieri served as Chairman of the Board of the Company from April 2004 to June 2007 and Lead Independent Director from 2002 to April 2004. Mr. Ranieri has served on the National Association of Home Builders Mortgage Roundtable continuously since 1989. Mr. Ranieri acts as a trustee or director of Environmental Defense and the Metropolitan Opera Association and is Chairman of the Board of the American Ballet Theatre and Vice Chairman of the Kennedy Center Corporate Fund Board.	60	2001
Walter P. Schuetze	Independent consultant since February 2000. Mr. Schuetze was Chief Accountant to the Securities and Exchange Commission Division of Enforcement from November 1997 to February 2000, an independent consultant from April 1995 to November 1997, and Chief Accountant to the Securities and Exchange Commission from January 1992 to March 1995. He was a charter member of the Financial Accounting Standards Board, a member of the Financial Accounting Standards Advisory Council, and a member and chair of the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants.	74	2002
John A. Swainson	Chief Executive Officer of the Company since February 2005 and President and Director since November 2004. From November 2004 to February 2005, he served as our Chief Executive Officer-elect. From July to November 2004, Mr. Swainson was Vice President of Worldwide Sales and Marketing of IBM s Software Group, responsible for selling its diverse line of software products through multiple channels. From 1997 to July 2004, he was General Manager of the Application Integration and Middleware division of IBM s Software Group, a division he started in 1997. He is also a director of Visa U.S.A. Inc. and Cadence	53	2004

Design Systems, Inc.

9

Table of Contents

Name	Biographical Information	Age	Director Since
Laura S. Unger	Ms. Unger was a Commissioner of the Securities and Exchange Commission from November 1997 to February 2002, including Acting Chairperson of the SEC from February to August 2001. From June 2002 through June 2003, Ms. Unger was employed by CNBC as a Regulatory Expert. Before being appointed to the SEC, Ms. Unger served as Counsel to the United States Senate Committee on Banking, Housing and Urban Affairs from October 1990 to November 1997. Prior to working on Capitol Hill, Ms. Unger was an attorney with the Enforcement Division of the SEC. Ms. Unger serves as a director of Ambac Financial Group, Inc. and Children s National Medical Center. She also acts as the Independent Consultant to JPMorgan Chase for the Global Analyst Settlement.	46	2004
Ron Zambonini	Chairman of the Board of Cognos Incorporated, a developer of business intelligence software, since May 2004 and a director since 1994. Mr. Zambonini was Chief Executive Office of Cognos from September 1995 to May 2004 and President from 1993 to April 2002. Mr. Zambonini currently serves on the Board of Directors of Emergis Inc.	60	2005

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR* EACH OF THE NOMINEES LISTED ABOVE.

Table of Contents

RELATED PERSON TRANSACTIONS

The Board has adopted the Related Person Transactions Policy (the Policy), which is a written policy governing the review and approval or ratification of Related Person Transactions, as defined in SEC rules.

Under the Policy, each of our directors, nominees for director and executive officers must notify the General Counsel and/or the Office of Corporate Secretary of any potential Related Person Transactions involving such person or an immediate family member of such person. The General Counsel and/or the Office of Corporate Secretary will review potential Related Person Transactions to determine if they are subject to the Policy. If so, the transaction will be referred for approval or ratification to the Corporate Governance Committee, which will approve or ratify the transaction only if it determines that the transaction is in, or is not inconsistent with, our best interests and the best interests of our stockholders. In determining whether to approve or ratify a Related Person Transaction, the Corporate Governance Committee may consider, among other things:

- the fairness to us of the Related Person Transaction;
- whether the terms of the Related Person Transaction would be on the same basis if the transaction, arrangement or relationship did not involve a related person;
- the business reasons for us to participate in the Related Person Transaction;
- the nature and extent of our participation in the Related Person Transaction;
- whether any Related Person Transaction involving a director, nominee for director or an immediate family member of a director or nominee for director would be immaterial under the categorical standards adopted by the Board with respect to director independence contained in the Principles;
- whether the Related Person Transaction presents an actual or apparent conflict of interest for any director, nominee for director or executive officer, the nature and degree of such conflict and whether any mitigation of such conflict is feasible;
- the availability of other sources for comparable products or services;
- the direct or indirect nature and extent of the related person s interest in the Related Person Transaction;
- the ongoing nature of the Related Person Transaction;
- the relationship of the related person to the Related Person Transaction and with us and others;
- the importance of the Related Person Transaction to the related person; and
- the amount involved in the Related Person Transaction.

The Corporate Governance Committee will administer the Policy and may review, and recommend amendments to, the Policy from time to time.

Since the beginning of fiscal year 2007, there have not been any Related Person Transactions.

11

Table of Contents

LITIGATION INVOLVING CERTAIN DIRECTORS AND EXECUTIVE OFFICERS

On February 1, 2005, the Company established a Special Litigation Committee of independent members of its Board of Directors to, among other things, control and determine the Company s response to the 60(b) Motions (see Stockholder Class Action and Derivative Lawsuits Filed Prior to 2004 below). The Special Litigation Committee has announced its conclusions, determinations, recommendations and actions with respect to the 60(b) Motions (see Derivative Actions Filed in 2004 below).

Stockholder Class Action and Derivative Lawsuits Filed Prior to 2004

The Company, its former Chairman and CEO Charles B. Wang, its former Chairman and CEO Sanjay Kumar, its former Chief Financial Officer Ira Zar, and its Executive Vice President Russell M. Artzt were defendants in one or more stockholder class action lawsuits, filed in July 1998, February 2002, and March 2002 in the United States District Court for the Eastern District of New York (the Federal Court), alleging, among other things, that a class consisting of all persons who purchased the Common Stock during the period from January 20, 1998 until July 22, 1998 were harmed by misleading statements, misrepresentations, and omissions regarding the Company s future financial performance. In addition, in May 2003, a class action lawsuit captioned *John A. Ambler v. Computer Associates International, Inc., et al.* was filed in the Federal Court. The complaint in this matter, a purported class action on behalf of the CA Savings Harvest Plan (the CASH Plan) and the participants in, and beneficiaries of, the CASH Plan for a class period running from March 30, 1998, through May 30, 2003, asserted claims of breach of fiduciary duty under the federal Employee Retirement Income Security Act (ERISA). The named defendants were the Company, the Company s Board of Directors, the CASH Plan, the Administrative Committee of the CASH Plan, and the following current or former employees and/or former directors of the Company: Messrs. Wang, Kumar, Zar, Artzt, Peter A. Schwartz, and Charles P. McWade; and various unidentified alleged fiduciaries of the CASH Plan. The complaint alleged that the defendants breached their fiduciary duties by causing the CASH Plan to invest in Company securities and sought damages in an unspecified amount.

A derivative lawsuit was filed by Charles Federman against certain current and former directors of the Company, based on essentially the same allegations as those contained in the February and March 2002 stockholder lawsuits discussed above. This action was commenced in April 2002 in Delaware Chancery Court, and an amended complaint was filed in November 2002. The defendants named in the amended complaint were the Company as a nominal defendant, current Company directors Mr. Lewis S. Ranieri, and The Honorable Alfonse M. D Amato, and former Company directors Ms. Shirley Strum Kenny and Messrs. Wang, Kumar, Artzt, Willem de Vogel, Richard Grasso, and Roel Pieper. The derivative suit alleged breach of fiduciary duties on the part of all the individual defendants and, as against the former management director defendants, insider trading on the basis of allegedly misappropriated confidential, material information. The amended complaint sought an accounting and recovery on behalf of the Company of an unspecified amount of damages, including recovery of the profits allegedly realized from the sale of Common Stock.

On August 25, 2003, the Company announced the settlement of all outstanding litigation related to the above-referenced stockholder and derivative actions as well as the settlement of an additional derivative action filed by Charles Federman that had been pending in the Federal Court. As part of the class action settlement, which was approved by the Federal Court in December 2003, the Company agreed to issue a total of up to 5.7 million shares of Common Stock to the stockholders represented in the three class action lawsuits, including payment of attorneys fees. The Company has completed the issuance of the settlement shares as well as payment of $3.3 million to the plaintiffs attorneys in legal fees and related expenses.

In settling the derivative suits, which settlement was also approved by the Federal Court in December 2003, the Company committed to maintain certain corporate governance practices. Under the settlement, the Company, the individual defendants and all other current and former officers and directors of the Company were released from any potential claim by stockholders arising from accounting-related or other public statements made by the Company or its agents from January 1998 through February 2002 (and from January 1998 through May 2003 in the case of the employee ERISA action). The individual defendants were released from any potential claim by or on behalf of the Company relating to the same matters.

Table of Contents

On October 5, 2004 and December 9, 2004, four purported Company stockholders served motions to vacate the Order of Final Judgment and Dismissal entered by the Federal Court in December 2003 in connection with the settlement of the derivative action. These motions primarily seek to void the releases that were granted to the individual defendants under the settlement. On December 7, 2004, a motion to vacate the Order of Final Judgment and Dismissal entered by the Federal Court in December 2003 in connection with the settlement of the 1998 and 2002 stockholder lawsuits discussed above was filed by Sam Wyly and certain related parties. The motion seeks to reopen the settlement to permit the moving stockholders to pursue individual claims against certain present and former officers of the Company. The motion states that the moving stockholders do not seek to file claims against the Company. On June 14, 2005, the Federal Court granted movants motion to be allowed to take limited discovery prior to the Federal Court s ruling on these motions (the 60(b) Motions). No hearing date is currently set for the 60(b) Motions.

The Government Investigation DPA Concluded

In September 2004, the Company reached agreements with the United States Attorney s Office for the Eastern Division of New York (the USAO) and the Northeast Region of the SEC by entering into a Deferred Prosecution Agreement (DPA) with the USAO and consenting to the entry of a Final Consent Judgment (Consent Judgment , and together with the DPA, the Agreements) in a parallel proceeding brought by the SEC in the Federal Court. The Federal Court approved the DPA on September 22, 2004 and entered the Consent Judgment on September 28, 2004. The agreements resolved USAO and SEC investigations into certain of the Company s past accounting practices, including its revenue recognition policies and procedures during certain periods prior to the adoption of the business model in October 2000, and obstruction of their investigations.

On May 21, 2007, based on the Company s compliance with the DPA s terms, the Federal Court ordered dismissal of the charges that had been filed against the Company in connection with the DPA. As a result of the dismissal and as provided in the DPA, the DPA thereupon expired and is thus concluded.

The Consent Judgment contains provisions which are parallel to the DPA, and it permanently enjoins the Company from violating certain provisions of the federal securities laws. The injunctive provisions of the Consent Judgment remain in effect. For additional information concerning the DPA, the Consent Judgment, and related matters, see discussion below.

The Government Investigation

In 2002, the USAO and the staff of the Northeast Regional Office of the SEC commenced an investigation concerning certain of the Company s past accounting practices, including the Company s revenue recognition procedures in periods prior to the adoption of the Company s business model in October 2000.

In response to the investigation, the Board of Directors authorized the Audit Committee (now the Audit and Compliance Committee) to conduct an independent investigation into the timing of revenue recognition by the Company. On October 8, 2003, the Company reported that the ongoing investigation by the Audit and Compliance Committee had preliminarily found that revenues were prematurely recognized in the fiscal year ended March 31, 2000, and that a number of software license agreements appeared to have been signed after the end of the quarter in which revenues associated with such software license agreements had been recognized in that fiscal year. Those revenues, as the Audit and Compliance Committee found, should have been recognized in the quarter in which the software license agreements were signed. Those preliminary findings were reported to government investigators.

Following the Audit and Compliance Committee s preliminary report and at its recommendation, David Kaplan, David Rivard, Lloyd Silverstein and Ira Zar, the executives who oversaw the relevant financial operations during the period in question, resigned at the Company s request. On January 22, 2004, Mr. Silverstein pled guilty to federal criminal

charges of conspiracy to obstruct justice in connection with the ongoing investigation. On April 8, 2004, Messrs. Kaplan, Rivard and Zar pled guilty to charges of conspiracy to obstruct justice and conspiracy to commit securities fraud in connection with the investigation. Mr. Zar also pled guilty to committing securities fraud.

Table of Contents

On January 26, 2007, Mr. Zar was sentenced to a term of imprisonment for seven months and home confinement for seven months. On January 29, 2007, Mr. Kaplan was sentenced to home confinement for six months. On January 30, 2007, Mr. Rivard was sentenced to home confinement for four months. On January 31, 2007, Mr. Silverstein was sentenced to home confinement for six months. The Federal Court has deferred its decisions on restitution owed by Messrs. Kaplan, Rivard and Zar until a date to be determined.

The SEC filed related actions against each of the four former executives, alleging that they participated in a widespread practice that resulted in the improper recognition of revenue by the Company. Without admitting or denying the allegations in the complaints filed by the SEC, Messrs. Kaplan, Rivard, Silverstein and Zar each consented to a permanent injunction against violating, or aiding and abetting violations of, the securities laws, and also to a permanent bar from serving as an officer or director of a publicly held company. Litigation with respect to the SEC s claims for disgorgement and penalties is continuing.

A number of other employees, primarily in the Company s legal and finance departments were terminated or resigned as a result of matters under investigation by the Audit and Compliance Committee, including Steven Woghin, the Company s former General Counsel. Stephen Richards, the Company s former Executive Vice President of Sales, resigned from his position and was relieved of all duties in April 2004, and left the Company at the end of June 2004. Additionally, on April 21, 2004, Sanjay Kumar resigned as Chairman, director and Chief Executive Officer of the Company, and assumed the role of Chief Software Architect. Thereafter, Mr. Kumar resigned from the Company effective June 30, 2004.

In April 2004, the Audit and Compliance Committee completed its investigation and determined that the Company should restate certain financial data to properly reflect the timing of the recognition of license revenue for the Company s fiscal years ended March 31, 2001 and 2000. The Audit and Compliance Committee believes that the Company s financial reporting related to contracts executed under its current business model is unaffected by the improper accounting practices that were in place prior to the adoption of the current business model in October 2000 and that had resulted in the aforementioned restatements, and that the historical issues it had identified in the course of its independent investigation concerned the premature recognition of revenue. However, certain of these prior period accounting errors have had an impact on the subsequent financial results of the Company as described in Note 12 to the Consolidated Financial Statements in the Company s amended Annual Report on Form 10-K/A for the fiscal year ended March 31, 2005.

As noted above, in September 2004, the Company agreed to, and the Federal Court approved, the DPA and the Consent Judgment.

Under the DPA, the Company agreed to establish a $225 million fund for purposes of restitution to current and former stockholders of the Company, with $75 million to be paid within 30 days of the date of approval of the DPA by the Federal Court, $75 million to be paid within one year after the approval date and $75 million to be paid within 18 months after the approval date. The Company made the first $75 million restitution payment into an interest-bearing account under terms approved by the USAO on October 22, 2004. The Company made the second $75 million restitution payment into an interest-bearing account under terms approved by the USAO on September 22, 2005. The Company made the third and final $75 million restitution payment into an interest-bearing account under terms approved by the USAO on March 22, 2006.

Pursuant to the DPA, the Company proposed and the USAO accepted, on or about November 4, 2004, the appointment of Kenneth R. Feinberg as Fund Administrator. Also, pursuant to the Agreements, Mr. Feinberg submitted to the USAO on or about June 28, 2005, a Plan of Allocation for the Restitution Fund (the Restitution Fund Plan). The Restitution Fund Plan was approved by the Federal Court on August 18, 2005. The Company s payments to the restitution fund, which will be allocated and distributed to certain current and former stockholders of

the Company as determined by the Fund Administrator, are in addition to the amounts that the Company previously agreed to provide current and former stockholders in settlement of certain class action lawsuits in August 2003 (see Stockholder Class Action and Derivative Lawsuits Filed Prior to 2004). This latter amount was paid by the Company in December 2004 in shares at a then total value of approximately $174 million.

Table of Contents

Under the Agreements, the Company also agreed, among other things, to take the following actions by December 31, 2005: (1) to add a minimum of two new independent directors to its Board of Directors; (2) to establish a Compliance Committee of the Board of Directors; (3) to implement an enhanced compliance and ethics program, including appointment of a Chief Compliance Officer; (4) to reorganize its Finance and Internal Audit Departments; and (5) to establish an executive disclosure committee. The reorganization of the Finance Department is in progress and the reorganization of the Internal Audit Department is substantially complete. On December 9, 2004, the Company announced that Patrick J. Gnazzo had been named Senior Vice President, Business Practices, and Chief Compliance Officer, effective January 10, 2005. On February 11, 2005, the Board of Directors elected William McCracken to serve as a new independent director, and also changed the name of the Audit Committee of the Board of Directors to the Audit and Compliance Committee of the Board of Directors and amended the Committee s charter. On April 11, 2005, the Board of Directors elected Ron Zambonini to serve as a new independent director. On November 11, 2005, the Board of Directors elected Christopher Lofgren to serve as a new independent director. On April 26, 2007, the Board of Directors elected Raymond J. Bromark to serve as a new independent director.

Under the Agreements, the Company also agreed to the appointment of an Independent Examiner to examine the Company s practices for the recognition of software license revenue, its ethics and compliance policies and other specified matters. The Agreements provided that the Independent Examiner would also review the Company s compliance with the Agreements and periodically report findings and recommendations to the USAO, SEC and Board of Directors. On March 16, 2005, the Federal Court appointed Lee S. Richards III, Esq. of Richards Spears Kibbe & Orbe LLP (now, Richards Kibbe & Orbe LLP), to serve as Independent Examiner. On September 15, 2005, Mr. Richards issued his six-month report concerning his recommendations for best practices regarding certain areas specified in the Agreements. On December 15, 2005, March 15, 2006, June 15, 2006, September 15, 2006 and December 15, 2006, Mr. Richards issued quarterly reports concerning the Company s compliance with the Agreements. On May 1, 2007, Mr. Richards issued a Final Report concerning the Company s compliance with the Agreements.

Pursuant to the Consent Judgment with the SEC, the Company is permanently enjoined from violating Section 17(a) of the Securities Act of 1933 (the Securities Act), Sections 10(b), 13(a) and 13(b)(2) of the Securities Exchange Act of 1934 (the Exchange Act) and Rules 10b-5, 12b-20, 13a-1 and 13a-13 under the Exchange Act.

Under the DPA, the USAO agreed to seek dismissal of the charges the USAO filed against the Company in connection with the DPA, upon the Company s compliance with the DPA. However, it was also agreed that the USAO could prosecute such charges against the Company at any time while the DPA is in effect if the USAO were to determine that the Company deliberately gave materially false, incomplete or misleading information pursuant to the DPA, committed any federal crime while the DPA is in effect or knowingly, intentionally and materially violated any provision of the DPA.

In his Fourth Report, dated June 15, 2006, the Independent Examiner described certain issues regarding the Company s internal accounting controls and reorganization of the Finance Department. Accordingly, by letter dated September 14, 2006, the USAO informed the Federal Court that the USAO had determined to extend the term of the Independent Examiner to May 1, 2007. The extension was made pursuant to paragraph 22 of the DPA and with the consent of the Company. The Independent Examiner s term was otherwise set to expire on September 16, 2006. The USAO, the SEC, the Independent Examiner and the Company agreed that the extension to May 1, 2007 was appropriate in light of the control-environment and commission-related material weaknesses announced in the 2006 Form 10-K, and issues concerning the reorganization of the Finance Department to be addressed by the Company s then new Chief Financial Officer, Nancy Cooper, who had joined the Company in August 2006. Beyond the control issues identified in the Independent Examiner s June 15, 2006 report, the USAO advised the Federal Court that the Company had, as of the date of the above-referenced letter, substantially complied with the terms of the DPA. The USAO also informed the Federal Court that if the control issues described above were resolved by May 1, 2007, and

the Company were otherwise in compliance with the DPA, the USAO would seek the Federal Court s dismissal with prejudice of the charges that had been filed against the Company in connection with the DPA.

Table of Contents

On May 15, 2007, the USAO submitted a motion to the Federal Court seeking dismissal of the charges. The USAO motion papers cited the May 1, 2007 final report of the Independent Examiner and stated that the Company complied with the DPA. On May 21, 2007, the Federal Court issued an order dismissing the charges; as a result of the dismissal and as provided in the terms of the DPA, the DPA thereupon expired and thus concluded.

On September 22, 2004, Mr. Woghin, the Company s former General Counsel, pled guilty to a two-count information charging him with conspiracy to commit securities fraud and obstruction of justice. The SEC also filed a complaint in the Federal Court against Mr. Woghin alleging that he violated Section 17(a) of the Securities Act, Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5 and 13b2-1 thereunder. The complaint further alleged that under Section 20(e) of the Exchange Act, Mr. Woghin aided and abetted the Company s violations of Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder. Mr. Woghin consented to a partial judgment imposing a permanent injunction enjoining him from committing violations in the future and permanently barring him from serving as an officer or director of a public company. The SEC s claims for disgorgement and civil penalties against Mr. Woghin are pending. On January 16, 2007, Mr. Woghin was sentenced to a term of imprisonment for two years and supervised release for a period of three years. By Order dated February 6, 2007, the Federal Court reduced Mr. Woghin s term of imprisonment to one year and one day, with the balance of the initial two-year term to be served in home confinement. The Federal Court has deferred any decisions on restitution until a date to be determined.

Additionally, on September 22, 2004, the SEC filed complaints in the Federal Court against Sanjay Kumar and Stephen Richards alleging that they violated Section 17(a) of the Securities Act, Sections 10(b) and 13(b)(5) of the Exchange Act, and Rules 10b-5 and 13b2-1 thereunder. The complaints further alleged that under Section 20(e) of the Exchange Act, Messrs. Kumar and Richards aided and abetted the Company s violations of Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder. The complaints sought to enjoin Messrs. Kumar and Richards from further violations of the Securities Act and the Exchange Act and for disgorgement of gains they received as a result of these violations. On June 14, 2006, Messrs. Kumar and Richards consented to partial judgments imposing permanent injunctions enjoining them from committing violations of the federal securities laws in the future and permanently barring them from serving as officers or directors of public companies. The SEC s claims against Messrs. Kumar and Richards for disgorgement and civil penalties are pending.

On September 23, 2004, the USAO filed, in the Federal Court, a ten-count indictment charging Messrs. Kumar and Richards with conspiracy to commit securities fraud and wire fraud, committing securities fraud, filing false SEC filings, conspiracy to obstruct justice and obstruction of justice. Additionally, Mr. Kumar was charged with one count of making false statements to an agent of the Federal Bureau of Investigation and Mr. Richards was charged with one count of perjury in connection with sworn testimony before the SEC.

On or about June 29, 2005, the USAO filed a superseding indictment against Messrs. Kumar and Richards, dropping one count and adding several allegations to certain of the nine remaining counts. On April 24, 2006, Messrs. Kumar and Richards pled guilty to all counts in the superseding indictment filed by the USAO. On November 2, 2006, Mr. Kumar was sentenced to a term of imprisonment for twelve years. On or about April 13, 2007, the Federal Court executed a Stipulation and Order directing that Mr. Kumar pay restitution in the amount of $798.6 million, of which $50 million is due to be paid within 90 days of the date of the Order or by July 31, 2007, whichever is later. On November 14, 2006, Mr. Richards was sentenced to a term of imprisonment for seven years and three years of supervised release. The Federal Court has deferred any decisions on Mr. Richards restitution until a hearing at a date to be set by the Federal Court.

On April 21, 2006, Thomas M. Bennett, the Company s former Senior Vice President, Business Development, was arrested pursuant to an arrest warrant issued by the Federal Court. The arrest warrant charged Mr. Bennett with three

counts of conspiracy to commit obstruction of justice in violation of Title 18, United States Code, Sections 1510(a) and 1505, and Title 18, United States Code, Section 371. On June 21, 2006, Mr. Bennett pled guilty to one count of conspiracy to obstruct justice. On December 6, 2006,

Table of Contents

Mr. Bennett was sentenced to a term of home confinement for ten months, three years of supervised release, 100 hours of community service, and a fine of $15,000.

Derivative Actions Filed in 2004

In June 2004, a purported derivative action was filed in the Federal Court by Ranger Governance Ltd. against certain current or former employees and/or directors of the Company. In July 2004, two additional purported derivative actions were filed in the Federal Court by purported Company stockholders against certain current or former employees and/or directors of the Company. In November 2004, the Federal Court issued an order consolidating these three derivative actions. The plaintiffs filed a consolidated amended complaint (the Consolidated Complaint) on January 7, 2005. The Consolidated Complaint names as defendants Messrs. Wang, Kumar, Zar, Artzt, D Amato, Richards, Ranieri and Woghin; Messrs. Kaplan, Rivard and Silverstein; Michael A. McElroy; Messrs. McWade and Schwartz; Gary Fernandes; Robert E. La Blanc; Jay W. Lorsch; Kenneth Cron; Walter P. Schuetze; Messrs. de Vogel and Grasso; Roel Pieper; KPMG LLP; and Ernst & Young LLP. The Company is named as a nominal defendant. The Consolidated Complaint alleges a claim against Messrs. Wang, Kumar, Zar, Kaplan, Rivard, Silverstein, Artzt, D Amato, Richards, McElroy, McWade, Schwartz, Fernandes, La Blanc, Ranieri, Lorsch, Cron, Schuetze, de Vogel, Grasso, Pieper and Woghin for contribution towards the consideration the Company had previously agreed to provide current and former stockholders in settlement of certain class action litigation commenced against the Company and certain officers and directors in 1998 and 2002 (see Stockholder Class Action and Derivative Lawsuits Filed Prior to 2004) and seeks on behalf of the Company compensatory and consequential damages in an amount not less than $500 million in connection with the USAO and SEC investigations (see The Government Investigation). The Consolidated Complaint also alleges a claim seeking unspecified relief against Messrs. Wang, Kumar, Zar, Kaplan, Rivard, Silverstein, Artzt, D Amato, Richards, McElroy, McWade, Fernandes, La Blanc, Ranieri, Lorsch, Cron, Schuetze, de Vogel and Woghin for violations of Section 14(a) of the Exchange Act for alleged false and material misstatements made in the Company s proxy statements issued in 2002 and 2003. The Consolidated Complaint also alleges breach of fiduciary duty by Messrs. Wang, Kumar, Zar, Kaplan, Rivard, Silverstein, Artzt, D Amato, Richards, McElroy, McWade, Schwartz, Fernandes, La Blanc, Ranieri, Lorsch, Cron, Schuetze, de Vogel, Grasso, Pieper and Woghin. The Consolidated Complaint also seeks unspecified compensatory, consequential and punitive damages against Messrs. Wang, Kumar, Zar, Kaplan, Rivard, Silverstein, Artzt, D Amato, Richards, McElroy, McWade, Schwartz, Fernandes, La Blanc, Ranieri, Lorsch, Cron, Schuetze, de Vogel, Grasso, Pieper and Woghin based upon allegations of corporate waste and fraud. The Consolidated Complaint also seeks unspecified damages against Ernst & Young LLP and KPMG LLP, for breach of fiduciary duty and the duty of reasonable care, as well as contribution and indemnity under Section 14(a) of the Exchange Act. The Consolidated Complaint requests restitution and rescission of the compensation earned under the Company s executive compensation plan by Messrs. Artzt, Kumar, Richards, Zar, Woghin, Kaplan, Rivard, Silverstein, Wang, McElroy, McWade and Schwartz. Additionally, pursuant to Section 304 of the Sarbanes-Oxley Act, the Consolidated Complaint seeks reimbursement of bonus or other incentive-based equity compensation received by defendants Wang, Kumar, Schwartz and Zar, as well as alleged profits realized from their sale of securities issued by the Company during the time periods they served as the Chief Executive Officer (Messrs. Wang and Kumar) and Chief Financial Officer (Messrs. Schwartz and Zar) of the Company. Although no relief is sought from the Company, the Consolidated Complaint seeks monetary damages, both compensatory and consequential, from the other defendants, including current or former employees and/or directors of the Company, KPMG LLP and Ernst & Young LLP in an amount totaling not less than $500 million.

The consolidated derivative action has been stayed pending resolution of the 60(b) Motions (see Stockholder Class Action and Derivative Lawsuits Filed Prior to 2004).

On February 1, 2005, the Company established a Special Litigation Committee of independent members of its Board of Directors to, among other things, control and determine the Company s response to the Consolidated Complaint and the 60(b) Motions. On April 13, 2007, the Special Litigation Committee issued its reports, which announced the

Special Litigation Committee s conclusions, determinations, recommendations and actions with respect to the claims asserted in the Derivative Actions and in the 60(b) Motions. Also, in

Table of Contents

response to the Consolidated Complaint, the Special Litigation Committee served a motion which seeks the Federal Court s approval of the Special Litigation Committee s conclusions. As summarized in the Company s Current Report on Form 8-K filed with the SEC on April 13, 2007 and in the bullets below, the Special Litigation Committee concluded as follows:

The Special Litigation Committee has concluded that it would be in the best interests of the Company to pursue certain of the claims against Charles Wang (CA s former Chairman and CEO) including filing a motion to set aside releases granted to Mr. Wang in 2000 and 2003. The Special Litigation Committee has determined and directed that these claims be pursued vigorously by CA using counsel retained by the Company. Certain other claims against Mr. Wang should be dismissed as they are duplicative of the ones to be pursued and are for various legal reasons infirm. The Special Litigation Committee will seek dismissal of these claims.

The Special Litigation Committee has reached a binding term sheet settlement (subject to court approval) with Sanjay Kumar (CA s former Chairman and CEO). Pursuant to this settlement, the Company will receive a $15.25 million judgment against Mr. Kumar secured in part by real property and executable against his future earnings. This amount is in addition to the $52 million that Mr. Kumar will repay to CA s shareholders as part of his criminal restitution proceedings. Based on his sworn financial disclosures, the Special Litigation Committee believes that, following his agreement with the government, Mr. Kumar had no material assets remaining. As a result, the Special Litigation Committee will seek dismissal of all claims against him.

The Special Litigation Committee has concluded that it would be in the best interests of the Company to pursue certain of the claims against former officer Peter Schwartz (CA s former CFO). The Special Litigation Committee has determined and directed that these claims be pursued vigorously by CA using counsel retained by the Company. Certain other claims against Mr. Schwartz should be dismissed as they are duplicative of the ones to be pursued and are for various legal reasons infirm. The Special Litigation Committee will seek dismissal of these claims.

The Special Litigation Committee has concluded that it would be in the best interests of the Company to pursue certain of the claims against the former CA executives who have pled guilty to various charges of securities fraud and/or obstruction of justice including David Kaplan (CA s former head of Financial Reporting), Stephen Richards (CA s former head of Worldwide Sales), David Rivard (CA s former head of Sales Accounting), Lloyd Silverstein (CA s former head of the Global Sales Organization), Steven Woghin (CA s former General Counsel, and Ira Zar (CA s former CFO). The Special Litigation Committee has determined and directed that these claims be pursued by CA using counsel retained by the Company, unless the Special Litigation Committee is able to successfully conclude its ongoing settlement negotiations with these individuals shortly after the conclusion of their criminal restitution proceedings.

The Special Litigation Committee has reached a settlement agreement (subject to court approval) with Russell Artzt (currently Executive Vice President of Products and a former CA Board member). The Special Litigation Committee noted that during its investigation, it did not uncover evidence that Mr. Artzt directed or participated in the 35 Day-Month practice or that he was involved in the preparation or dissemination of the financial statements that led to the accelerated vesting of equity granted under the Company s Key Employee Stock Ownership Plan (KESOP) as alleged in the Derivative Actions. Pursuant to this settlement, the Company will receive $9 million (the cash equivalent of approximately 354,890 KESOP shares) and, as a result, the Special Litigation Committee will seek dismissal of all claims against him.

The Special Litigation Committee has reached a settlement agreement (subject to court approval) with Charles McWade (CA s former head of Financial Reporting and business development). Pursuant to this settlement, the Company will receive $1 million and, as a result, the Special Litigation Committee will seek dismissal of all

claims against him.

Table of Contents

The Special Litigation Committee believes that the claims (the Director Claims) against current and former CA directors Kenneth Cron, Alfonse D Amato, Willem de Vogel, Gary Fernandes, Richard Grasso, Shirley Strum Kenny, Robert La Blanc, Jay Lorsch, Roel Pieper, Lewis Ranieri, Walter Schuetze, and Alex Vieux should be dismissed. The Special Litigation Committee has concluded that these directors did not breach their fiduciary duties and the claims against them lack merit.

The Special Litigation Committee has concluded that while the Company has potentially valid claims (the McElroy Claims) against former officer Michael McElroy (CA s former senior vice president of the Legal department), it would be in the best interests of the Company to seek dismissal of the claims against him.

The Special Litigation Committee has concluded that it would be in the best interests of the Company to seek dismissal of the claims against CA s former independent auditors, Ernst & Young LLP (E&Y). The Special Litigation Committee has recommended this dismissal in light of the relevant legal standards, in particular, the applicable statutes of limitation. However, the Special Litigation Committee has recommended that CA promptly sever all economic arrangements with E&Y.

The Special Litigation Committee has concluded that it would be in the best interests of the Company to seek dismissal of the claims against CA s current independent auditors, KPMG LLP (KPMG). The Special Litigation Committee has determined that KPMG s audits were professionally conducted. The Special Litigation Committee has recommended this dismissal in the exercise of its business judgment in light of legal and factual hurdles as well as the value of the Company s business relationship with KPMG.

The Special Litigation Committee has served motions which seek dismissal of the Director Claims and the McElroy Claims.

The Company is obligated to indemnify its officers and directors under certain circumstances to the fullest extent permitted by Delaware law. As a part of that obligation, the Company has advanced and will continue to advance certain attorneys fees and expenses incurred by current and former officers and directors in various litigations and investigations arising out of similar allegations, including the litigation described above.

Derivative Actions Filed in 2006

On August 10, 2006, a purported derivative action was filed in the Federal Court by Charles Federman against certain current or former directors of the Company (the 2006 Federman Action). On September 15, 2006, a purported derivative action was filed in the Federal Court by Bert Vladimir and Irving Rosenzweig against certain current or former directors of the Company (the 2006 Vladimir Action). By order dated October 26, 2006, the Federal Court ordered the 2006 Federman Action and the 2006 Vladimir Action consolidated. Under the order, the actions are now captioned CA, Inc. Shareholders Derivative Litigation Employee Option Action . On January 31, 2007, plaintiffs filed a consolidated amended complaint naming as defendants the following current or former directors of the Company: Messrs. Artzt, Cron, D Amato, de Vogel, Fernandes, Goldstein, Grasso, Kumar, La Blanc, Lofgren, Lorsch, McCracken, Pieper, Ranieri, Schuetze, Swainson, Wang and Zambonini and Ms. Unger. The Company is named as a nominal defendant. The complaint alleges purported claims against the individual defendants for breach of fiduciary duty and for violations of Section 14(a) of the Exchange Act for alleged false and material misstatements made in the Company s proxy statements issued from 1998 through 2005. The premises for these purported claims concern the disclosures made by the Company in its Annual Report on Form 10-K for the fiscal year ended March 31, 2006 concerning the Company s restatement of prior fiscal periods to reflect additional (a) non-cash, stock-based compensation expense relating to employee stock option grants prior to the Company s fiscal year 2002, (b) subscription revenue relating to the early renewal of certain license agreements, and (c) sales commission expense

that should have been recorded in the third quarter of the Company s fiscal year 2006. According to the complaint, certain of the individual defendants actions allegedly were in violation of the spirit, if not the letter of the DPA. The complaint seeks an unspecified amount of compensatory and punitive damages, equitable relief including an order rescinding certain stock option awards, an award of plaintiffs costs and

expenses, including reasonable attorneys fees, and other unspecified damages allegedly sustained by the Company. On March 30, 2007, the Company and the individual director-defendants separately moved to dismiss the complaint. In the opinion of management, the resolution of this lawsuit is not expected to have a material adverse effect on the Company s financial position, results of operations, or cash flow.

On September 13, 2006, a purported derivative action was filed in the Delaware Chancery Court by Muriel Kaufman asserting purported derivative claims against Messrs. Kumar, Wang, Zar, Silverstein, Woghin, Richards, Artzt, Cron, D Amato, La Blanc, Ranieri, Lorsch, Schuetze, Vieux, De Vogel and Grasso and Ms. Strum Kenny. The Company is named as a nominal defendant. The complaint alleges purported claims against the individual defendants for breach of fiduciary duty, corporate waste and contribution and indemnification, in connection with the accounting fraud and obstruction of justice that led to the criminal prosecution of certain former officials of the Company and to the DPA (see The Government Investigation above) and in connection with the settlement of certain class action and derivative lawsuits (see Stockholder Class Action and Derivative Lawsuits Filed Prior to 2004 above). The complaint seeks an unspecified amount of compensatory damages, an accounting from each individual defendant, an award of plaintiff s costs and expenses, including reasonable attorneys fees, and other unspecified damages allegedly sustained by the Company. On December 19, 2006, the Special Litigation Committee filed a motion to dismiss or, in the alternative, to stay the action in favor of the consolidated derivative action originally filed in the Federal Court in June 2004 (see Derivative Actions Filed in 2004 above). The Special Litigation Committee has announced its conclusions, determinations, recommendations and actions with respect to this litigation (see Derivative Actions Filed in 2004 above). In the opinion of management, the resolution of this lawsuit is not expected to have a material adverse effect on the financial position of the Company.

Texas Litigation

On August 9, 2004, a petition was filed by Sam Wyly and Ranger Governance, Ltd. against the Company in the District Court of Dallas County, Texas (the Ranger Governance Litigation), seeking to obtain a declaratory judgment that plaintiffs did not breach two separation agreements they entered into with the Company in 2002 (the 2002 Agreements). Plaintiffs seek to obtain this declaratory judgment in order to file a derivative suit on behalf of the Company (see Derivative Actions Filed in 2004 above). On September 3, 2004, the Company filed an answer to the petition and on September 10, 2004, the Company filed a notice of removal seeking to remove the action to federal court. On February 18, 2005, Mr. Wyly filed a separate lawsuit in the United States District Court for the Northern District of Texas (the Texas Federal Court) alleging that he is entitled to attorneys fees in connection with the original litigation filed in Texas. The two actions have been consolidated. On March 31, 2005, the plaintiffs amended their complaint to allege a claim that they were defrauded into entering the 2002 Agreements and to seek rescission of those agreements and damages. The amended complaint in the Ranger Governance Litigation seeks rescission of the 2002 Agreements, unspecified compensatory, consequential and exemplary damages and a declaratory judgment that the 2002 Agreements are null and void and that plaintiffs did not breach the 2002 Agreements. On May 11, 2005, the Company moved to dismiss the Texas litigation. On July 21, 2005, the plaintiffs filed a motion for summary judgment. On July 22, 2005, the Texas Federal Court dismissed the latter two motions without prejudice to refiling the motions later in the action. On September 1, 2005, the Texas Federal Court granted the Company s motion to transfer the action to the Federal Court. Since the transfer, there have been no significant activities or developments.

Other Civil Actions

On September 21, 2004, a complaint to compel production of the Company s books and records, including files that have been produced by the Company to the USAO and SEC in the course of their joint investigation of the Company s accounting practices (see The Government Investigation), was filed by a purported stockholder of the Company in Delaware Chancery Court pursuant to Section 220 of the Delaware General Corporation Law. The complaint concerns the inspection of documents related to Mr. Kumar s compensation, the independence of the Board of Directors and

ability of the Board of Directors to sue for

Table of Contents

return of that compensation. The Company filed its answer to this complaint on October 15, 2004 and there have been no developments since that time.

The Company, various subsidiaries, and certain current and former officers have been named as defendants in various other lawsuits and claims arising in the normal course of business. The Company believes that it has meritorious defenses in connection with such lawsuits and claims, and intends to vigorously contest each of them. In the opinion of the Company s management, the results of these other lawsuits and claims, either individually or in the aggregate, are not expected to have a material adverse effect on the Company s financial position, results of operations, or cash flow.

Table of Contents

BOARD COMMITTEES AND MEETINGS

The Board of Directors has established three principal committees the Audit and Compliance Committee, the Compensation and Human Resource Committee and the Corporate Governance Committee to carry out certain responsibilities and to assist the Board in meeting its fiduciary obligations. These committees operate under written charters that have been adopted by the respective committees and by the Board, and all the members of these committees are independent under both the Principles and NYSE requirements. Additionally, the Board of Directors has established a Strategy Committee to further assist the Board. The charters of these committees can be reviewed on our website at investor.ca.com and are also available free of charge in print to any stockholder who requests them in the same manner as for the Principles or the Code of Conduct described below. The current members of the committees are as follows:

Independent Directors	Audit and Compliance	Compensation and Human Resource	Corporate Governance	Strategy
R. J. Bromark	X			
A. M. D Amato	X		X	
G. J. Fernandes		X		X (Chair)
R. E. La Blanc	X		X	
C. B. Lofgren				X
J. W. Lorsch		X	X (Chair)	
W. E. McCracken[1]		X		X
L. S. Ranieri		X (Chair)		X
W. P. Schuetze	X (Chair)			
L. S. Unger	X		X	
R. Zambonini[1]				X
Employee Director				
J. Swainson				X

(1) Mr. McCracken and Mr. Zambonini are members of the Special Litigation Committee, described above.

Further information concerning the principal responsibilities and meetings of these committees appears below.

The general purpose of the *Audit and Compliance Committee* is to assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of our financial statements and internal controls; (2) the qualifications and independence of our independent registered public accountants (including the engagement of the independent registered public accountants); (3) the performance of our internal audit function and independent registered public accountants; and (4) our compliance with legal and regulatory requirements, including those relating to accounting and financial reporting, and ethical obligations. During fiscal year 2007, the Committee met fourteen times. The Board has determined that Raymond J. Bromark and Walter P. Schuetze each qualify as Audit Committee Financial Experts , that Messrs. D Amato and La Blanc and Ms. Unger are financially literate and that all members of the Committee are independent under applicable SEC and NYSE rules. Further information on the responsibilities of the Committee is set forth in the Audit and Compliance Committee charter.

The general purpose of the *Compensation and Human Resource Committee* is to assist the Board in fulfilling its responsibilities with respect to executive compensation and human resources matters, including (1) reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer; in coordination with the Corporate Governance Committee, evaluating his or her performance in light of those goals and objectives; and determining and approving his or her compensation, including determinations regarding equity-based and other incentive compensation awards, based upon such evaluation and (2) overseeing the evaluation of senior officers other than the Chief Executive Officer in connection with its oversight of management development and succession planning, and otherwise, as deemed appropriate, determining the compensation of such other senior officers, including determinations regarding

Table of Contents

equity-based and other incentive compensation awards. During fiscal year 2007, the Committee met eleven times and acted by unanimous written consent on two occasions. Further information concerning the Committee s responsibilities is set forth in the Compensation and Human Resource Committee charter.

The general purpose of the *Corporate Governance Committee* is to assist the Board in fulfilling its responsibilities with respect to our governance, including making recommendations to the Board concerning (1) the size and composition of the Board, the qualifications and independence of the directors and the recruitment and selection of individuals to stand for election as directors; (2) the organization and operation of the Board, including the nature, size and composition of committees of the Board, the designation of committee chairs, the designation of a Lead Independent Director, Chairman of the Board or similar position and the distribution of information to the Board and its committees; and (3) the compensation of non-employee directors. During fiscal year 2007, the Committee met five times. The Committee will consider candidates recommended by stockholders for election as directors; see Nominating Procedures and Advance Notice Procedures for 2008 Annual Meeting below for more information. Further information concerning the Committee s responsibilities is set forth in the Corporate Governance Committee charter.

The general purpose of the *Strategy Committee* is to provide input to management in their development of our corporate strategy and to provide recommendations to the Board with respect to its review and approval of the corporate strategy. During fiscal year 2007, the Committee met two times. Further information concerning the Committee s responsibilities is set forth in the Strategy Committee charter.

During the fiscal year ended March 31, 2007, the Board of Directors held seventeen meetings and acted by unanimous written consent on two occasions. The independent directors meet at virtually all meetings in executive session without any non-independent director present. The Chairman of the Board, who is an independent director, presides at these executive sessions. Each director attended, in the aggregate, more than 75% of the Board meetings and meetings of the Board committees on which he or she served.

Table of Contents

NOMINATING PROCEDURES

The Corporate Governance Committee will consider director candidates recommended by stockholders. In considering candidates submitted by stockholders, the Committee will take into consideration the factors specified in the Principles attached to this Proxy Statement as Exhibit A, as well as the current needs of the Board and the qualifications of the candidate. The Committee may also take into consideration the number of shares held by the recommending stockholder and the length of time that such shares have been held. To recommend a candidate for consideration by the Committee, a stockholder must submit the recommendation in writing, including the following information:

- the name of the stockholder and evidence of the stockholder s ownership of Common Stock, including the number of shares owned and the length of time of such ownership; and

- the name of the candidate, the candidate s résumé or a listing of his or her qualifications to be a director of the Company, and the person s consent to be named as a director nominee if recommended by the Committee and nominated by the Board.

Such recommendations and the information described above should be sent to the Corporate Secretary at One CA Plaza, Islandia, New York 11749.

Once a person has been identified by the Corporate Governance Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further; request additional information from the candidate and/or the proposing stockholder; contact references or other persons to assess the candidate; and/or conduct one or more interviews with the candidate. The Committee may consider such information in light of information regarding any other candidates that the Committee may be evaluating at that time. The evaluation process generally does not vary based on whether or not a candidate is recommended by a stockholder; however, as stated above, the Committee may take into consideration the number of shares held by the recommending stockholder and the length of time that such shares have been held.

In addition to recommending director candidates to the Corporate Governance Committee, stockholders may also nominate candidates for election to the Board at the annual stockholder meeting. Such nominations must be received by the Corporate Secretary not less than 90 days nor more than 120 days prior to the anniversary date of our most recent annual meeting of stockholders and must provide certain information specified in our By-laws. See Advance Notice Procedures for 2008 Annual Meeting below for more information.

In addition to stockholder recommendations, the Corporate Governance Committee may receive suggestions as to nominees from our directors, officers or other sources, which may be either unsolicited or in response to requests from the Committee for such suggestions. In addition, the Committee may engage search firms to assist it in identifying director candidates.

Table of Contents

COMMUNICATIONS WITH DIRECTORS

The Board of Directors is interested in receiving communications from stockholders and other interested parties, which would include customers, suppliers and employees. Such parties may contact any member (or members) of the Board or any committee, the non-employee directors as a group, or the Chair of any committee, by mail or electronically. In addition, the Audit and Compliance Committee of the Board of Directors is interested in receiving communications from employees and other interested parties, which would include stockholders, customers, suppliers and employees, on issues regarding accounting, internal accounting controls or auditing matters. Any such correspondence should be addressed to the appropriate person or persons, either by name or title, and sent by regular mail to the office of the Chief Compliance Officer at One CA Plaza, Islandia, New York 11749, or by e-mail to **directors@ca.com**.

The Board has determined that the following types of communications are not related to the duties and responsibilities of the Board and its committees and are, therefore, not appropriate: spam and similar junk mail and mass mailings; product complaints, product inquiries and new product suggestions; résumés and other job inquiries; surveys; business solicitations or advertisements; and any communication that is unduly hostile, threatening, illegal or similarly unsuitable. Each communication received as described above will be forwarded to the applicable directors, unless the Chief Compliance Officer determines said communication is not appropriate. Regardless, certain of these communications will be forwarded to others in the Company for review and action, when appropriate, or to the directors upon request.

Table of Contents

CORPORATE GOVERNANCE

We have undertaken several corporate governance initiatives in recent years, including during fiscal year 2007. Directly and through the Corporate Governance Committee, the Board periodically reviews corporate governance developments. In connection with our 2006 Annual Meeting of Stockholders, we received a stockholder proposal relating to stockholder rights plans. This proposal did not receive a majority of stockholder support. However, with a view to best practices in stockholder rights plans, in October 2006, we adopted a Stockholder Protection Rights Plan (the Rights Plan) which contains a number of features adopted in response to recommendations by stockholders, including:

- setting the threshold for triggering exercise of the Rights Plan at 20 percent of the outstanding shares;
- a fixed term for the Rights Plan of only three years instead of ten; and
- a provision requiring a committee of independent directors to assess annually whether the Rights Plan remains in the best interests of our stockholders.

The Rights Plan also includes a provision that states that the Rights Plan will not be triggered by a Qualifying Offer if holders of at least 10 percent of the outstanding Common Stock request that a special meeting of stockholders be convened for the purpose of exempting such offer from the Rights Plan, and thereafter the stockholders vote at such meeting to exempt such Qualifying Offer from the Rights Plan. We also announced that the Rights Plan would be submitted to stockholders for a vote at the 2007 Annual Meeting of Stockholders. The Rights Plan is being so submitted and information regarding it can be found under the heading Proposal 2 Ratification of Stockholder Protection Rights Agreement below.

In February 2007, we also amended our By-laws to implement a majority voting standard for uncontested elections of directors. The new standard is in place for the 2007 Annual Meeting of Stockholders and provides that a director nominee will be elected only if the number of votes cast for exceeds the number of votes against his or her election. Previously, directors were elected under a plurality vote standard, which mandated that nominees receiving the most votes would be elected regardless of whether those votes constituted a majority of the shares voted at the meeting. The plurality voting standard will be retained only in the case of contested elections. Under a corresponding change to the Principles, if a director does not receive a majority of the votes cast at an annual meeting, generally the Board of Directors will have 90 days from the certification of the vote to accept or reject the individual s irrevocable resignation that all incumbent directors are required to submit before the mailing of the proxy statement for the annual meeting.

We also periodically consider and review the Principles. In April 2007, we adopted amendments to the Principles relating to the guidelines for director independence and related matters. The Principles are attached to this Proxy Statement as Exhibit A and can be found, together with other corporate governance information, on our website at investor.ca.com. For additional information, see the Corporate Governance Committee Report below. The Board also evaluates the principal committee charters from time to time, as appropriate. In early fiscal year 2008, the Board reviewed and approved amendments to all of the principal committee charters.

We maintain a Business Practices Standard of Excellence: Our Code of Conduct (the Code of Conduct), which is applicable to all employees and directors, and is available on our website at investor.ca.com. Any amendment or waiver to the Code of Conduct that applies to our directors or executive officers will be posted on our website or contained in a report filed with the SEC on Form 8-K.

Each of the Principles and the Code of Conduct is available free of charge in print to any stockholder who requests a copy by writing to Kenneth V. Handal, our Executive Vice President, Global Risk & Compliance, and Corporate Secretary, at our world headquarters, One CA Plaza, Islandia, New York 11749.

COMPENSATION OF DIRECTORS

[To be included in Definitive Proxy Statement]

Table of Contents

CORPORATE GOVERNANCE COMMITTEE REPORT

As noted above, the general purpose of the Corporate Governance Committee is to make recommendations to the Board concerning (1) the size and composition of the Board, the qualifications and independence of the directors and the recruitment and selection of individuals to stand for election as directors; (2) the organization and operation of the Board, including the nature, size and composition of committees of the Board, the designation of committee chairs, the designation of a Lead Independent Director, Chairman of the Board or similar position and the distribution of information to the Board and its committees; and (3) the compensation of non-employee directors. Additionally, the Committee, in coordination with the Compensation and Human Resource Committee, is responsible for evaluating the performance of the Chief Executive Officer and for overseeing management development and succession planning.

During fiscal year 2007, the Committee reviewed the Principles. After such review, the Committee recommended and in April 2007 the Board approved amendments to the Principles. Additionally, the Committee participated in a joint review of the Chief Executive Officer with the Compensation and Human Resource Committee of the Board. The Committee thereafter led a follow-up review of the Chief Executive Officer. The Committee also is in the process of leading the self-assessment of the Board.

The Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board, taking into account the Board s ability to function effectively and with appropriate diversity and expertise. The Committee is continuously considering potential candidates to serve as directors. As a result of an extensive search process conducted throughout fiscal year 2007, in April 2007 the Committee recommended and the Board approved the election of Raymond J. Bromark, a retired partner of PricewaterhouseCoopers LLP and 39 year veteran of that firm, as an independent member of the Board. The Board, upon the recommendation of the Committee, also assigned Mr. Bromark to the Audit and Compliance Committee and determined that Mr. Bromark is an audit committee financial expert .

The Committee considers candidates from throughout the CA community and the Committee will consider candidates recommended by stockholders for election as directors; see Nominating Procedures above and Advance Notice Procedures for 2008 Annual Meeting below for more information.

During fiscal year 2007, the Company also adopted several additional governance enhancements. With a view to best practices in stockholder rights plans, in October 2006, the Board approved the adoption of a Rights Plan which includes a number of features adopted in response to stockholder recommendations. The Rights Plan is being submitted to stockholders for a vote at the 2007 Annual Meeting of Stockholders and information regarding it can be found under the heading Proposal 2 Ratification of Stockholder Protection Rights Agreement below. Additionally, in February 2007, the Company amended its By-laws to implement a majority voting standard for uncontested elections of directors. The new standard is in place for the 2007 Annual Meeting of Stockholders and provides that a director nominee will be elected only if the number of votes cast for exceeds the number of votes against his or her election. Under a corresponding change to the Principles, if a director does not receive a majority of the votes cast at an annual meeting, generally the Board of Directors will have 90 days from the certification of the vote to accept or reject the individual s irrevocable resignation that all incumbent directors are required to submit before the mailing of the proxy statement for the annual meeting. Finally, early in fiscal year 2008, the Committee recommended and the Board adopted a Related Person Transactions Policy (the RPT Policy) to govern the process by which the Company will evaluate and approve or ratify Related Person Transactions, as defined in SEC rules. (For additional information, please see the information under the heading Related Person Transactions above.)

In fiscal year 2006, in light of the quality and quantity of the work of the Board and its committees, the Committee recommended, and the Board approved, a modification to the compensation arrangements for the non-employee directors, effective August 24, 2005. The modified arrangement provides that the annual fee to be paid to each non-employee director under the 2003 Compensation Plan for Non-Employee Directors is $175,000, compared to $150,000 previously. In addition, the Chairman of the Audit and Compliance Committee receives $25,000 and the non-employee Chairmen of all other committees of the Board of Directors each receive $10,000. During fiscal year 2007, the Board and its committees continued to meet an extraordinary number of times. The Board of Directors met seventeen times, the Audit and Compliance

Table of Contents

Committee met fourteen times, the Compensation and Human Resource Committee met eleven times, the Corporate Governance Committee met five times and the Strategy Committee met two times. Despite this level of activity, because of the raise in fees during fiscal year 2006, the Committee did not recommend any modification of director fees during fiscal year 2007. However, during fiscal year 2007, the Committee noted that the non-executive Chairman of the Board received no additional compensation for serving in this role. The Committee also noted the amount of time and effort required to be devoted to this role. Accordingly, in February 2007, upon the recommendation of the Committee, the Board approved an additional fee of $50,000 per year to be paid to the non-executive Chairman. (For additional information on director compensation, please see the information under the heading Compensation of Directors above.)

In addition to this Report, important information regarding the Company s corporate governance can be found under the headings Corporate Governance , Board Committees and Meetings , Nominating Procedures , Communications wi Directors and Compensation of Directors above.

SUBMITTED BY THE CORPORATE
GOVERNANCE COMMITTEE

Jay W. Lorsch, Chairman
Alfonse M. D Amato
Robert E. La Blanc
Laura S. Unger

Table of Contents

COMPENSATION OF EXECUTIVE OFFICERS

[To be included in Definitive Proxy Statement]

COMPENSATION AND HUMAN RESOURCE COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation and Human Resource Committee (the Compensation Committee) has reviewed and discussed with management the following Compensation Discussion and Analysis section of this Proxy Statement. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

SUBMITTED BY THE COMPENSATION AND
HUMAN RESOURCE COMMITTEE

Lewis S. Ranieri, Chair
Gary J. Fernandes
Jay W. Lorsch
William E. McCracken

COMPENSATION DISCUSSION AND ANALYSIS

[To be included in Definitive Proxy Statement]

COMPENSATION AND OTHER INFORMATION CONCERNING EXECUTIVE OFFICERS

[To be included in Definitive Proxy Statement]

Table of Contents

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes share and exercise price information about our equity compensation plans as of March 31, 2007. All of our equity compensation plans pursuant to which grants are being made have been approved by our stockholders. The table does not include information regarding the proposed CA, Inc. 2007 Incentive Plan, which is being submitted to stockholders for approval at the 2007 Annual Meeting. If approved by stockholders, the 2007 Incentive Plan will be the only equity compensation plan under which we will issue shares for equity-based awards to executives. We will cease granting new awards under the 2002 Incentive Plan after the 2007 Incentive Plan is approved by stockholders; however, awards already granted under the 2002 Incentive Plan, including awards for which performance targets have been established under that plan, will remain outstanding and be satisfied under the 2002 Incentive Plan. Payment of fees to non-executive directors will continue to be paid under the 2003 Compensation Plan for Non-Employee Directors.

Equity Compensation Plan Information

Plan Category	Number of Securities Issuable Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ($)(2)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders	23,920,371(1)	29.00	49,590,485(3)
Equity compensation plans not approved by security holders	978,159(4)	22.84	
Total	24,898,530	28.72	49,590,485(3)

(1) Includes all stock options outstanding under the 2001 Stock Option Plan and the 2002 Incentive Plan, all restricted stock units awarded under the 2002 Incentive Plan, all deferred stock units outstanding under compensation plans for non-employee directors and stock units awarded to employees under the 1998 Incentive Award Plan. Although shares were not awarded as of March 31, 2007 for the performance-based targets set under the fiscal year 2006 LTIP and 2007 LTIP programs (see description of LTIP in Compensation Discussion and Analysis section above), we have assumed the following for purposes of this table: with regard to (i) the three-year performance components of the fiscal year 2006 and 2007 LTIPs (for which the performance cycles will end after fiscal years 2008 and 2009, respectively), we have assumed a payout at the maximum level and note that payouts under these arrangements could range from 0-200% of target at the end of the applicable performance cycle, depending on performance; and (ii) with regard to the one-year performance component of the fiscal year 2007 LTIP, the actual grants occurred in fiscal year 2008 (as described in footnote (3) of the Grants of Plan-Based Awards table above) and we have reflected the actual number of shares awarded with

respect to this component in this column.

(2) The calculation of the weighted average exercise price does not include the outstanding deferred stock units, restricted stock units, performance-based awards/targets and stock units reflected in the first column.

(3) Consists of 22,484,621 shares available for issuance under our Year 2000 Employee Stock Purchase Plan, 26,489,470 shares available for issuance under the 2002 Incentive Plan and 616,394 shares available under the 2003 Compensation Plan for Non-Employee Directors.

(4) Consists solely of options and rights assumed by us in connection with acquisitions. Our stockholders did not approve these plans. No additional options or rights will be granted under these assumed equity rights plans.

Table of Contents

PROPOSAL 2 RATIFICATION OF STOCKHOLDER PROTECTION RIGHTS AGREEMENT

General

The Board of Directors has authorized us to enter into, and we have entered into, a Stockholder Protection Rights Agreement dated as of October 16, 2006 (the Rights Agreement), with Mellon Investor LLC, as Rights Agent. In response to feedback from our stockholders and to address corporate governance concerns associated with rights plans, at the time of adoption of the Rights Agreement, the Board of Directors also directed that our stockholders be given the opportunity to vote on the Rights Agreement at the next annual meeting of stockholders.

In addition to seeking stockholder ratification, the Rights Agreement includes a number of features adopted in response to recommendations by stockholders, including setting the threshold for triggering exercise of the Rights Agreement at 20% of the outstanding shares of Common Stock; a fixed term for the Rights Agreement of only three years; and a provision requiring a committee of independent directors to assess annually whether the Rights Agreement remains in the best interests of our stockholders. The Rights Agreement also includes a provision that states that the Rights Agreement will not be triggered by a Qualifying Offer (described below) if holders of at least 10% of the outstanding shares of Common Stock request that a special meeting of stockholders be convened for the purpose of exempting such offer from the Rights Agreement, and thereafter the stockholders vote at such meeting to exempt such Qualifying Offer from the Rights Agreement.

The Board believes that the Rights Agreement is in the best interests of our stockholders and strikes an appropriate balance between allowing the Board of Directors to use a rights plan to increase its negotiating leverage to maximize stockholder value and current best practices giving stockholders a voice in such process. In the case of offers that the Board considers to be coercive, abusive or opportunistic the Rights Agreement should provide time for the Board to evaluate such offer, to seek out and secure potentially superior financial alternatives, if available, and ultimately to negotiate the best price for our stockholders if a change of control transaction is to occur. We have consulted with many of our large stockholders and proxy advisors and have reviewed published guidelines in order to draft an agreement that contains many progressive, stockholder-friendly provisions, including the Qualifying Offer provisions. Following is a summary of the material terms of the Rights Agreement. The statements below are only a summary, and we refer you to the full text of the Rights Agreement, which is attached as Exhibit B to this Proxy Statement. Each statement in this summary is qualified in its entirety by this reference.

Under the terms of the Rights Agreement, holders of Common Stock as of October 26, 2006 received one stockholder protection right for every share of Common Stock held on October 26, 2006. Each share of Common Stock issued after the close of business on October 26, 2006 also will be issued one corresponding right. The rights will be evidenced by Common Stock certificates. After the separation time, which is described below, each right will entitle the holder to purchase from us one one-thousandth of a share of participating preferred stock at a purchase price of $100 per share, subject to adjustment, or, after a flip-in date (described below), to purchase shares of Common Stock equal in value to twice the exercise price (as adjusted). The rights also would entitle their holders to acquire common stock of an acquiror in the circumstances described below.

The rights serve as an anti-takeover device and encourage third parties who may be interested in acquiring us to negotiate directly with the Board of Directors. The rights will not prevent a takeover of the Company. However, as described below, the rights may cause substantial dilution to a person or group that acquires 20% or more of the outstanding Common Stock unless the rights are first redeemed by the Board of Directors. Nevertheless, the rights should not interfere with a transaction that is in the best interests of the Company and our stockholders because the

rights may be redeemed on or prior to the close of business on the flip-in date that is described below, before the consummation of such a transaction. The Board s decision to enter into the Rights Agreement was not made in response to, or in anticipation of, any acquisition proposal,

Table of Contents

and is not intended to prevent a non-coercive takeover bid from being made for the Company or to secure continuance of management or the directors in office.

Events Causing the Exercisability of the Rights

The rights will become exercisable upon the occurrence of the separation time , which is defined in the Rights Agreement as the earlier to occur of:

the tenth business day (or a later date as determined by resolution of the Board of Directors) after the date on which any person commences a tender or exchange offer which, if consummated, would result in that person s becoming an Acquiring Person under the Rights Agreement, which generally mean a person or group that has become the beneficial owner of 20% or more of the outstanding Common Stock (Walter Haefner and his affiliates and associates are grandfathered under this provision so long as their aggregate ownership of Common Stock does not exceed approximately 126,562,500 shares), and

the flip-in date , which is the first date of

a public announcement by us that any person has become an Acquiring Person; or

the date and time on which any Acquiring Person becomes the beneficial owner of more than 50% of the outstanding shares of Common Stock.

Until the separation time, the rights may be transferred only with the Common Stock.

Effect of Flip-in Date

In the event that a flip-in date occurs prior to the expiration of the rights, each right (other than rights owned by an Acquiring Person, its affiliates or transferees, which will become void) will thereafter constitute the right to receive, upon exercise for the exercise price of $100, subject to adjustment, that number of shares of Common Stock (or, in certain circumstances, cash, property or other securities) having a value equal to two times the exercise price. However, the Board of Directors may exchange the rights (other than rights owned by the acquiror, which will become void) at any time after a flip-in date and prior to the time that an Acquiring Person becomes the beneficial owner of more than 50% of the outstanding shares of Common Stock in whole or in part, at an exchange ratio of one share of Common Stock per right.

Until a right is exercised or exchanged, the holder of the right, by virtue of being a right holder, will have no rights as a stockholder of the Company, including, for example, the right to vote or to receive dividends.

The Board of Directors May Redeem or Exchange the Rights

The Board of Directors may, at its option, at any time prior to the close of business on the flip-in date, redeem all (but not less than all) of the then outstanding rights at a price of $.001 per right. The rights will then terminate immediately and each right, whether or not previously exercised, will thereafter represent only the right to receive the redemption price in cash or securities, as determined by the Board of Directors.

Exercise of Rights for Shares of an Acquiring Company

If, before the expiration of the rights, an Acquiring Person controls the Board of Directors or beneficially owns 90% or more of the Common Stock, and we are involved in (i) a merger, consolidation or statutory share exchange (or

enters into an agreement to undertake any of the foregoing) and either (A) such merger, consolidation or statutory share exchange is with such Acquiring Person (or any affiliate or associate thereof) or (B) any term of such merger, consolidation or share exchange relating to the treatment of capital stock that is beneficially owned by the Acquiring Person is not identical to the terms of such transaction relating to capital stock beneficially owned by other holders or (ii) a sale of more than 50% of our assets or earning power, proper provision will be made so that the holders of the rights will then each have the right to receive, upon the exercise thereof at the then current exercise price, common stock of the acquiring company having a market value at the time of such transaction equal to two times the exercise price of the right.

Table of Contents

Qualifying Offer

In the event we receive a Qualifying Offer (that has not been terminated prior thereto and which continues to be a Qualifying Offer), stockholders representing at least 10% of the shares of Common Stock then outstanding may request that the Board call a special meeting of stockholders to vote to exempt the Qualifying Offer from the operation of the Rights Agreement not earlier than 90, nor later than 120, business days following the commencement of such offer. The Board must then call and hold such a meeting to vote on exempting such offer from the terms of the Rights Agreement within the 90th business day following receipt of the stockholder demand for such meeting; provided that such period may be extended if, prior to such vote, we enter into an agreement (that is conditioned on the approval by the holders of not less than a majority of the outstanding shares of Common Stock) with respect to a merger, recapitalization, share exchange, or a similar transaction involving us or the direct or indirect acquisition of more than 50% of our consolidated total assets (a Definitive Acquisition Agreement), until the time of the meeting at which the stockholders will be asked to vote on the Definitive Acquisition Agreement. If no Acquiring Person has emerged, the offer continues to be a Qualifying Offer and stockholders representing at least a majority of the shares of Common Stock represented at the meeting at which a quorum is present vote in favor of redeeming the rights, then such Qualifying Offer shall be deemed exempt from the Rights Agreement on the date that the vote results are certified. If no Acquiring Person has emerged and no special meeting is held by the date required, the rights will be redeemed at the close of business on the tenth business day following that date.

A Qualifying Offer, in summary terms, is an offer determined by the Board to have the following characteristics which are generally intended to preclude offers that are coercive, abusive, or clearly illegitimate:

- is a fully financed all-cash tender offer or an exchange offer offering shares of common stock of the offeror, or a combination thereof, for any and all of the outstanding shares of Common Stock at the same per-share consideration;

- is an offer that has commenced within the meaning of Rule 14d-2(a) under the Exchange Act, and is made by an offeror (including its affiliates or associates) that beneficially owns no more than 5% of the outstanding Common Stock as of the date of such commencement;

- is an offer not subject to any financing, funding or similar conditions or any requirements with respect to the offeror or its agents being permitted any due diligence on us;

- is an offer pursuant to which we and our stockholders have received an irrevocable written commitment of the offeror that the offer will remain open for not less than 120 business days and, if a stockholder demand is duly delivered to the Board of Directors at least ten business days after the date of the special meeting or, if no special meeting is held within the required period, at least ten business days following the end of such period, subject to certain exceptions set forth in the Rights Agreement;

- is an offer pursuant to which we have received an irrevocable written commitment by the offeror that the offer, if it is otherwise to expire prior thereto, will be extended for at least 15 business days after any increase in the price offered, and after any bona fide alternative offer is commenced, subject to certain exceptions set forth in the Rights Agreement;

- if an offer includes stock of the offeror, offeror must allow our investment bank, legal counsel and accountants to perform appropriate due diligence on the offeror s business;

- is an offer conditioned on a minimum of at least a majority of the outstanding shares of Common Stock being tendered and not withdrawn as of the offer s expiration date, which condition shall not be waivable;

is an offer pursuant to which we and our stockholders have received an irrevocable written commitment of the offeror to consummate as promptly as practicable upon successful completion of the offer a second-step transaction whereby all shares of Common Stock not tendered into the offer will be acquired at the same consideration per share actually paid pursuant to the offer, subject to any stockholders statutory appraisal rights;

Table of Contents

is an offer pursuant to which we and our stockholders have received an irrevocable written commitment of the offeror that no amendments will be made to the offer to reduce the offer consideration, or otherwise change the terms of the offer in a way that is materially adverse to a tendering stockholder (other than extensions of the offer consistent with the terms thereof); and

if an offer includes stock of the offeror, (i) the stock portion of consideration must consist solely of common stock of the offeror, which must be a U.S. corporation whose stock is freely and publicly traded and is listed on the NYSE or Nasdaq, (ii) no stockholder approval is required or if required, has been obtained, (iii) no person beneficially owns more than 20% of the voting stock of the offeror, (iv) no other class of voting stock of the offeror is outstanding and the offeror may register securities on Form S-3, and (v) we have received written representations and certification of the offeror and the offeror s chief executive officer and chief financial officer that all material facts about the offeror have been fully and accurately disclosed and new facts will be fully and accurately disclosed during the period during which the offer remains open, and all required Exchange Act reports will be filed by the offeror in a timely manner during the offer period.

Any offers that have cash as all or partial consideration are subject to further conditions for qualification as Qualifying Offers, as set forth in the Rights Agreement. These conditions generally require assurance that the offer is fully financed and that the offeror has sufficient committed resources to consummate the offer. Any offers that have acquiror common stock as all or partial consideration are subject to further conditions for qualification as Qualifying Offers, as set forth in the Rights Agreement. These conditions generally require certain safeguards regarding, and access to, information about the acquiror to allow an informed determination as to the value and risks of the stock including safeguards against developments that adversely affect the value of the stock, that the acquiror s stock (which may not have subordinated voting rights nor may its ownership be heavily concentrated in one person or group) is listed on the NYSE or Nasdaq, that the acquiror meets certain seasoned issuer standards under the Securities Act, and that no acquiror stockholder approval of the issuance of the consideration to our stockholders is necessary after commencement of the offer.

Adjustments to Exercise Price

The exercise price for each right and the number of shares of participating preferred stock (or other securities or property) issuable upon exercise of the rights are subject to adjustment from time to time to prevent dilution.

Amendments to Terms of the Rights; Review by Independent Directors

Except for any extension of the expiration date (or any change in the definition thereof), which may only be done by action of our stockholders, any of the provisions of the Rights Agreement may be amended by the Board of Directors prior to the close of business on the flip-in date. After the rights are no longer redeemable, the provisions of the Rights Agreement may be amended by the Board of Directors in order to cure any ambiguity, defect or inconsistency, or to make changes that do not materially adversely affect the interests of holders of rights.

A committee of independent directors will evaluate the Rights Agreement annually to determine whether it continues to be in the best interests of our stockholders or, rather, if the rights should be redeemed.

Term

The rights will expire at the close of business on November 30, 2009, unless earlier redeemed, exercised or exchanged by us as described above, or, unless an extension is approved by our stockholders prior to that date.

Stockholder Ratification

Stockholders are being asked to vote to ratify the Rights Agreement in an effort to determine the viewpoint of stockholders on the advisability of the Rights Agreement. If the Rights Agreement is not ratified

Table of Contents

by stockholders as proposed, the Board intends to reevaluate the Rights Agreement and determine whether it believes the Rights Agreement in its current form continues to be in the stockholders best interests. The Board may, as a result of such reevaluation and determination, terminate the Rights Agreement, modify the terms of the Rights Agreement or allow the Rights Agreement to remain in place without change, among other actions.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE *FOR* THE PROPOSAL TO RATIFY THE RIGHTS AGREEMENT.

Table of Contents

PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

KPMG LLP has been the independent registered public accountants (independent auditor) for the Company since fiscal year 2000 and has been appointed by the Audit and Compliance Committee to serve in that capacity for the 2008 fiscal year subject to ratification by our stockholders. Our agreement with KPMG LLP contains procedures for the resolution of disputes between us and KPMG. These procedures provide for the submission of a dispute to mediation if requested by us or if we agree to KPMG s request for mediation. If we do not agree to KPMG s request for mediation, if a dispute is not resolved by mediation within 90 days of the commencement of the mediation (or by the end of a longer period if agreed to by the parties) or if one of the parties declares that mediation is inappropriate to resolve the dispute, the agreement provides that arbitration shall be used to resolve the dispute. In such an arbitration, the agreement provides that the panel of arbitrators shall have no power to award non-monetary or equitable relief. Additionally, the agreement provides that damages that are punitive in nature, or that are not measured by the prevailing party s actual damages, shall not be available in arbitration or any other forum. Finally, the agreement provides that all aspects of such an arbitration shall be treated as confidential. KPMG purchased software from us on ordinary business terms in the amount of approximately $318,000 during fiscal year 2007. There are no amounts outstanding relating to these purchases. We do not believe this impairs the independence of KPMG.

Although our By-laws do not require the submission of the selection of our independent registered public accountants to the stockholders for approval or ratification, the Audit and Compliance Committee considers it desirable to obtain the views of the stockholders on that appointment. In the event that the stockholders fail to ratify the appointment of KPMG LLP, the Audit and Compliance Committee may reconsider its selection of the firm as our independent registered public accountants for the year ending March 31, 2008.

A representative of KPMG LLP will be present at the meeting, will have an opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions from stockholders.

Audit and Other Fees Paid to KPMG LLP

The fees billed by KPMG LLP for professional services rendered for the fiscal years ended March 31, 2007 and March 31, 2006 are reflected in the following table:

Fee Category	Fiscal Year 2007 Fees	Fiscal Year 2006 Fees
Audit Fees	$ 22,136,000	$ 21,769,000
Audit-Related Fees	395,000	390,000
Tax Fees		
All Other Fees		9,000
Total Fees	$ 22,531,000	$ 22,168,000

Audit Fees

Audit fees relate to audit work performed in connection with the audit of our financial statements for fiscal years 2007 and 2006 included in our Annual Reports on Form 10-K, the audit of the effectiveness of our internal control over financial reporting for fiscal years 2007 and 2006, the reviews of the interim financial statements included in our Quarterly Reports on Form 10-Q for fiscal years 2007 and 2006, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters to underwriters and lenders, statutory audits of foreign subsidiaries, consent letters, discussions surrounding the proper application of financial accounting and/or reporting standards, services related to the investigation by the United States Attorney s Office for the Eastern District of New York and the staff of the Northeast Regional Office of the SEC concerning our accounting practices and the audit of our restated financial statements announced in calendar years 2006, 2005 and 2004.

Table of Contents

Audit-Related Fees

Audit-related fees are for assurance and related services that are traditionally performed by the independent auditor, including employee benefit plan audits and special procedures required to meet certain regulatory requirements. The audit-related fees for fiscal year 2007 primarily reflect services in connection with SEC filings, including comment letters, for $336,000 and benefit plan audits for $59,000. The audit-related fees for fiscal year 2006 primarily reflect services in connection with benefit plan audits of $236,000 and SEC filings of $105,000.

Tax Fees

Tax fees reflect all services, except those services specifically related to the audit of the financial statements, performed by the independent auditor s tax personnel, including assisting with coordination of execution of tax-related activities, primarily in the area of corporate development; supporting other tax-related regulatory requirements; and tax compliance and reporting.

All Other Fees

All other fees represent fees for miscellaneous services other than those described above.

The Audit and Compliance Committee has concluded that the provision of the non-audit services listed above is compatible with maintaining the independence of KPMG LLP.

Audit and Compliance Committee Pre-Approval Policies and Procedures; Audit and Compliance Committee Charter

The Audit and Compliance Committee has adopted policies and procedures requiring Audit and Compliance Committee pre-approval of the performance of all audit, audit-related and non-audit services (including tax services) by our independent registered public accountants. The Audit and Compliance Committee may consult with management in determining which services are to be performed, but may not delegate to management the authority to make these determinations. The Committee has also delegated to its Chairman the authority to pre-approve the performance of audit, audit-related and non-audit services by our independent registered public accountants if such approval is necessary or desirable in between meetings, *provided* that the Chairman must advise the Committee no later than its next scheduled meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR* THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS.

Table of Contents

AUDIT AND COMPLIANCE COMMITTEE REPORT

General

As noted above, the Audit and Compliance Committee s general purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of our financial statements and internal controls; (2) the qualifications and independence of the Company s independent registered public accountants (including the engagement of the independent registered public accountants); (3) the performance of our internal audit function and independent registered public accountants; and (4) our compliance with legal and regulatory requirements, including those relating to accounting and financial reporting, and ethical obligations.

The Audit and Compliance Committee has reviewed and discussed with management the audited financial statements for the fiscal year ended March 31, 2007. In addition, the Audit and Compliance Committee has discussed with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61, Communications With Audit Committees , as amended by Statement on Auditing Standards No. 90, Audit Committee Communications . The Audit and Compliance Committee has received from its independent registered public accountants the written disclosures and the letter required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with its independent registered public accountants its independence.

The Audit and Compliance Committee discusses with our independent registered public accountants the overall scope, plans and execution of its audit. The Audit and Compliance Committee meets with the independent registered public accountants, with and without management present, to discuss the results of its examinations, the evaluations of our internal controls and the overall quality of our financial reporting. The Audit and Compliance Committee also meets with members of our internal audit and compliance departments as part of its regular meetings.

Based upon the Audit and Compliance Committee s discussions with management and the independent registered public accountants referred to above and the Audit and Compliance Committee s review of the representations of management and the written disclosures of the independent registered public accountants to the Audit and Compliance Committee, the Audit and Compliance Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended March 31, 2007.

SUBMITTED BY THE AUDIT AND
COMPLIANCE COMMITTEE

Walter P. Schuetze, Chairman
Raymond J. Bromark
Alfonse M. D Amato
Robert E. La Blanc
Laura S. Unger

Table of Contents

PROPOSAL 4 APPROVAL OF THE CA, INC. 2007 INCENTIVE PLAN

In June 2007, upon the recommendation of the Compensation Committee, the Board of Directors adopted the new 2007 Incentive Plan (the 2007 Plan), subject to approval by our stockholders at the annual meeting.

The 2007 Plan is intended to enable us to achieve superior financial performance, as reflected in the performance of the Common Stock and other key financial or operating indicators by providing incentives and rewards to certain employees and consultants who are in a position to contribute to our success and long-term objectives. The 2007 Plan is also intended to aid in the recruitment and retention of employees and provide employees and consultants an opportunity to acquire or expand equity interests in the Company, thus aligning the interests of such employees and consultants with those of our stockholders. Management and the Compensation Committee believe that the granting of awards pursuant to the 2007 Plan will give employees and consultants an additional inducement to remain in our service and provide them with an increased incentive to work for our success. To enable us to continue to grant awards in furtherance of the purposes and objectives of the 2007 Plan, the Compensation Committee recommends that the stockholders approve the 2007 Plan.

If stockholders do not approve the 2007 Plan, we will continue to operate under the existing 2002 Incentive Plan, as amended and restated, that has been previously approved by stockholders. If stockholders approve the 2007 Plan, it will replace the current 2002 Incentive Plan with regard to any new grants awarded by us after such approval is obtained; however outstanding awards (including potential awards for which performance targets have already been established under the 2002 Incentive Plan) will be satisfied under the 2002 Incentive Plan.

Summary of the 2007 Plan

The following is a summary of the material terms and provisions of the 2007 Plan and of certain tax effects of participation in the 2007 Plan. This summary is qualified in its entirety by reference to the complete text of the 2007 Plan, which is attached hereto as Exhibit C. Any capitalized terms that are used but not defined in this summary have the meaning as defined in the 2007 Plan.

Plan Administration. The 2007 Plan will be administered by the Compensation Committee and those persons authorized by the Compensation Committee to administer the 2007 Plan on its behalf. The Compensation Committee determines the persons who are eligible to receive awards, the number of shares subject to an award and the terms and conditions of such awards. The Compensation Committee has the authority to interpret the provisions of the 2007 Plan and of any awards granted thereunder and to waive or amend the terms or conditions of awards granted under the 2007 Plan (although the 2007 Plan s prohibition on stock option or stock appreciation right repricing cannot be waived). Further, the Compensation Committee establishes performance measures in connection with awards, including qualified performance awards (as defined below).

Eligibility. In general, employees of the Company and its consolidated subsidiaries, except seasonal and temporary employees, are eligible to receive annual performance bonuses, long-term performance bonuses, nonqualified stock options, incentive stock options, restricted stock and other equity-based awards under the 2007 Plan. As of March 31, 2007, we had approximately 14,500 employees. Consultants to the Company will be eligible only to receive nonqualified stock options and other equity-based awards under the 2007 Plan.

Performance Bonuses. The 2007 Plan provides for the award of annual performance bonuses that are payable entirely in cash and long-term performance bonuses that are payable either in cash or in equity awards, including options and shares of restricted stock. To the extent that a long-term performance bonus is paid in shares of restricted stock and/or

stock options, the number of shares of restricted stock payable and/or the number of stock options granted will be based on the Fair Market Value of a share on the date of grant, subject to reasonable restricted stock discount factors and/or stock option valuation methodology that the Compensation Committee may choose to apply. Unless the Compensation Committee determines otherwise, awards granted in connection with a long-term performance bonus will vest in approximately equal

installments on each of the first three anniversaries of the end of the applicable performance cycle (or date of grant, in the case of awards that are not qualified performance awards).

The maximum amount of any annual performance bonus that may be paid to any one participant under the 2007 Plan during any fiscal year of the Company is $10,000,000. The maximum amount of any long-term performance bonus in the form of restricted stock that may be awarded to any one participant under the 2007 Plan during any fiscal year of the Company is $20,000,000.

Annual performance bonuses and/or long-term performance bonuses under the 2007 Plan may be awarded to any employee selected by the Compensation Committee. Generally, the Compensation Committee has the discretion to fix the amount, terms and conditions of annual performance bonuses and long-term performance bonuses. However, annual performance bonuses and long-term performance bonuses designated as qualified performance awards are subject to the following terms and conditions:

Performance Cycles. The Compensation Committee establishes the length of the performance cycle for annual and long-term performance bonuses.

Performance Measures. The amount of any annual performance bonus and/or long-term performance bonus designated as a qualified performance award payable to an employee under the 2007 Plan will be determined by reference to the degree of attainment of one or more performance measures selected by the Compensation Committee to measure the level of our performance during the applicable performance cycle. Performance measures that the Compensation Committee may select under the 2007 Plan include (on a pre-tax or after-tax, total or per-share basis) any of the following (including any component thereof):

Net Operating Profit;

Return on Invested Capital;

Total Shareholder Return;

Relative Total Shareholder Return (as compared against a peer group of the Company, which, unless otherwise specified by the Compensation Committee, will be determined in reference to the Standard & Poor s Systems Software Index, excluding the Company);

Earnings;

Net Income, as adjusted;

Cash Flow;

Revenue;

Revenue Growth;

Share Performance;

Relative Share Performance;

Billings Growth; and/or

Customer Satisfaction.

Within the time prescribed in the 2007 Plan, the Compensation Committee will establish, in writing, the performance measure(s) that will apply to the applicable performance bonuses for that performance cycle.

Target Awards and Payout Formulas. For each performance bonus designated as a qualified performance award, the Compensation Committee will set a target annual bonus and/or long-term performance bonus for each eligible employee and, for each form of bonus, will establish an objective payout formula. The payout formula for each form of bonus will set the minimum level of performance attainment that must be achieved on the applicable performance measure(s) before any of that performance bonus becomes payable, and the percentage (which can range between 0% and 200%) of

Table of Contents

the applicable target bonus award that will become payable upon attainment of various levels of performance in excess of the minimum required amount.

Compensation Committee Discretion. The Compensation Committee has the discretion, which it may apply on a case-by-case basis, to reduce (but not increase) the amount of any performance bonus designated as a qualified performance award that is payable to any employee.

Compensation Committee Certification. Before performance bonuses are paid, the Compensation Committee will certify, in writing, the level of attainment of the applicable performance measure(s) for that bonus.

Restricted Stock. Restricted stock may be awarded under the 2007 Plan to any employee selected by the Compensation Committee. Generally, the Compensation Committee has the discretion to fix the amount, terms, conditions and restrictions applicable to restricted stock awards, subject to the following provisions:

Maximum Award. The maximum number of shares of restricted stock (including shares issued in connection with a long-term performance bonus and as a stand-alone restricted stock award) that may be issued to any one participant during any fiscal year of the Company may not exceed 1,000,000 shares.

Payment. When restricted stock is granted, we will register stock certificates in the participant s name, with appropriate legends listing any applicable restrictions that the Compensation Committee may, in its discretion, impose. At that time, the participant will have all the rights of a stockholder with respect to the shares (including the right to vote and receive dividends), except that the shares will be subject to vesting and forfeiture.

Vesting. Unless otherwise determined by the Compensation Committee, shares vest in approximately three equal installments on each of the first three one-year anniversaries of the end of the applicable performance cycle (or date of grant, in the case of awards that are not qualified performance awards).

Acceleration of Vesting. Unless the Compensation Committee otherwise determines, all shares of restricted stock will immediately vest upon the death or Disability of the participant or a Change in Control.

Stock Options. Stock options awarded may be in the form of either nonqualified stock options or incentive stock options (ISOs), or a combination of the two, at the discretion of the Compensation Committee. Stock options granted are subject to the following terms and conditions:

Exercise Price. The exercise price for each share subject to a stock option will be no less than the Fair Market Value of a share on the date of grant generally the closing price of a share of Common Stock as reported on the New York Stock Exchange on the date of grant.

Incentive Stock Options. The aggregate Fair Market Value on the date of grant of the shares with respect to which ISOs first become exercisable during any calendar year for any participant may not exceed $100,000. For purposes of this $100,000 limit, the participant s ISOs under the 2007 Plan and all other plans maintained by the Company and subsidiaries are aggregated.

No Repricing. The 2007 Plan contains a prohibition against decreasing the exercise price of a stock option (or stock appreciation right) after grant (other than in connection with permitted Plan adjustments, see Adjustments below), unless stockholder approval of the repricing is obtained.

Vesting. Unless otherwise provided by the Compensation Committee, stock options will vest ratably on each of the first three one-year anniversaries of the date of grant, although stock options will immediately vest upon the death or Disability of a participant, or upon a Change in Control.

Term. Stock options will automatically lapse 10 years after the date of grant, unless the term is extended due to certain Company-imposed blackouts.

Post-Termination Exercise. Stock options that have not vested as of the date of a participant s termination of employment or consultancy, for any reason other than death or Disability, will

immediately terminate as of such events; and, subject to the Special Forfeiture Provision described later in this summary, any vested stock option that has not already been exercised generally must be exercised, if at all, within 90 days after such event (within one year in the case of death, Disability or Retirement).

Payment of Exercise Price. Unless otherwise provided, payment of the exercise price may be made in cash, certified check, bank draft, wire transfer, or money order or, if permitted by the Compensation Committee, by (i) tendering to us shares owned by the participant for at least six months having a Fair Market Value equal to the exercise price, (ii) delivering irrevocable instructions to a broker to deliver to us the amount of sale proceeds with respect to shares having a Fair Market Value equal to the exercise price, or (iii) any combination of the above methods.

Transfer Restrictions. ISOs may not be transferred by a participant other than by will or the laws of descent and distribution and may be exercised only by a participant, unless the participant is deceased. In general, similar transfer restrictions apply to nonqualified stock options, except that, in the case of nonqualified stock options, the Compensation Committee has the discretion to permit a participant to transfer a nonqualified stock option to a family member, a trust for the benefit of a family member and to certain family partnerships. Any nonqualified stock option so transferred will be subject to the same terms and conditions of the original grant and may be exercised by the transferee only to the extent the stock option would have been exercisable by the participant had no transfer occurred.

Other Equity-Based Awards. The Compensation Committee may, from time to time, grant other awards under the 2007 Plan that consist of, or are denominated in, shares. These awards may include, among other things shares, restricted stock units, stock appreciation rights (which lapse no later than the tenth anniversary of grant date, unless the term is extended due to certain Company-imposed blackouts), phantom or hypothetical shares and share units. The Compensation Committee has broad discretion to determine the terms, conditions, restrictions and limitations, if any, that will apply to other equity-based awards granted, except that other equity-based awards designated as qualified performance awards must comply with the requirements of Section 162(m) of the Code.

Special Forfeiture Provision. The Compensation Committee has discretion to provide that in the event a participant enters into certain employment or consulting arrangements that are competitive with the Company or any subsidiary or affiliate without first obtaining our written consent, the participant will (i) forfeit all rights under any outstanding stock option or stock appreciation right and return to us the amount of any profit realized upon the exercise and/or (ii) forfeit and return to us all other stock-based awards that remain subject to the forfeiture provision, as provided in the award agreement.

Shares Available for Issuance. The maximum number of shares that may be issued to participants under the 2007 Plan is [30,000,000], subject to adjustment as provided under the terms of the 2007 Plan (see Adjustments below). Shares issuable under the 2007 Plan may consist of authorized but unissued shares or shares held in our treasury. In determining the number of shares that remain available under the 2007 Plan, only awards payable in shares will be counted. If an Award is terminated by expiration, forfeiture, cancellation or otherwise without issuance of shares, or is settled in cash in lieu of shares, the shares underlying such award will be available for future awards under the 2007 Plan. Also, if shares are tendered or withheld in payment of all or part of the exercise price of a stock option, or in satisfaction of tax withholding obligations, such shares will be available for future awards under the 2007 Plan. The closing price of the Common Stock on June 15, 2007 was $25.85, as reported on the New York Stock Exchange. No more than 10,000,000 shares may be issued under grants of ISOs during the term of the 2007 Plan. No more than an aggregate of 3,000,000 shares may be awarded in any form to any one participant during any fiscal year of the Company. Any shares (a) delivered by us, (b) with respect to which awards are made and (c) with respect to which we become obligated to make awards, in each case through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, shall not count against the shares available to be delivered pursuant to

awards under the 2007 Plan.

Adjustments. In the event of any change in the number of issued shares (or issuance of shares of stock other than shares of Common Stock) by reason of any stock split, reverse stock split, or stock dividend,

recapitalization, reclassification, merger, consolidation, split-up, spin-off, reorganization, combination, or exchange of shares, the exercisability of stock purchase rights received under the Rights Agreement, the issuance of warrants or other rights to purchase shares or other securities, or any other change in corporate structure or in the event of any extraordinary distribution (whether in the form of cash, shares, other securities or other property), the Compensation Committee shall adjust the number or kind of shares that may be issued under the 2007 Plan, and the terms of any outstanding award (including, without limitation, the number of shares subject to an outstanding award, the type of property to which the award relates and the exercise price of a stock option, stock appreciation right or other award) in such manner as the Compensation Committee shall determine is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the 2007 Plan, and such adjustment shall be conclusive and binding for all purposes under the 2007 Plan.

Amendment and Termination. The 2007 Plan may be amended or terminated by the Board of Directors at any time without stockholder approval, except that any amendment that either increases the aggregate number of shares that may be issued under the 2007 Plan, decreases the exercise price at which stock options (or stock appreciation rights) may be granted or materially modifies the eligibility requirements for participation in the 2007 Plan requires stockholder approval before it can be effective. No amendment of the 2007 Plan may materially adversely affect any right of any participant with respect to any outstanding Award without the participant s written consent. If not earlier terminated by the Board of Directors, the 2007 Plan will automatically terminate on the 10-year anniversary of the 2007 Annual Meeting. No awards may be granted under the 2007 Plan after it is terminated, but any previously granted awards will remain in effect until they expire.

Summary of Federal Income Tax Consequences of Options and Stock Appreciation Rights

The following is a brief summary of the principal United States Federal income tax consequences of stock options and stock appreciation rights under the 2007 Plan, under current United States Federal income tax laws. This summary is not intended to constitute tax advice and is not intended to be exhaustive and, among other things, does not describe state, local or foreign tax consequences.

Nonqualified Stock Options. A participant will not recognize any income at the time a nonqualified stock option or stock appreciation right is granted, nor will we be entitled to a deduction at that time. When a nonqualified stock option or stock appreciation right is exercised, the participant will recognize ordinary income in an amount equal to the excess of the fair market value of the shares to which the option exercise pertains on the date of exercise over the exercise price (or, for a stock appreciation right, the cash or value of shares received on exercise). Payroll taxes are required to be withheld from the participant on the amount of ordinary income recognized by the participant. We generally will be entitled to a tax deduction with respect to a nonqualified stock option or stock appreciation right at the same time and in the same amount as the participant recognizes income. The participant s tax basis in any shares acquired by exercise of a nonqualified stock option (or received on exercise of a stock appreciation right) will be equal to the exercise price paid plus the amount of ordinary income recognized.

Upon a sale of the shares received by a participant upon the exercise of a nonqualified stock option, any gain or loss will generally be treated as long-term or short-term capital gain or loss, depending on the how long the participant held such shares prior to sale.

Incentive Stock Options. A participant will not recognize any income at the time an ISO is granted. Nor will a participant recognize any income at the time an ISO is exercised. However, the excess of the fair market value of the shares on the date of exercise over the exercise price paid will be a preference item that could create an alternate minimum tax liability. If a participant disposes of the shares acquired on exercise of an ISO after the later of two years after the date of grant of the ISO or one year after the date of exercise of the ISO (the holding period), the gain (*i.e.*, the excess of the proceeds received on sale over the exercise price paid), if any, will be long-term capital gain eligible

for favorable tax rates. If the participant disposes of the shares prior to the end of the holding period, the disposition is a disqualifying disposition , and the participant will recognize ordinary income in the year of the disqualifying disposition equal to the excess of

Table of Contents

the lesser of (i) the fair market value of the shares on the date of exercise or (ii) the amount received for the shares, over the exercise price paid. The balance of the gain or loss, if any, will be long-term or short-term capital gain or loss depending on how long the shares were held by the participant prior to disposition.

We generally are not entitled to a deduction as a result of the grant or exercise of an ISO. If a participant recognizes ordinary income as a result of a disqualifying disposition, we will be entitled to a deduction at the same time and in the same amount as the participant recognizes ordinary income.

Code Section 162(M). With certain exceptions, Section 162(m) of the Code limits deduction for compensation in excess of $1,000,000 paid to certain covered employees whose compensation is reported in the compensation table included in the Company s annual proxy statements. However, compensation paid to such employees will not be subject to such deduction limitation if it is considered qualified performance-based compensation (within the meaning of Section 162(m) of the Code, which, among other requirements, requires stockholder approval of the performance measures available under a plan). As previously noted, notwithstanding the adoption of the 2007 Plan by stockholders, we reserve the right to pay our employees, including recipients of awards under the 2007 Plan, amounts which may or may not be deductible under Section 162(m) or other provisions of the Code.

Generally, amounts that may be granted under the 2007 Plan in the future are not determinable.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR* THE APPROVAL OF THE CA, INC. 2007 INCENTIVE PLAN.

Table of Contents

PROPOSAL 5 STOCKHOLDER PROPOSAL

Mr. Lucian Bebchuk, 1545 Massachusetts Ave., Cambridge, MA 02138, who holds 140 shares of Common Stock, has given notice of his intention to propose the below resolution at the Annual Meeting. His proposal and supporting statement, for which the Board of Directors accepts no responsibility, are set forth below.

For the reasons set forth in its Statement in Opposition immediately following this stockholder proposal, the Company s Board of Directors does not support this proposal and urges you to vote AGAINST this proposal.

Stockholder Proposal

It is hereby RESOLVED that pursuant to Section 109 of the Delaware General Corporation Law, 8 Del. C. 109, and Article IX of the Company s By-Laws, the Company s By-Laws are hereby amended by adding a new section 12 to Article IV as follows:

Section 12. CEO Compensation Decisions

(a) Notwithstanding anything in these By-laws to the contrary, any decision of the Board of Directors, or any committee or sub-committee thereof, with respect to the compensation of the Corporation s Chief Executive Officer shall be valid only if approved or ratified by two-thirds of all of the independent directors of the Board. For purposes of this section independent director shall mean any director who is not a present or former employee or officer of the Corporation, and who meets criteria for qualifying as an independent director under the applicable listing requirements of the New York Stock Exchange.

(b) Nothing in this section shall prohibit the Board of Directors from delegating authority or responsibility with respect to the compensation of the Chief Executive Officer to a committee or sub-committee of the Board of Directors, provided, however, that any decision of such committee or sub-committee with respect to compensation of the Corporation s Chief Executive Officer shall require ratification by two-thirds of the independent directors as set forth in Subsection (a).

This By-law Amendment shall be effective immediately and automatically as of the date it is approved by the vote of stockholders in accordance with Article IX of the Company s By-laws.

Stockholder Supporting Statement

Statement of Professor Lucian Bebchuk: I believe that decisions with respect to the compensation of the Company s CEO are important for the Company and its stockholders. In my view, it would be desirable to ensure that the Company does not provide a CEO pay package that cannot obtain widespread support among the Company s independent directors. The proposed By-law would accomplish that objective by requiring the CEO s compensation to be approved by two-thirds of the Company s independent directors. Furthermore, the proposed By-law could help ensure that all the Company s independent directors would be well informed of, and feel responsible for, CEO compensation decisions.

The proposed By-law would not prevent CEO compensation from being studied and put together by a committee or subcommittee comprised of a small number of directors, but rather would only require that decisions made by such a committee or sub-committee be subsequently ratified by at least two-thirds of the Company s independent directors.

I urge you to vote yes to support the adoption of this proposal.

Board of Directors Statement in Opposition to the Stockholder Proposal

The Company already has a robust process for evaluating its Chief Executive Officer and determining his or her compensation. The charters for both the Compensation and Human Resource and the Corporate Governance Committees of the Board of Directors (Committees comprised entirely of independent directors)

Table of Contents

provide for the Committees to coordinate with each other in evaluating the performance of the Company s Chief Executive Officer. This has been achieved by conducting a joint meeting of the Committees for this purpose. Given the current membership of these Committees, this process directly involves seven of the Company s eleven independent directors. These Committees then report about their joint meeting in an executive session of the Board consisting of all of the independent members of the Board. Also, pursuant to the charter of the Compensation and Human Resource Committee, it has been the practice of that Committee to report on its meetings to the full Board both in open sessions and executive sessions, as appropriate.

Based on the evaluation and feedback from the joint meeting, the Compensation and Human Resource Committee, pursuant to its charter, and in conformity with NYSE rules, is then charged with determining and approving the Chief Executive Officer s compensation. However, the Committee s charter also provides that:

Further, it is understood that the Committee will generally report and consult with the other independent members of the Board with respect to the compensation of the Company s Chief Executive Officer before a final determination is made by the Committee. Following the Committee s determination with respect to such compensation, the Committee may seek ratification from the other independent members of the Board, as the Committee deems appropriate.

Under this provision, it is the practice of the Compensation and Human Resource Committee, following the evaluation of the Chief Executive Officer s performance in the joint meeting, to consult with the other independent members of the Board so that its recommendations and actions reflect, to the extent appropriate, the collective views of the Committee and the independent members of the Board. After this discussion, the Committee would then ask the independent directors to ratify its decision regarding the Chief Executive Officer s compensation. Thus, there is and has been ample opportunity for all the independent directors of the Board to participate in, and be informed about, the assessment and compensation of the Company s Chief Executive Officer.

Additionally, in the Board s view, the stockholder proposal interferes with the Board of Director s discretion to determine the proper allocation of responsibilities between it and one of its Committees. In order for the CA Board or any board of directors to function efficiently and to make the best use of finite board member time, it has been well established that certain responsibilities may be delegated to board committees which can then report to the full board. Regulators, such as the NYSE, have deemed it appropriate for a board to delegate certain responsibilities to a committee. Moreover, the NYSE has expressly deemed it appropriate for compensation decisions with respect to a chief executive officer to rest with a compensation committee of the board. Finally, the Board believes that the imposition of a two-thirds super-majority voting standard for Board ratification of Chief Executive Officer compensation would only further interfere with the Compensation and Human Resource Committee s discretion with respect to Chief Executive Officer compensation and in general, with the Board s discretion to determine the proper allocation of Board and Committee responsibilities. The Board believes that the current provisions in the Compensation and Human Resource Committee charter authorizing the Committee to seek input and then ratification from the Board is the appropriate response to this concern.

It is the Board s view that its current practices with respect to setting compensation for the Company s Chief Executive Officer are more than sufficient to allow the independent members of the Board to be well informed of, and feel responsible for, the compensation of the Company s Chief Executive Officer. Furthermore, the Board believes that the proposal could potentially erode the authority of a compensation committee without providing any benefit to stockholders. Finally, the Board notes that the stockholder cites not a single governance opinion (other than his own) in favor of his proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE *AGAINST* PROPOSAL NO. 5.

Table of Contents

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of the Common Stock to file with the SEC initial reports of ownership and reports of changes in beneficial ownership of Common Stock and other equity securities of the Company. Directors, executive officers and 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of such copies of Section 16(a) reports received by us, or written representations from each reporting person for the fiscal year ended March 31, 2007, we believe that each of our directors, executive officers and 10% stockholders complied with all applicable filing requirements during the fiscal year ended March 31, 2007, except that due to administrative errors by us, Messrs. Cirabisi and Goodman each filed one Form 4 late, with each such Form 4 reporting one transaction.

STOCKHOLDER PROPOSALS FOR 2008 ANNUAL MEETING

The submission deadline for stockholder proposals for inclusion in proxy materials for the 2008 Annual Meeting pursuant to Rule 14a-8 of the Exchange Act is March 15, 2008. All such proposals must be received by the Corporate Secretary at our World Headquarters, One CA Plaza, Islandia, New York 11749.

ADVANCE NOTICE PROCEDURES FOR 2008 ANNUAL MEETING

Under our By-laws, director nominations and other business may be brought at the annual meeting only by or at the direction of the Board of Directors or by a stockholder entitled to vote who has delivered notice to us containing certain information specified in the By-laws (1) not less than 90 days nor more than 120 days prior to the anniversary date of the preceding year s annual meeting, or (2) if the meeting date is changed by more than 30 days from such anniversary date, not later than the close of business on the tenth day following the date notice of such meeting is mailed or made public, whichever is earlier. Accordingly, the notice for nominating directors at, or bringing other business before, the 2008 Annual Meeting must be submitted no earlier than April 24, 2008 and no later than May 24, 2008 (unless the date of the meeting is changed by more than 30 days). A copy of the full text of the By-law provisions discussed above may be obtained by writing to the Corporate Secretary at our World Headquarters, One CA Plaza, Islandia, NY 11749. If the stockholder does not also comply with the requirements of Rule 14a-4 of the Exchange Act, we may exercise discretionary voting authority under proxies we solicit to vote in accordance with our best judgment on any such nomination or other business submitted by a stockholder.

OTHER BUSINESS

The Board of Directors knows of no other business to be acted upon at the meeting. However, if any other business properly comes before the meeting or any adjournment or postponement, it is the intention of the persons named in the enclosed proxy to vote the shares represented thereby on such matters in accordance with their best judgment.

The prompt return of your proxy will be appreciated. Therefore, whether or not you expect to attend the meeting, please either vote by telephone or via the Internet, or sign and date your proxy and return it in the enclosed postage paid envelope.

HOUSEHOLDING

If you and other residents with the same last name at your mailing address own shares of Common Stock in street name, your broker or bank may have sent you a notice that your household will receive only one annual report and proxy statement for each company in which you hold stock through that broker or bank. This practice of sending only one copy of proxy materials is known as householding . If you received a householding communication, your broker will send one copy of this Proxy Statement and Annual Report for

Table of Contents

fiscal year 2007 to your address unless contrary instructions were given by any stockholder at that address. If you received more than one copy of the proxy materials this year and you wish to reduce the number of reports you receive in the future and save us the cost of printing and mailing these reports, please contact your broker.

You may revoke your consent to householding at any time by sending your name, the name of your brokerage firm, and your account number to the Investor Relations Department at the address below. The revocation of your consent to householding will be effective 30 days following its receipt. In any event, if your household received a single set of proxy materials for this year, but you would prefer to receive your own copy, we will send a copy of the Annual Report and Proxy Statement to you if you address your written request to CA, Inc., Investor Relations, One CA Plaza, Islandia, NY 11749, or contact Investor Relations at 631-342-6000.

FORM 10-K

A COPY OF OUR ANNUAL REPORT ON FORM 10-K WILL BE SENT WITHOUT CHARGE TO ANY STOCKHOLDER REQUESTING IT IN WRITING. SUCH REQUESTS SHOULD BE ADDRESSED TO:

CA, INC.
ATTN.: INVESTOR RELATIONS DEPARTMENT
ONE CA PLAZA, ISLANDIA, NEW YORK 11749

THE ANNUAL REPORT ON FORM 10-K MAY ALSO BE OBTAINED VIA THE INTERNET AT **INVESTOR.CA.COM.**

INCORPORATION BY REFERENCE

To the extent that this Proxy Statement is incorporated by reference into any other filing by us under the Securities Act or the Exchange Act, the sections of this Proxy Statement entitled Compensation and Human Resource Committee Report on Executive Compensation and Audit and Compliance Committee Report (to the extent permitted by the rules of the SEC), as well as the exhibits to this Proxy Statement, will not be deemed incorporated, unless specifically provided otherwise in such filing.

Dated: July [ ], 2007
Islandia, New York

Table of Contents

EXHIBIT A

CA, INC.

CORPORATE GOVERNANCE PRINCIPLES

General

These Corporate Governance Principles (these Principles) have been approved by the Board of Directors of CA, Inc. (the Company) and provide the basic outline of the Company s corporate governance.

Role and Functions of the Board

The Board is elected by the stockholders to oversee the business and affairs of the Company, to oversee management, to build long-term value for the stockholders, and to sustain the Company s vitality for its stockholders and other constituencies, including its employees.

In addition to these general roles, the Board performs a number of more specific functions, including:

selecting and overseeing the evaluation of the Chief Executive Officer (the CEO);

overseeing CEO and management succession planning;

providing counsel and oversight on the selection, evaluation and development of senior management;

reviewing and approving corporate strategy on an annual basis;

advising and counseling the CEO and senior management on relevant topics;

reviewing, monitoring and, where appropriate, approving fundamental financial and business strategies and major corporate actions;

assessing major risks facing the Company and considering strategies for their management and mitigation; and

overseeing and evaluating processes designed to maintain the integrity of the Company, including the integrity of its financial statements, its compliance with law and ethics, and its relationships with its employees, customers, suppliers and other stakeholders.

Director Qualifications

Directors should possess the highest personal and professional ethics, integrity and values, and must be committed to representing the long-term interests of the Company and its stockholders. They must have an inquisitive and objective perspective, practical wisdom and mature judgment, as well as an understanding of the Company s business and the willingness to question what they do not understand.

Each director should be free of any conflict of interest which would interfere with the proper performance of the responsibilities of a director.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. For this reason, and to enable the Corporate Governance Committee to monitor compliance with the criteria for service as a director, as well as for service on a particular Board Committee, the Corporate Governance Committee shall be notified promptly of (1) any proposed change in a director s principal occupation, (2) the proposed election of a director to the board of directors (or similar body) or any board committee of another entity (other than not-for-profit entities), (3) a director s removal or other cessation of service as a member of any such board or committee, and (4) any other development that could affect a director s ability to serve on the Board or any Board Committee. The Corporate Governance Committee shall recommend to the Board whether such director should resign or be removed as a director of the Company or as a member of any Board Committee, or whether any other action should be taken.

Table of Contents

Director Independence

A majority of the directors must be independent directors, as determined by the Board on the recommendation of the Corporate Governance Committee, based on the guidelines set forth below. The Board believes that the CEO should serve on the Board. At no time shall more than two employees of the Company (including the CEO) serve on the Board; provided, that if the total number of directors exceeds twelve, no more than 25% of the total number of directors may be employees of the Company.

For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with the Company. The Board has established guidelines to assist it in determining director independence in conformity with New York Stock Exchange (NYSE) listing requirements. In addition, the Board will consider all relevant facts and circumstances in making an independence determination, not only from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

A director will not be independent if:

the director is, or has been within the last three years, employed by the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company (provided, that employment of a director as an interim Chairman, CEO or other executive officer of the Company shall not disqualify a director from being considered independent following that employment);

the director or an immediate family member of the director received more than $100,000 in direct compensation from the Company during any twelve-month period within the last three years, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided, that such compensation for prior service is not contingent in any way on continued service); provided that compensation received by the director for former service as an interim Chairman, CEO or other executive officer of the Company and compensation received by an immediate family member of the director for service as an employee (other than an executive officer) of the Company need not be considered in determining independence;

the director is a current partner or employee of the Company s independent or internal auditor, or an immediate family member of the director is a current employee of the independent or internal auditor and participates in the auditor s audit, assurance or tax compliance (but not tax planning) practice, or the director or an immediate family member of the director was within the last three years (but is no longer) a partner or employee of the independent or internal auditor and personally worked on the Company s audit within that time;

the director or an immediate family member of the director is, or has been within the last three years, an executive officer of another company where any of the Company s current executive officers at the same time serves or served on the compensation committee of the board of directors of such other company; or

the director is a current employee, or an immediate family member of the director is a current executive officer, of another company that has made payments to, or received payments from, the Company for property or services in an amount that, in any of the last three fiscal years of the other company, exceeds the greater of $1 million or two percent of the consolidated gross revenues of the other company.

Any one or more of the following relationships, whether individually or in any combination, will be considered immaterial and would not, in and of themselves, impair the director s independence:

Payments To/From the Company

1. the director is an executive officer, employee and/or general partner, and/or an immediate family member of the director is an executive officer and/or general partner, of another company or entity that has made payments to, or received payments from, the Company for property or services in an

amount that does not exceed, in any of the last three fiscal years of the other company or entity, the greater of $1 million or two percent of the consolidated gross revenues of the other company or entity;

2. the director and/or immediate family members of the director directly or indirectly own, in the aggregate, a 10% or greater equity interest in another company or entity that has made payments to, or received payments from, the Company for property or services in an amount that does not exceed, in any of the last three fiscal years of the other company or entity, the greater of $1 million or two percent of the consolidated gross revenues of the other company or entity;

Indebtedness

3. the director is an executive officer, employee and/or general partner, and/or an immediate family member of the director is an executive officer and/or general partner, of another company or entity that is indebted to the Company, or to which the Company is indebted, and the total amount of either company s (or entity s) indebtedness to the other at the end of the last completed fiscal year is less than two percent of the other company s or entity s total consolidated assets;

4. the director and/or immediate family members of the director directly or indirectly own, in the aggregate, a 10% or greater equity interest in another company or entity that is indebted to the Company, or to which the Company is indebted, and the total amount of either company s (or entity s) indebtedness to the other at the end of the last completed fiscal year is less than two percent of the other company s or entity s total consolidated assets;

Charitable Contributions

5. the director is an executive officer and/or employee, or an immediate family member of the director is an executive officer, of a charitable organization, and the Company s discretionary charitable contributions to the organization (i.e., other than contributions made under the Company s matching grant program) do not exceed, in any of the last three fiscal years of the charitable organization, the greater of $1 million or two percent of that organization s total consolidated gross revenues;

Directorships

6. the director and/or an immediate family member of the director is a director, advisory director or trustee (or serves in a similar position) of another company, entity or charitable organization that engages in any transactions (including indebtedness transactions), or has any other relationships, with the Company (including any contributions by the Company to any such charitable organization);

Less Than 10% Equity Interest

7. the director and the immediate family members of the director directly or indirectly own, in the aggregate, less than a 10% equity interest in another company or entity that engages in any transactions (including indebtedness transactions), or has any other relationships, with the Company;

Other

8. an immediate family member of the director is an employee (but not an executive officer) of another company, entity or charitable organization that engages in any transactions (including indebtedness transactions), or has any other relationships, with the Company (including any contributions by the Company

to any such charitable organization);

9. a family member (other than an immediate family member) of the director serves in any capacity with the Company; or

10. a family member (other than an immediate family member) of the director serves in any capacity with, or owns any equity interest in, another company, entity or charitable organization that engages

Table of Contents

in any transactions (including indebtedness transactions), or has any other relationships, with the Company (including any contributions by the Company to any such charitable organization).

Notwithstanding the foregoing, the Board (on the recommendation of the Corporate Governance Committee) may determine that a director who has a relationship that exceeds the limits described in the immediately preceding paragraph (but only to the extent that the Board determines that the director does not have any direct or indirect material relationship with the Company and any such relationship does not constitute a bar to independence under NYSE listing requirements) is nonetheless independent. The Company will explain in its next Proxy Statement the basis for any such determination.

For purposes of these Principles, the term immediate family member includes an individual s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares the individual s home.

The ownership of stock in the Company by directors is encouraged and the ownership of a substantial amount of stock in the Company shall not in itself be a basis for a determination that a director is not independent.

The Board will undertake an annual review of the independence of all non-employee directors, based on the recommendation of the Corporate Governance Committee.

Size of Board

The Corporate Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board, taking into account the Board s ability to function effectively and with appropriate diversity and expertise.

The Corporate Governance Committee shall be responsible for selecting and recommending to the Board candidates to fill vacancies on the Board that occur as a result of expansion of the size of the Board, by resignation, by retirement or for any other reason.

Period of Board Service

A non-employee director shall serve until the annual meeting after his or her 75th birthday and for a maximum of ten years; provided, however, that the Board, on the recommendation of the Corporate Governance Committee, may waive such age and/or term limitation if circumstances warrant.

Director Selection Process

All directors shall stand for election by the stockholders each year at the Company s Annual Meeting of Stockholders. The Board, on the recommendation of the Corporate Governance Committee, shall propose a slate of nominees for election at each such meeting. In addition, between such meetings, the Board, on the recommendation of the Corporate Governance Committee, may elect directors to serve until the next such meeting.

Stockholders may propose nominees for consideration by the Corporate Governance Committee in accordance with procedures developed by that Committee and disclosed in the Company s Proxy Statement each year.

Each director shall submit his or her Irrevocable Resignation (as defined below) in writing to the Chairman of the Corporate Governance Committee. The Board shall nominate for re-election as a director only an incumbent candidate who has tendered, prior to the mailing of the proxy statement for the annual meeting at which he or she is to be

re-elected as a director, an irrevocable resignation authorized by Section 141(b) of the Delaware General Corporation Law that will be effective upon (i) the failure to receive the required vote at any annual meeting at which such candidate is nominated for re-election and (ii) Board acceptance of such resignation (an Irrevocable Resignation). In addition, the Board shall fill director vacancies and new directorships only with candidates who tender, at or prior to the time of their appointment to the Board, the same form of Irrevocable Resignation tendered by other directors in accordance herewith.

Table of Contents

The Corporate Governance Committee (or such other committee comprised of independent directors as the Board may appoint) shall consider the Irrevocable Resignation submitted by any director not receiving the requisite number of votes to be elected pursuant to Section 7 of Article II of the By laws and shall recommend to the Board the action to be taken with respect to such tendered resignation. If no independent directors received the required majority vote, the Board shall act on the resignation offers. Any director whose Irrevocable Resignation is under consideration pursuant to this provision shall not participate in the committee recommendation regarding whether to accept the resignation offer. The Board shall take action within 90 days following certification of the vote, unless such action would cause the Company to fail to comply with any requirement of the New York Stock Exchange or any rule or regulation promulgated under the Securities Exchange Act of 1934, in which event the Company shall take action as promptly as is practicable while continuing to meet such requirements. The Board will promptly disclose its decision and the reasons therefore in a Form 8-K furnished to the Securities and Exchange Commission. After accepting a director s resignation, the Board may fill any resulting vacancy or may decrease the size of the Board.

Former CEO s and Other Employee s Board Membership

The Board believes that the Board membership of the CEO and other employees of the Company following their resignation or retirement from the Company is a matter to be decided in each individual instance. When the CEO no longer holds that position or an employee director resigns or retires as an employee of the Company, resignation from the Board should be offered at the same time.

Meetings

The Board should have at least five scheduled meetings each year. There shall be an agenda for each meeting, focusing on relevant issues for the Board s consideration. Directors are expected to attend all scheduled meetings of the Board and the Committees on which they serve, as well as meetings of the Company s stockholders.

The non-employee directors shall periodically meet in executive session without management present. In addition, if any non-employee directors are not independent (as described above), the independent directors shall meet privately at least once each year. The Chairman of the Board (if he or she is an independent director) or the Lead Independent Director (described below), if any, shall preside at such meetings.

Agendas and other meeting materials should be distributed in advance of Board and Committee meetings so as to provide the directors sufficient time to review such materials; the directors are expected to review such materials. Directors are encouraged to make suggestions as to agenda items and to ask that additional information be provided to the Board or any Committee to facilitate its performance.

On an annual basis, the Secretary of the Company shall prepare and distribute to the directors a detailed calendar of the meetings scheduled to be held by the Board and each of its Committees during the ensuing year. The calendar shall also specify the matters to be considered and acted upon at each such meeting, to the extent known at such time.

Board Leadership

The Board has no policy with respect to separation of the positions of Chairman and CEO or with respect to whether the Chairman should be a member of management or a non-management director, and believes that these are matters that should be discussed and determined by the Board from time to time. When the Chairman of the Board is a member of management or is otherwise not independent, the non-employee directors shall elect annually, on the recommendation of the Corporate Governance Committee, a Lead Independent Director. The duties of the Lead Independent Director (or the Chairman, if he or she is independent) shall include presiding at executive sessions of the non-employee and independent directors.

Table of Contents

Board Self-Assessment

The Board shall conduct an annual self-assessment of its performance to determine whether the Board and its Committees are functioning effectively.

Board Compensation

Directors who are employees shall not receive any compensation, directly or indirectly, for their services as directors. The Corporate Governance Committee shall be responsible for recommending to the Board the compensation and any benefits for non-employee directors, which shall be subject to the full discussion and approval by the Board. In discharging this duty, the Corporate Governance Committee shall be guided by three goals: (1) compensation should fairly pay directors for the work they perform; (2) compensation should include a significant equity component to align directors interests with the long-term interests of stockholders; and (3) the structure of the compensation should be simple, transparent and easy for stockholders to understand.

Counsel and Other Advisors; Company Funding Obligations

The Board shall have the authority, to the extent deemed necessary or appropriate, to retain and terminate independent legal counsel or other advisors to assist the Board in carrying out its responsibilities. The Company shall provide for appropriate funding, as determined by the Board, to pay any such counsel or other advisors retained by the Board.

Access to Management and Outside Counsel and Auditors

Non-employee directors may contact senior managers of the Company and the Company s outside counsel and auditors without the permission of senior corporate management, and without such management being present. To facilitate such contact, non-employee directors are encouraged to periodically visit Company locations without senior corporate management being present.

Director Orientation and Education

The Company shall provide orientation for new directors. Such orientation shall include information concerning the Company s business and operations, as well as its corporate governance and other relevant matters, and shall be coordinated by the Secretary, under the guidance of the Corporate Governance Committee.

The Company shall also provide continuing education for directors, which may include programs concerning topics of interest to directors, meetings with key management and visits to Company facilities.

Board Committees

The Board has established the following committees to assist the Board in discharging its responsibilities: the Audit and Compliance Committee; the Compensation and Human Resource Committee; the Corporate Governance Committee; and the Strategy Committee. The Board may from time to time modify any of these Committees or establish new Committees.

The composition, responsibilities and other attributes of each Committee shall be specified in a Charter that shall be adopted by such Committee and approved by the Board. The Charters will also provide that each Committee will annually evaluate its performance.

Upon the recommendation of the Corporate Governance Committee, the Board of Directors shall appoint the Chairs and members of the Committees, each of whom shall serve at the discretion of the Board. In designating members of the Committees, the Board shall consider the extent to which Committee assignments should be rotated from time to time. While rotating Committee members should be considered periodically, the Board does not believe rotation should be mandated as a policy since there are significant benefits

Table of Contents

attributable to continuity, experience gained in service on particular committees and utilizing most effectively the individual talents of the directors.

The frequency, length and agenda of meetings of each Committee are determined by the Chair of the Committee, who may consult with members of the Committee and appropriate officers of the Company. Board members who are not members of a particular Committee are welcome to attend meetings of that Committee.

Each Committee s duties may be described briefly as follows:

Audit and Compliance Committee. The Audit and Compliance Committee s general purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of the Company s financial statements and internal controls, (2) the qualifications and independence of the Company s independent auditor (including the engagement of the independent auditor), (3) the performance of the Company s internal audit function and independent auditor, and (4) the Company s compliance with legal and regulatory requirements, including those relating to accounting and financial reporting and ethical obligations.

Compensation and Human Resource Committee. The Compensation and Human Resource Committee s general purpose is to assist the Board in fulfilling its responsibilities with respect to executive compensation and human resources matters, including (1) reviewing and approving corporate goals and objectives relevant to the compensation of the CEO; in coordination with the Corporate Governance Committee, evaluating his or her performance in light of those goals and objectives; and determining and approving his or her compensation based upon such evaluation; and (2) determining the compensation of senior executives other than the CEO, including determinations regarding equity-based and other incentive compensation awards.

Corporate Governance Committee. The Corporate Governance Committee s general purpose is to assist the Board in fulfilling its responsibilities with respect to the governance of the Company, and includes making recommendations to the Board concerning (1) the size and composition of the Board, the qualifications and independence of the directors, and the recruitment and selection of individuals to stand for election as directors; (2) the organization and operation of the Board, including the nature, size and composition of Committees, the designation of Committee Chairs, the designation of a Lead Independent Director, Chairman of the Board or similar position, and the process for distribution of information to the Board and its Committees; and (3) the compensation of non-employee directors.

Strategy Committee. The Strategy Committee s general purpose is to provide input to management in their development of the Company s corporate strategy and to provide recommendations to the Board with respect to its review and approval of the corporate strategy.

It is the policy of the Board that all of the members of the Audit and Compliance Committee, the Compensation and Human Resource Committee and the Corporate Governance Committee will be independent directors.

Communications with Stockholders and Other Interested Parties

The Board is interested in receiving communications from stockholders and other interested parties, which would include customers, suppliers and employees. Such parties may contact any member (or members) of the Board or any Committee, the non-employee directors as a group, or the Chair of any committee, by mail or electronically. In addition, the Audit and Compliance Committee is interested in receiving communications from employees and other interested parties, which would include stockholders, customers and suppliers, on issues regarding accounting, internal accounting controls or auditing matters. Any such correspondence should be addressed to the appropriate person or persons, either by name or title, and sent by regular mail to the office of the Chief Compliance Officer at One CA

Plaza, Islandia, New York 11749, or by e-mail to directors@ca.com.

The Board has determined that the following types of communications are not related to the duties and responsibilities of the Board and its committees and are, therefore, not appropriate: spam and similar junk

Table of Contents

mail and mass mailings; product complaints, product inquiries and new product suggestions; resumés and other job inquiries; surveys; business solicitations or advertisements; and any communication that is unduly hostile, threatening, illegal or similarly unsuitable. Each communication received as described above will be forwarded to the directors, unless the Chief Compliance Officer determines said communication is not appropriate. Regardless, certain of these communications will be forwarded to others in the Company for review and action, when appropriate, or to the directors upon request.

Management Development and Succession Planning

The Board, with recommendations from the Corporate Governance Committee and the Compensation and Human Resource Committee, shall approve and maintain a succession plan for the CEO. On an annual basis, the Corporate Governance Committee and the Compensation and Human Resource Committee shall present to the Board a report on succession planning for senior management and a report on management development.

Executive Stock Ownership Guidelines

Executive stock ownership guidelines have been adopted under which all members of the Senior Leadership Team must achieve ownership thresholds based on a multiple of their base salary.

These Principles

These Principles shall be subject to review, at least annually, by the Board or the Corporate Governance Committee, and any changes deemed appropriate shall be adopted by the Board, on the recommendation of the Corporate Governance Committee.

Table of Contents

EXHIBIT B

STOCKHOLDER PROTECTION RIGHTS AGREEMENT

dated as of

October 16, 2006

between

CA, INC.

and

MELLON INVESTOR SERVICES LLC,

as Rights Agent

Table of Contents

STOCKHOLDER PROTECTION RIGHTS AGREEMENT

Table of Contents

Table of Contents

Table of Contents

STOCKHOLDER PROTECTION RIGHTS AGREEMENT

STOCKHOLDER PROTECTION RIGHTS AGREEMENT (as amended from time to time, this Agreement), dated as of October 16, 2006, between CA, Inc., a Delaware corporation (the Company), and Mellon Investor Services LLC, a New Jersey limited liability company, as Rights Agent (the Rights Agent , which term shall include any successor Rights Agent hereunder).

WITNESSETH:

WHEREAS, the Rights Agreement (the Existing Rights Agreement), dated as of June 18, 1991, as amended on May 17, 1995, May 23, 2001 and November 9, 2001, between the Company and Mellon Investor Services LLC (as successor Rights Agent to Manufacturers Hanover Trust Company), is scheduled to expire on the Close of Business of November 30, 2006;

WHEREAS, the Company desires to enter into a Stockholder Protection Rights Agreement to become effective immediately upon the expiration of the Existing Rights Agreement;

WHEREAS, the Board of Directors of the Company has (a) authorized and declared a dividend of one right (Right) in respect of each share of Common Stock (as hereinafter defined) held of record as of the Close of Business (as hereinafter defined) on October 26, 2006 (the Record Time), payable in respect of each such share upon the later of (i) certification by the NYSE (as hereinafter defined) to the SEC (as hereinafter defined) that the Rights have been approved for listing and registration and (ii) immediately following the expiration of the Existing Rights Agreement (the Payment Time) and (b) as provided in Section 2.4, authorized the issuance of one Right in respect of each share of Common Stock issued after the Payment Time and prior to the Separation Time (as hereinafter defined) and, to the extent provided in Section 5.3, each share of Common Stock issued after the Separation Time;

WHEREAS, subject to the terms and conditions hereof, each Right entitles the holder thereof, after the Separation Time, to purchase securities or assets of the Company (or, in certain cases, securities of certain other entities) pursuant to the terms and subject to the conditions set forth herein; and

WHEREAS, the Company desires to appoint the Rights Agent to act on behalf of the Company, and the Rights Agent is willing so to act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE, in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 *Definitions*. For purposes of this Agreement, the following terms have the meanings indicated:

Acquiring Person shall mean any Person who is or becomes the Beneficial Owner of 20% or more of the outstanding shares of Common Stock; provided, however, that the term Acquiring Person shall not include (a) the Company; (b) any Subsidiary of the Company; (c) any employee stock ownership or other employee benefit plan of the Company or a Subsidiary of the Company (or any entity or trustee holding shares of Common Stock for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for employees of the Company or of any Subsidiary of the Company); or (d) any Person (i) who is the Beneficial Owner

of 20% or more of the outstanding shares of Common Stock on the date of this Agreement and who has continuously been since the date of this Agreement the Beneficial Owner of 20% or more of the outstanding shares of Common Stock until such time hereafter as such Person shall become the Beneficial Owner (other than by means of a stock dividend, stock split or reclassification) of an additional .1% of the outstanding shares of Common Stock, (ii) who becomes the Beneficial Owner of 20% or more of the outstanding shares of Common Stock solely as a result of an acquisition by the Company of shares of Common Stock until such time thereafter as such Person shall

become the Beneficial Owner (other than by means of a stock dividend, stock split or reclassification) of an additional .1% of the outstanding shares of Common Stock while such Person is or as a result of which such Person becomes the Beneficial Owner of 20% or more of the outstanding shares of Common Stock, (iii) who becomes the Beneficial Owner of 20% or more of the outstanding shares of Common Stock but who (in the good faith determination of the Board of Directors of the Company) acquired Beneficial Ownership of shares of Common Stock without any plan or intention to seek or affect control of the Company, if such Person promptly divests, or promptly enters into an agreement with, and satisfactory to, the Company, in its sole discretion, to divest, and subsequently divests in accordance with the terms of such agreement (without exercising or retaining any power, including voting power, with respect to such shares), sufficient shares of Common Stock (or securities convertible into, exchangeable into or exercisable for, Common Stock) so that such Person ceases to be the Beneficial Owner of 20% or more of the outstanding shares of Common Stock or (iv) who Beneficially Owns shares of Common Stock consisting solely of one or more of (A) shares of Common Stock Beneficially Owned pursuant to the grant or exercise of an option granted to such Person (an Option Holder) by the Company in connection with an agreement to merge with, or acquire, the Company entered into prior to a Flip-in Date, (B) shares of Common Stock (or securities convertible into, exchangeable into or exercisable for Common Stock) Beneficially Owned by such Option Holder or its Affiliates or Associates at the time of grant of such option and (C) shares of Common Stock (or securities convertible into, exchangeable into or exercisable for Common Stock) acquired by Affiliates or Associates of such Option Holder after the time of such grant which, in the aggregate, amount to less than 1% of the outstanding shares of Common Stock. For the avoidance of doubt, (x) Walter Haefner (Haefner) and his Affiliates and Associates shall not be or become an Acquiring Person on account of the Beneficial Ownership of Common Stock by any of them, so long as Haefner and his Affiliates and Associates (other than the Company and its Subsidiaries) do not, in the aggregate, Beneficially Own more than the sum of 126,562,500 shares of Common Stock and that number of shares constituting .1% of the outstanding shares of Common Stock; provided, however, that to the extent at any time after the Record Time the Company shall (I) declare a dividend on the Common Stock payable in shares of Common Stock, (B) subdivide the outstanding Common Stock, (C) combine the outstanding shares of Common Stock or (D) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the surviving corporation), the number of shares of Common Stock or capital stock, as the case may be, which Haefner, together with his Affiliates and Associates, is entitled to Beneficially Own without being deemed an Acquiring Person hereunder shall be proportionately increased or decreased; and (y) no Successor of Haefner or any Affiliate or Associate of such Successor, shall become an Acquiring Person on account of Common Stock received directly or indirectly from Haefner, so long as such Successor, Affiliate or Associate does not thereafter acquire Beneficial Ownership of, any additional shares of the Company s Common Stock (other than pursuant to stock dividends, stock splits and reclassifications of Common Stock as provided for above).

Affiliate and Associate shall have the respective meanings ascribed to such terms in Rule 12b-2 under the Exchange Act, as such Rule is in effect on the date of this Agreement.

Agreement shall have the meaning set forth in the Preamble.

A Person shall be deemed the Beneficial Owner of, and to have Beneficial Ownership of, and to Beneficially Own , any securities (i) as to which such Person or any of such Person s Affiliates or Associates is or may be deemed to be, directly or indirectly, the beneficial owner of pursuant to Rule 13d-3 and Rule 13d-5 under the Exchange Act, as such Rules are in effect on the date of this Agreement, (ii) as to which such Person or any of such Person s Affiliates or Associates has the right to become Beneficial Owner (whether such right is exercisable immediately or only after the passage of time or the occurrence of conditions) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner or to have Beneficial Ownership of, or to Beneficially Own , any security (i) solely because such security has been tendered pursuant to a tender or

exchange offer made by such Person or any of such Person s Affiliates or Associates until such tendered security is accepted for payment or exchange, (ii) acquired by a Person engaged in business as an underwriter of securities through participation as an underwriter or selling group member in good faith in a firm commitment underwriting until the expiration of 40 days after the date of such acquisition or (iii) solely because such Person or any of such Person s Affiliates or Associates has or shares the power to vote or direct the voting of such security pursuant to a revocable proxy or consent given in response to a public proxy or consent solicitation made to more than ten holders of shares of a class of stock of the Company registered under Section 12 of the Exchange Act and pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act, except if such power (or the arrangements relating thereto) is then reportable under Item 6 of Schedule 13D under the Exchange Act (or any similar provision of a comparable or successor statement). Notwithstanding the foregoing, no officer or director of the Company shall be deemed to Beneficially Own any securities of any other Person solely by virtue of any actions such officer or director takes in such capacity. For purposes of this Agreement, in determining the percentage of the outstanding shares of Common Stock with respect to which a Person is the Beneficial Owner, all shares as to which such Person is deemed the Beneficial Owner shall be deemed outstanding.

Business Day shall mean any day other than a Saturday, Sunday or a day on which banking institutions in New York, New York are generally authorized or obligated by law or executive order to close.

Close of Business on any given date shall mean 5:00 p.m. New York City time on such date or, if such date is not a Business Day, 5:00 p.m. New York City time on the next succeeding Business Day.

Common Stock shall mean the shares of Common Stock, par value $0.10 per share, of the Company.

Company shall have the meaning set forth in the Preamble.

Definitive Acquisition Agreement shall mean any agreement entered into by the Company that is conditioned on the approval by the holders of not less than a majority of the outstanding shares of Common Stock at a special meeting called for such purpose with respect to (i) a merger, consolidation, recapitalization, reorganization, share exchange, business combination or similar transaction involving the Company or (ii) the acquisition in any manner, directly or indirectly, of more than 50% of the consolidated total assets (including, without limitation, equity securities of its subsidiaries) of the Company.

Election to Exercise shall have the meaning set forth in Section 2.3(d).

Exchange Act shall mean the Securities Exchange Act of 1934, as amended.

Exchange Ratio shall have the meaning set forth in Section 3.1(c).

Exchange Time shall mean the time at which the right to exercise the Rights shall terminate pursuant to Section 3.1(c).

Exemption Date shall have the meaning set forth in Section 5.1(c).

Exercise Price shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right. Until adjustment thereof in accordance with the terms hereof, the Exercise Price shall equal $100.00.

Existing Rights Agreement shall have the meaning set forth in the Recitals.

Expansion Factor shall have the meaning set forth in Section 2.4(a).

Expiration Time shall mean the earliest of (i) the Exchange Time, (ii) the Redemption Time and (iii) the Close of Business on November 30, 2009.

Flip-in Date shall mean any Stock Acquisition Date or such later date and time as the Board of Directors of the Company may from time to time fix by resolution adopted prior to the Flip-in Date that would otherwise have occurred.

Flip-over Entity, for purposes of Section 3.2, shall mean (i) in the case of a Flip-over Transaction or Event described in clause (i) of the definition thereof, the Person issuing any securities into which shares of

Table of Contents

Common Stock are being converted or exchanged and, if no such securities are being issued, the other Person that is a party to such Flip-over Transaction or Event and (ii) in the case of a Flip-over Transaction or Event referred to in clause (ii) of the definition thereof, the Person receiving the greatest portion of the (A) assets or, if (A) is not readily determinable, (B) operating income or cash flow being transferred in such Flip-over Transaction or Event, provided in all cases if such Person is a Subsidiary of another Person, the ultimate parent entity of such Person shall be the Flip-over Entity.

Flip-over Stock shall mean the capital stock (or similar equity interest) with the greatest voting power in respect of the election of directors (or other persons similarly responsible for the direction of the business and affairs) of the Flip-over Entity.

Flip-over Transaction or Event shall mean a transaction or series of transactions, on or after a Flip-in Date, in which, directly or indirectly, (i) the Company shall consolidate or merge or participate in a statutory share exchange with any other Person if, at the time of consummation of the consolidation, merger or statutory share exchange or at the time the Company enters into any agreement with respect to any such consolidation, merger or statutory share exchange, the Acquiring Person is the Beneficial Owner of 90% or more of the outstanding shares of Common Stock or controls the Board of Directors of the Company and either (A) any term of or arrangement concerning the treatment of shares of capital stock in such consolidation, merger or statutory share exchange relating to the Acquiring Person is not identical to the terms and arrangements relating to other holders of the Common Stock or (B) the Person with whom the transaction or series of transactions occurs is the Acquiring Person or an Affiliate or Associate of the Acquiring Person or (ii) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer) assets (A) aggregating more than 50% of the assets (measured by either book value or fair market value) or (B) generating more than 50% of the operating income or cash flow, of the Company and its Subsidiaries (taken as a whole) to any Person (other than the Company or one or more of its wholly owned Subsidiaries) or to two or more such Persons which are Affiliates or Associates or are otherwise acting in concert, if, at the time of the entry by the Company (or any such Subsidiary) into an agreement with respect to such sale or transfer of assets, the Acquiring Person is the Beneficial Owner of 90% or more of the outstanding shares of Common Stock or controls the Board of Directors of the Company. For purposes of the foregoing description, the term Acquiring Person shall include any Acquiring Person and its Affiliates and Associates, counted together as a single Person. An Acquiring Person shall be deemed to control the Company s Board of Directors when, on or following a Stock Acquisition Date, the persons who were directors of the Company (or persons nominated and/or appointed as directors by vote of a majority of such persons) before the Stock Acquisition Date shall cease to constitute a majority of the Company s Board of Directors.

Haefner shall have the meaning set forth in the definition of Acquiring Person.

Market Price per share of any securities on any date shall mean the average of the daily closing prices per share of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if any event described in Section 2.4, or any analogous event, shall have caused the closing prices used to determine the Market Price on any Trading Days during such period of 20 Trading Days not to be fully comparable with the closing price on such date, each such closing price so used shall be appropriately adjusted in order to make it fully comparable with the closing price on such date. The closing price per share of any securities on any date shall be the last reported sale price, regular way, or, in case no such sale takes place or is quoted on such date, the average of the closing bid and asked prices, regular way, for each share of such securities, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, Inc. (NYSE) or, if the securities are not listed or admitted to trading on the NYSE, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the securities are listed or admitted to trading, or, if the securities are not listed or admitted to trading on any national securities exchange or on the NYSE, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or

such other system then in use, or, if on any such date the securities are not listed or admitted to trading on any national securities exchange or quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected by the Board of

Table of Contents

Directors of the Company; provided, however, that if on any such date the securities are not listed or admitted to trading on a national securities exchange or traded in the over-the-counter market, the closing price per share of such securities on such date shall mean the fair value per share of such securities on such date as determined in good faith by the Board of Directors of the Company, after consultation with a nationally recognized investment banking firm, and set forth in a certificate delivered to the Rights Agent.

NYSE shall have the meaning set forth in the definition of Market Price.

Option Holder shall have the meaning set forth in the definition of Acquiring Person.

Outside Meeting Date shall have the meaning set forth in Section 5.1(c).

Payment Time shall have the meaning set forth in the Recitals.

Person shall mean any individual, firm, partnership, limited liability company, association, group (as such term is used in Rule 13d-5 under the Exchange Act, as such Rule is in effect on the date of this Agreement), corporation or other entity, including any successor (by merger or otherwise) thereof.

Preferred Stock shall mean the Series Two Participating Preferred Stock, Class A, without par value, of the Company created by a Certificate of Designation and Terms in substantially the form set forth in Exhibit B hereto appropriately completed.

Qualifying Offer shall mean an offer determined by a majority of independent directors of the Company to have, to the extent required for the type of offer specified, each of the