

=====

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

-----

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 18, 1998

COMPUTER SCIENCES CORPORATION  
(Exact name of Registrant as specified in its charter)

NEVADA	1-4850	95-2043126
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2100 East Grand Avenue	
El Segundo, California	90245
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (310) 615-0311

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

=====

Item 5. Other Events.

On February 10, 1998, Computer Associates International, Inc. ("CA") sent to Computer Sciences Corporation ("CSC") a letter in which CA offered to acquire CSC in a merger transaction in which CSC's stockholders would receive \$108 in cash for each share of CSC's common stock (the "CA Merger Offer"). On February 17, 1998, CAI Computer Services Corp., a wholly owned subsidiary of CA ("CA Merger Subsidiary"), commenced a tender offer to purchase all of CSC's outstanding common stock at a price of \$108 per share in cash (the "CA Tender Offer"). In connection with the CA Tender Offer, CA and CA Merger Subsidiary filed a Tender Offer Statement on Schedule 14D-1 with the Securities and Exchange Commission on February 17, 1998, and delivered a copy of the Tender Offer Statement to CSC that evening.

At 1:00 o'clock p.m. on February 18, 1998, the Board of Directors of

CSC held a previously scheduled meeting. The Board of Directors did not consider the CA Tender Offer at this meeting, since CSC management and the Board had not yet had an opportunity fully to analyze the Schedule 14D-1 that had been delivered the previous evening.

In accordance with Rule 14e-2 promulgated under the Securities Exchange Act of 1934, as amended, CSC will, no later than March 3, 1998, file with the Securities and Exchange Commission and send to the holders of CSC's common stock a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the CA Tender Offer.

At its meeting on February 18, 1998, the CSC Board of Directors did, among other things, consider the CA Merger Offer. A copy of a press release of CSC dated February 19, 1998, which describes the response of the Board of Directors to the CA Merger Offer, is attached as Exhibit 99.1 hereto. At the February 18, 1998 meeting, the Board of Directors also took the following actions:

1. Amendment of Bylaws.

-----

The Board amended CSC's Bylaws by adding a new Article II, Section 12, and by amending the following provisions: Article II, Sections 2, 3, 6 and 10; Article III, Sections 1, 2 and 7; Article VI; and Article VIII, Section 1. A copy of the Bylaws, as amended and restated effective February 18, 1998, is included as Exhibit 3.5 hereto.

2. Adoption of New Rights Agreement; Redemption of Old Rights.

-----

The Board authorized and declared a dividend of one preferred stock purchase right (a "New Right") for each share of CSC's common stock. The dividend is payable on February 27, 1998 to the holders of record of such

common stock as of the close of business on such date. The New Rights will be issued pursuant to a Rights Agreement dated as of February 18, 1998 by and between CSC and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (the "New Rights Agreement"). A Summary of the Rights, which contains a brief description of the New Rights and is subject to the detailed terms and conditions of the New Rights Agreement, is included as Exhibit 10.23 hereto.

The Board also amended the first sentence of Section 3(a) of the Rights Agreement dated as of December 21, 1988, as amended and restated as of August 1, 1996, by and between CSC and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (the "Old Rights Agreement"), in order to add the following additional language at the end of such sentence:

";provided, however, that, notwithstanding anything to the contrary in the foregoing definition of the 'Distribution Date,' clause (ii) of the definition does not apply to the tender offer commenced by CAI Computer Services Corp. on February 17, 1998."

In addition, the Board indicated that it will redeem the Old Rights promptly after the dividend of the New Rights has been paid.

3. Amendment of Severance Plan.

-----

The Board amended CSC's Severance Plan for Senior Management and Key Employees (the "Plan") to create a new class of employees ("Class D") to whom the Class B level of severance benefits would be payable if both of the following events were to occur:

- (a) there were a Change in Control of CSC; and
- (b) as a consequence thereof, CA Controlled CSC (as such capitalized terms are defined in the Plan).

The Board authorized Van B. Honeycutt, Chairman, President and Chief Executive Officer of CSC, to designate up to 150 employees of CSC as Class D participants in the Plan.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

The exhibits listed below are filed as a part of this report:

- 3.5 Bylaws of CSC, as amended and restated effective February 18, 1998
- 10.23 Summary of the Rights
- 99.1 Press Release of CSC dated February 19, 1998

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, CSC has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

COMPUTER SCIENCES CORPORATION

Dated: February 19, 1998

By /s/ Scott M. Delanty  
-----  
Scott M. Delanty  
Vice President and Controller  
Chief Accounting Officer

BYLAWS  
OF  
COMPUTER SCIENCES CORPORATION

As amended February 18, 1998

BYLAWS  
OF  
COMPUTER SCIENCES CORPORATION

ARTICLE I  
OFFICES

Section 1. Principal Office.  
-----

The principal office of the corporation in the State of Nevada shall be in the City of Reno, County of Washoe.

Section 2. Other Offices.  
-----

The corporation may also have offices in such other places, both within and without the State of Nevada, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Annual Meetings.  
-----

Annual meetings of the stockholders shall be held at the office of the corporation in the City of El Segundo, State of California or at such other place, within or without the State of California, as shall be designated by the Board of Directors.

Section 2. Date of Annual Meetings; Election of Directors.  
-----

Annual meetings of the stockholders shall be held at such time and date as the Board of Directors shall determine. At each such annual meeting, the stockholders of the corporation shall elect a Board of Directors and transact such other business as has properly been brought before the meeting in accordance with Section 12 of this Article II.

Section 3. Special Meetings.

-----  
Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, by the Articles of Incorporation or by these Bylaws, may be called by the Chairman of the Board, the Board of Directors, or by the president and not otherwise, except as provided in the following sentence. In the event the corporation shall have failed to hold its annual meeting of stockholders for a period of 18 months from the last preceding annual meeting at which directors were elected or if such annual meeting shall have been held but directors shall not have been elected at such annual meeting, a special meeting of the stockholders shall be called by the president or secretary at the request in writing of a majority of the Board of Directors or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request from stockholders shall be directed to the Chairman of the Board, the president, the vice president or the secretary.

To be in proper written form, a stockholder's notice must set forth (i) the name and record address of such stockholder, (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the election of directors and any material interest of such stockholder in such election and (iv) a representation that such stockholder intends to appear in person or by proxy at such special meeting to vote on the election of directors at such meeting. The business transacted at such special meeting shall be confined to the election of directors.

Section 4. Notices of Meetings.  
-----

Notices of meetings of the stockholders shall be in writing and signed by the president, a vice president, the secretary, an assistant secretary, or by such other person or persons as the directors shall designate. Such notice shall state the purpose or purposes for which the meeting is called and the time when, and the place where, it is to be held. A copy of such notice shall be either delivered personally or shall be mailed, postage prepaid, to each stockholder of record entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before such meeting. If mailed, it shall be directed to the stockholder at his address as it appears upon the records of the corporation and upon such mailing of any such notice, the service thereof shall be complete, and the time of the notice shall begin to run from the date upon which such notice is deposited in the mail for transmission to such stockholder. If no such address appears on the books of the corporation and a stockholder has given no address for the purpose of notice, then notice shall be deemed to have been given to such stockholder if it is published at least once in a newspaper of general circulation in the county in which the principal executive office of the corporation is located. An affidavit of the mailing or publication of any such notice shall be prima facie evidence of the giving of such notice.

Personal delivery of any such notice to any officer of a corporation or association, or to any member of a partnership shall constitute delivery of such notice to such corporation, association or partnership. If any notice addressed to the stockholder at the address of such stockholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that it is unable to deliver the notice to the stockholder at such address, all future notices shall be deemed to have been duly given to such stockholder, without further mailing, if the same shall be available for the stockholder upon written demand of the stockholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice to all other stockholders.

Section 5. Quorum.  
-----

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by the statutes of Nevada or by the Articles of Incorporation. Regardless of whether or not a quorum is present or

represented at any annual or special meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present in person or represented by proxy, provided that when any stockholders' meeting is adjourned for more than forty-five (45) days, or if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 6. Vote Required.  
-----

When a quorum is present or represented at any meeting, the holders of a majority of the stock present in person or represented by proxy and voting shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes of Nevada, the Articles of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The stockholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 7. Cumulative Voting.  
-----

Except as otherwise provided in the Articles of Incorporation, every stockholder of record of the corporation shall be entitled at each meeting of the stockholders to one vote for each share of stock standing in his name on the books of the corporation. At all elections of directors of this corporation, each holder of shares of capital stock possessing voting power shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for or any two or more of them, as he may see fit. The stockholders of this corporation and any proxyholders for such stockholders are entitled to exercise the right to cumulative voting at any meeting held for the election of directors if: (a) not less than forty-eight (48) hours before the time fixed for holding such meeting, if notice of the meeting has been given at least ten (10) days prior to the date of the meeting, and otherwise not less than twenty-four (24) hours before such time, a stockholder of this corporation has given notice in writing to the president or secretary of the corporation that he desires that the voting at such election of directors shall be cumulative; and (b) at such meeting, prior to the commencement of voting for the election of directors, an announcement of the giving of such notice has been made by the chairman or the secretary of the meeting or by or on behalf of the stockholder giving such notice. Notice to stockholders of the requirements of the preceding sentence shall be contained in the notice calling such meeting or in the proxy material accompanying such notice.

Section 8. Conduct of Meetings.

Subject to the requirements of the statutes of Nevada, and the express provisions of the Articles of Incorporation and these Bylaws, all annual and special meetings of stockholders shall be conducted in accordance with such rules and procedures as the Board of Directors may determine and, as to matters not governed by such rules and procedures, as the chairman of such meeting shall determine. The chairman of any annual or special meeting of stockholders shall be designated by the Board of Directors and, in the absence of any such designation, shall be the president of the corporation.

Section 9. Proxies.

At any meeting of the stockholders, any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In the event that such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated unless the instrument shall otherwise provide. No such proxy shall be valid after the expiration of six (6) months from the date of its execution, unless coupled with an interest, or unless the person executing it specifies therein the length of time for which it is to continue in force, which in no case shall exceed seven (7) years from the date of its execution. Subject to the above, any proxy duly executed is not revoked and continues in full force and effect until (i) an instrument revoking it or duly executed proxy bearing a later date is filed with the secretary of the corporation or, (ii) the person executing the proxy attends such meeting and votes the shares subject to the proxy, or (iii) written notice of the death or incapacity of the maker of such proxy is received by the corporation before the vote pursuant thereto is counted.

Section 10. Action by Written Consent.

Any action, except election of directors, which may be taken by a vote of the stockholders at a meeting, may be taken without a meeting and without notice if authorized by the written consent of stockholders holding at least ninety percent (90%) of the voting power.

Section 11. Inspectors of Election.

In advance of any meeting of stockholders, the Board of Directors may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, then, unless other persons are appointed by the Board of Directors prior to the meeting, the chairman of any such meeting may, and on the request of any stockholder or a stockholder proxy shall, appoint inspectors of election (or persons to replace those who fail to appear or refuse to act) at the meeting. The number of inspectors shall not exceed three.

The duties of such inspectors shall include: (a) determining the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies; (b) receiving votes, ballots or consents; (c)

hearing and determining all challenges and questions in any way arising in connection with the right to vote; (d) counting and tabulating all votes or consents and determining the result; and (e) taking such other action as may be proper to conduct the election or vote with fairness to all stockholders. In the determination of the validity and effect of proxies, the dates contained on the forms of proxy shall presumptively determine the order of execution of the proxies, regardless of the postmark dates on the envelopes in which they are mailed. The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

Section 12. Action at Meetings of Stockholders.  
-----

No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 12 and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 12.

In addition to any other applicable requirements, for business properly to be brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Chairman of the Board, if any, the President, or the Secretary of the Corporation.

To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the 5:00 o'clock, p.m., Los Angeles, California time on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such stockholder, (iii) the class

or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 12, provided, however, that, once business has been brought properly before the annual meeting in accordance with such procedures, nothing in this Section 12 shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an annual meeting determines that business was not brought properly before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not brought properly before the meeting and such business shall not be transacted.

### ARTICLE III

#### DIRECTORS

##### Section 1. Number of Directors.

-----  
The exact number of directors that shall constitute the authorized number of members of the Board shall be nine (9), all of whom shall be at least 18 years of age. The authorized number of directors may from time to time be increased to not more than fifteen (15) or decreased to not less than three (3) by resolution of the directors of the corporation amending this section of the Bylaws in compliance with Article VIII, Section 2 of these Bylaws. Except as provided in Section 2 of this Article III, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

##### Section 2. Vacancies.

-----  
Vacancies, including those caused by (i) the death, removal, or resignation of directors, (ii) the failure of stockholders to elect directors at any annual meeting, and (iii) an increase in the number of directors, may be filled by a majority of the remaining directors though less than a quorum. When one or more directors shall give notice of his or their resignation to the Board, effective at a future date, the acceptance of such resignation shall not be necessary to make it effective. The Board shall have power to fill such vacancy or vacancies to take effect when such resignation or resignations shall become effective, each director so appointed to hold office during the remainder of the term of office of the resigning director or directors. No director or directors of this corporation shall be removed from office except upon the affirmative vote of stockholders owning a fraction of the total number of outstanding shares of the Company's voting stock equal to (a) one (1) minus (b) the ratio of (x) one (1) divided by (y) the sum of one (1) plus the authorized number of directors.

Section 3. Authority.

-----

The business of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 4. Meetings.

-----

The Board of Directors of the corporation may hold meetings, both regular and special, at such place, either within or without the State of Nevada, which has been designated by resolution of the Board of Directors. In the absence of such designation, meetings shall be held at the office of the corporation in the City of El Segundo, State of California.

Section 5. First Meeting.

-----

The first meeting of the newly elected Board of Directors shall be held immediately following the annual meeting of the stockholders and no notice of such meeting to the newly elected directors shall be necessary in order legally to constitute a meeting, provided a quorum shall be present.

Section 6. Regular Meetings.

-----

Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 7. Special Meetings.

-----

Special meetings of the Board of Directors may be called by the Chairman of the Board, or the president and shall be called by the president or secretary at the written request of two directors. Notice of the time and place of special meetings shall be given within 30 days to each director (a) personally or by telephone, telegraph, facsimile or electronic means, in each case at least twenty four (24) hours prior to the holding of the meeting, or (b) by mail, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation (or, if it is not so shown on such records and is not readily ascertainable, at the place at which the meetings of the directors are regularly held) at least three (3) days prior to the holding of the meeting. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient. Any notice, waiver of notice or consent to holding a meeting shall state the time, date and place of the meeting but need not specify the purpose of the meeting.

Section 8. Quorum.

-----

Presence in person of a majority of the Board of Directors, at a meeting duly assembled, shall be necessary to constitute a quorum for the transaction of

business and the act of a majority of the directors present and voting at any meeting, at which a quorum is then present, shall be the act of the Board of Directors, except as may be otherwise specifically provided by the statutes of Nevada or by the Articles of Incorporation. A meeting at which a quorum is initially present shall not continue to transact business in the absence of a quorum.

Section 9. Action by Written Consent.  
-----

Unless otherwise restricted by the Articles of Incorporation or by these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent thereto is signed by all members of the Board. Such written consent shall be filed with the minutes of proceedings of the Board of Directors.

Section 10. Telephonic Meetings.  
-----

Unless otherwise restricted by the Articles of Incorporation or these Bylaws, members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting of the Board or committee by means of a conference telephone network or a similar communications method by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to the preceding sentence constitutes presence in person at such meeting.

Section 11. Adjournment.  
-----

A majority of the directors present at any meeting, whether or not a quorum is present, may adjourn any directors' meeting to another time, date and place. If any meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time, date and place shall be given, prior to the time of the adjourned meeting, to the directors who were not present at the time of adjournment. If any meeting is adjourned for less than twenty-four (24) hours, notice of any adjournment shall be given to absent directors, prior to the time of the adjourned meeting, unless the time, date and place is fixed at the meeting adjourned.

Section 12. Committees.  
-----

The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees of the Board of Directors. Such committee or committees shall have such name or names, shall have such duties and shall exercise such powers as may be determined from time to time by the Board of Directors.

Section 13. Committee Minutes.  
-----

The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors.

Section 14. Compensation of Directors.  
-----

The directors shall receive such compensation for their services as directors, and such additional compensation for their services as members of any committees of the Board of Directors, as may be authorized by the Board of Directors.

Section 15. Mandatory Retirement of Directors.  
-----

Notwithstanding anything to the contrary in these Bylaws, a director shall not serve beyond, and shall automatically retire at, the close of the first meeting of the Board of Directors held during the month in which such director shall become age 70; provided, however, that any person who was a director on December 6, 1996 and who was age 65 or older on such date may serve until, but shall automatically retire at, the close of the first meeting of the Board of Directors held during the month in which such director shall become age 72. If no meeting of the Board of Directors is held during such month, the director shall automatically retire as of the last day of such month.

ARTICLE IV

OFFICERS

Section 1. Principal Officers.  
-----

The officers of the corporation shall be elected by the Board of Directors and shall be a president, a secretary and a treasurer. A resident agent for the corporation in the State of Nevada shall be designated by the Board of Directors. Any person may hold two or more offices.

Section 2. Other Officers.  
-----

The Board of Directors may also elect one or more vice presidents, assistant secretaries and assistant treasurers, and such other officers and agents, as it shall deem necessary.

Section 3. Qualification and Removal.  
-----

The officers of the corporation mentioned in Section 1 of this Article IV shall hold office until their successors are elected and qualify. Any such officer and any other officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors.

Section 4. Resignation.  
-----

Any officer may resign at any time by giving written notice to the corporation, without prejudice, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Powers and Duties; Execution of Contracts.  
-----

Officers of this corporation shall have such powers and duties as may be determined by the Board of Directors. Unless otherwise specified by the Board of Directors, the president shall be the chief executive officer of the corporation. Contracts and other instruments in the normal course of business may be executed on behalf of the corporation by the president or any vice president of the corporation, or any other person authorized by resolution of the Board of Directors.

ARTICLE V

STOCK AND STOCKHOLDERS

Section 1. Issuance.  
-----

Every stockholder shall be issued a certificate representing the number of shares owned by him in the corporation. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the certificate shall contain a statement setting forth the office or agency of the corporation from which stockholders may obtain a copy of a statement or summary of the designations, preferences and relative or other special rights of the various classes of stock or series thereof and the qualifications, limitations or restrictions of such rights. The corporation shall furnish to its stockholders, upon request and without charge, a copy of such statement or summary.

Section 2. Facsimile Signatures.  
-----

Whenever any certificate is countersigned or otherwise authenticated by a transfer agent or transfer clerk, and by a registrar, then a facsimile of the signatures of the officers of the corporation may be printed or lithographed upon such certificate in lieu of the actual signatures. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation, before such certificates shall have been delivered by the corporation, such certificates may nevertheless be issued as though the person or persons who signed such certificates, had not ceased to be an officer of the corporation.

Section 3. Lost Certificates.  
-----

The Board of Directors may direct a new stock certificate to be issued in place of any certificate alleged to have been lost or destroyed, and may require the making of an affidavit of that fact by the person claiming the stock certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent, require the owner of the lost or destroyed certificate to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 4. Transfer of Stock.  
-----

Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed for transfer, it shall be the duty of the corporation to issue a new certificate, cancel the old certificate and record the transaction upon its books.

Section 5. Record Date.  
-----

The directors may fix a date not more than sixty (60) days prior to the holding of any meeting as the date as of which stockholders entitled to notice of and to vote at such meeting shall be determined; and only stockholders of record on such day shall be entitled to notice or to vote at such meeting. If no record date is fixed by the Board of Directors (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of

stockholders shall be the sixtieth (60th) day preceding the day on which the meeting is held; (b) the record date for determining stockholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is given; and (c) the record date for determining stockholders for any other purpose shall be the day on which the Board of Directors adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such action, whichever is later. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board of Directors shall fix a new record date if the meeting is adjourned for more than forty-five (45) days from the date set for the original meeting.

Section 6. Registered Stock.  
-----

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the statutes of Nevada.

Section 7. Dividends.  
-----

In the event a dividend is declared, the stock transfer books will not be closed but a record date will be fixed by the Board of Directors and only shareholders of record on that date shall be entitled to the dividend.

ARTICLE VI

INDEMNIFICATION

Section 1. Indemnity of Directors, Officers and Agents.  
-----

The corporation shall indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was or has agreed to become a director or officer of the corporation or is serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise or by reason of actions alleged to have been taken or omitted in such capacity or in any other capacity while serving as a director or officer. The indemnification of directors and officers by the corporation shall be to the fullest extent authorized or permitted by applicable law, as such law exists or may hereafter be amended (but only to the extent that such amendment permits the corporation to provide broader indemnification rights than permitted prior to the amendment). The indemnification of directors and officers shall be against all loss, liability and expense (including attorneys fees, costs, damages, judgments, fines, amounts paid in settlement and ERISA excise taxes or penalties) actually and reasonably incurred by or on behalf of a director or officer in connection with such action, suit or proceeding,

including any appeals; provided, however, that with respect to any action, suit or proceeding initiated by a director or officer, the corporation shall indemnify such director or officer only if the action, suit or proceeding was authorized by the board of directors of the corporation, except with respect to a suit for the enforcement of rights to indemnification or advancement of expenses in accordance with Section 3 hereof.

Section 2. Expenses

-----

The expenses of directors and officers incurred as a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative shall be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding; provided, however, that if applicable law so requires, the advance payment of expenses shall be made only upon receipt by the corporation of an undertaking by or on behalf of the director or officer to repay all amounts as advanced in the event that it is ultimately determined by a final decision, order or decree of a court of competent jurisdiction that the director or officer is not entitled to be indemnified for such expenses under this Article VI.

Section 3. Enforcement

-----

Any director or officer may enforce his or her rights to indemnification or advance payments for expenses in a suit brought against the corporation if his or her request for indemnification or advance payments for expenses is wholly or partially refused by the corporation or if there is no determination with respect to such request within 60 days from receipt by the corporation of a written notice from the director or officer for such a determination. If a director or officer is successful in establishing in a suit his or her entitlement to receive or recover an advancement of expenses or a right to indemnification, in whole or in part, he or she shall also be indemnified by the corporation for costs and expenses incurred in such suit. It shall be a defense to any such suit (other than a suit brought to enforce a claim for the advancement of expenses under Section 2 of this Article VI where the required undertaking, if any, has been received by the corporation) that the claimant has not met the standard of conduct set forth in the Nevada General Corporation Law. Neither the failure of the corporation to have made a determination prior to the commencement of such suit that indemnification of the director or officer is proper in the circumstances because the director or officer has met the applicable standard of conduct nor a determination by the corporation that the director or officer has not met such applicable standard of conduct shall be a defense to the suit or create a presumption that the director or officer has not met the applicable standard of conduct. In a suit brought by a director or officer to enforce a right under this Section 3 or by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that a director or officer is not entitled to be indemnified or is not entitled to an advancement of expenses under this Section 3 or otherwise, shall be on the corporation.

Section 4. Non-exclusivity

-----

The right to indemnification and to the payment of expenses as they are incurred and in advance of the final disposition of the action, suit or proceeding shall not be exclusive of any other right to which a person may be

entitled under these articles of incorporation or any bylaw, agreement, statute, vote of stockholders or disinterested directors or otherwise. The right to indemnification under Section 1 hereof shall continue for a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, next of kin, executors, administrators and legal representatives.

Section 5. Settlement

The corporation shall not be obligated to reimburse the amount of any settlement unless it has agreed to such settlement. If any person shall unreasonably fail to enter into a settlement of any action, suit or proceeding within the scope of Section 1 hereof, offered or assented to by the opposing party or parties and which is acceptable to the corporation, then, notwithstanding any other provision of this Article VI, the indemnification obligation of the corporation in connection with such action, suit or proceeding shall be limited to the total of the amount at which settlement could have been made and the expenses incurred by such person prior to the time the settlement could reasonably have been effected.

Section 6. Purchase of Insurance.

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article VI.

Section 7. Conditions

The corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation or to any director, officer, employee or agent of any of its subsidiaries to the fullest extent of the provisions of this Article VI subject to the imposition of any conditions or limitations as the Board of Directors may deem necessary or appropriate.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Exercise of Rights.

All rights incident to any and all shares of another corporation or corporations standing in the name of this corporation may be exercised by such officer, agent or proxyholder as the Board of Directors may designate. In the absence of such designation, such rights may be exercised by the Chairman of the Board or the president of this corporation, or by any other person authorized to do so by the Chairman of the Board or the president of this corporation. Except as provided below, shares of this corporation owned by any subsidiary of this corporation shall not be entitled to vote on any matter. Shares of this corporation held by this corporation in a fiduciary

capacity and shares of this corporation held in a fiduciary capacity by any subsidiary of this corporation, shall not be entitled to vote on any matter, except to the extent that the settler or beneficial owner possesses and exercises a right to vote or to give this corporation or such subsidiary binding instructions as to how to vote such shares.

Solely for purposes of Section 1 of this Article VII, a "subsidiary" of this corporation shall mean a corporation, shares of which possessing more than fifty percent (50%) of the power to vote for the election of directors at the time determination of such voting power is made, are owned directly, or indirectly through one or more subsidiaries, by this corporation.

Section 2. Interpretation.  
-----

Unless the context of a Section of these Bylaws otherwise requires, the terms used in these Bylaws shall have the meanings provided in, and these Bylaws shall be construed in accordance with the Nevada statutes relating to private corporations, as found in Chapter 78 of the Nevada Revised Statutes or any subsequent statute.

ARTICLE VIII

AMENDMENTS

Section 1. Stockholder Amendments.  
-----

Bylaws may be adopted, amended or repealed by the affirmative vote of more than ninety percent (90%) of the outstanding voting shares of this corporation.

Section 2. Amendments by Board of Directors.  
-----

Subject to the right of stockholders as provided in Section 1 of this Article VIII, Bylaws may be adopted, amended or repealed by the Board of Directors.

ARTICLE IX

"ACQUISITION OF CONTROLLING INTEREST" PROVISIONS OF  
THE NEVADA GENERAL CORPORATION LAW SHALL NOT APPLY

On and after February 16, 1998, the provisions of Section 78.378 to 78.3793, inclusive, of the Nevada Revised Statutes shall not apply to the corporation.

## SUMMARY OF THE RIGHTS

On February 18, 1998 the Board of Directors of Computer Sciences Corporation (the "Company") authorized and declared a dividend of one preferred stock purchase right (a "Right") for each share of common stock, par value \$1.00 per share, of the Company (the "Common Shares"). The dividend is payable on February 27, 1998 (the "Record Date") to the holders of record of Common Shares as of the close of business on such date.

The following is a brief description of the Rights. It is intended to provide a general description only and is subject to the detailed terms and conditions of a Rights Agreement (the "Rights Agreement") dated as of February 18, 1998 by and between the Company and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (the "Rights Agent").

### 1. Common Share Certificates Representing Rights

Until the Distribution Date (as defined in Section 2 below), (a) the Rights shall not be exercisable, (b) the Rights shall be attached to and trade only together with the Common Shares and (c) the stock certificates representing Common Shares shall also represent the Rights attached to such Common Shares. Common Share certificates issued after the Record Date and prior to the Distribution Date shall contain a notation incorporating the Rights Agreement by reference.

### 2. Distribution Date

The "Distribution Date" is the date, after the date of the Rights Agreement, that is the earliest of (a) the first date of public announcement that any person, together with such person's affiliates and associates (other than the Company or certain related entities, and with certain additional exceptions), has become the beneficial owner of 10% or more of the then outstanding Common Shares and other capital stock of the Company entitled to certain voting rights (together, the "Voting Shares") (such person is a "10% Stockholder" and the date of such public announcement is the "10% Ownership Date"), (b) the tenth business day (or such later day as shall be designated by the Board of Directors) following the date of the commencement of, or the first public announcement of an intention to make, a tender offer or exchange offer, the consummation of which would cause any person to become a 10% Stockholder or (c) the first date, on or after the 10% Ownership Date, upon which the Company shall consolidate or merge with another person in a transaction in which the Company is not the surviving corporation or in which all or part of the outstanding Common Shares are changed into or exchanged for

stock or other securities of another person or cash or any other property, or upon which 50% or more of the Company's consolidated assets or earning power are sold or transferred (other than in transactions in the ordinary course of business). Notwithstanding anything in the definition of the Distribution Date to the contrary, clause (b) of the definition does not apply with respect to the tender offer commenced by CAI Computer Services Corp. on February 17, 1998. In calculating the percentage of outstanding Voting Shares that are beneficially owned by any person, such person shall be deemed to beneficially own any Voting Shares issuable upon the exercise, exchange or conversion of any options, warrants or other securities beneficially owned by such person; provided, however, that such Common Shares issuable upon such exercise shall not be deemed outstanding for the purpose of calculating the percentage of Common Shares that is beneficially owned by any other person.

Upon the close of business on the Distribution Date, the Rights shall separate from the Common Shares, Right certificates shall be issued, and the Rights shall become exercisable to purchase Preferred Shares as described in Section 5 below.

### 3. Issuance of Right Certificates

As soon as practicable following the Distribution Date, separate certificates representing only Rights shall be mailed to the holders of record of Common Shares as of the close of business on the Distribution Date, and such separate Right certificates alone shall represent such Rights from and after the Distribution Date.

### 4. Expiration of Rights

The Rights shall expire on February 18, 2008 unless earlier redeemed or exchanged.

## 5. Exercise of Rights

Unless the Rights have expired or been redeemed or exchanged, they may be exercised, at the option of the holders, pursuant to paragraphs (a), (b) or (c) below. No Right may be exercised more than once or pursuant to more than one of such paragraphs. From and after the first event of the type described in paragraphs (b) or (c) below, each Right that is beneficially owned by a 10% Stockholder or that was attached to a Common Share that is subject to an option beneficially owned by a 10% Stockholder shall be void.

### (a) Right to Purchase Preferred Shares.

-----  
From and after the close of business on the Distribution Date, each Right (other than a Right that has become void) shall be exercisable to purchase one four-thousandth of a share of Series A Junior Participating Preferred Stock, par value \$1.00 per share, of the Company (the "Preferred Shares"), at an

exercise price of \$500 (Five Hundred Dollars) (the "Exercise Price"). The Preferred Shares are nonredeemable and may not be issued except upon exercise of Rights. The holder of a Preferred Share is entitled to receive when, as and if declared, the greater of (a) cash and non-cash dividends in an amount equal to 4,000 times the dividends declared on each Common Share or (b) a preferential annual dividend of \$4.00 per Preferred Share (\$.001 per one four-thousandth of a Preferred Share). In the event of liquidation, the holders of Preferred Shares will be entitled to receive a liquidation payment in an amount equal to the greater of (x) \$40.00 per Preferred Share (\$.01 per one four-thousandth of a Preferred Share), plus all accrued and unpaid dividends and distributions on the Preferred Shares, or (y) an amount equal to 4,000 times the aggregate amount to be distributed per Common Share. Each Preferred Share has one vote, voting together with the Common Shares. In the event of any merger, consolidation or other transaction in which Common Shares are exchanged, the holder of a Preferred Share will be entitled to receive 4,000 times the amount received per Common Share. The rights of the Preferred Shares as to dividends, voting and liquidation preferences are protected by anti-dilution provisions.

(b) Right to Purchase Common Shares of the Company.  
-----

From and after the 10% Ownership Date, each Right (other than a Right that has become void) shall be exercisable to purchase, at the Exercise Price (initially \$500), Common Shares with a current market price equal to two times the Exercise Price. If the Company does not have sufficient Common Shares available for all Rights to be exercised, the Company shall substitute for the portion of the Common Shares that would otherwise be issuable upon the exercise of the Rights, cash, assets or other securities having the same aggregate current market price as such Common Shares.

(c) Right to Purchase Common Stock of a Successor Corporation.  
-----

If, on or after the 10% Ownership Date, (i) the Company shall consolidate or merge with another person in a transaction in which the Company is not the continuing or surviving corporation, (ii) the Company is the continuing or surviving corporation in a merger or other consolidation in which all or part of the Common Shares are changed into or exchanged for stock or securities of another person or cash or any other property or (iii) 50% or more of the Company's consolidated assets or earning power are sold or transferred (other than in transactions in the ordinary course of business), then each Right (other than a Right that has become void) shall thereafter be exercisable to purchase, at the Exercise Price (initially \$500), shares of common stock of the surviving corporation or purchaser, respectively, with an aggregate current market value equal to two times the Exercise Price.

## 6. Adjustments to Prevent Dilution

The Exercise Price, the number of outstanding Rights and the number of Preferred Shares or other securities issuable upon exercise of the Rights are subject to adjustment from time to time as set forth in the Rights Agreement in order to prevent dilution. With certain exceptions, no adjustment in the Exercise Price shall be required until cumulative adjustments require an adjustment of at least 1%.

## 7. Cash Paid Instead of Issuing Fractional Securities

The Company shall not be required to issue fractional securities upon exercise of a Right (other than fractions of Preferred Shares that are integral multiples of one four-thousandth of a Preferred Share and that may, at the election of the Company, be evidenced by depositary receipts) and in lieu thereof, an adjustment in cash shall be made based on the market price of such securities on the last trading date prior to the date of exercise.

## 8. Redemption

At any time prior to the earlier of (a) of the 10% Ownership Date or (b) the first event of the type giving rise to exercise rights under Section 5(c) above, the Board of Directors may, at its option, direct the Company to redeem the Rights in whole, but not in part, at a price of \$.001 per Right, as such redemption price shall be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date of the Rights Agreement (the "Redemption Price"), and the Company shall so redeem the Rights; provided, however, that from and after the 10% Ownership Date, the Rights are not redeemable. Immediately upon such action by the Board of Directors or at such time and date thereafter as it may specify (the date of such action is the "Redemption Date"), the only right of the holders of Rights thereafter shall be to receive the Redemption Price.

## 9. Exchange

At any time after the 10% Ownership Date and prior to the first date thereafter upon which a 10% Stockholder, together with its affiliates and associates, shall be the beneficial owner of 50% or more of the outstanding Voting Shares, the Board of Directors may, at its option, direct the Company to exchange all, but not less than all, of the then outstanding Rights for Common Shares at an exchange ratio per Right equal to that number of Common Shares which, as of the date of the Board of Directors' action, has a current market price equal to the difference between the Exercise Price and the current market price of the shares that would otherwise be issuable upon

exercise of a Right on such date (the "Exchange Ratio"), and the Company shall so exchange the Rights. Immediately upon such action by the Board of Directors or at such time and date thereafter as it may specify, the right to exercise Rights shall terminate and the only right of the holders of Rights thereafter shall be to receive a number of Common Shares equal to the Exchange Ratio.

#### 10. No Stockholder Rights Prior to Exercise

Until a Right is exercised, the holder thereof, as such, shall have no rights as a stockholder of the Company (other than rights resulting from such holder's ownership of Common Shares), including, without limitation, the right to vote or to receive dividends.

#### 11. Amendment of Rights Agreement

The Board of Directors may, from time to time, without the approval of any holders of Rights, supplement or amend any provision of the Rights Agreement in any manner, whether or not such supplement or amendment is adverse to any holder of Rights, and direct the Rights Agent to supplement or amend such provision, and the Rights Agent shall so supplement or amend such provision; provided, however, that from and after the earliest of (a) the 10% Ownership Date, (b) the first event of the type giving rise to exercise rights under Section 5(c) above, (c) the Redemption Date, or (d) February 18, 2008, the Rights Agreement shall not be supplemented or amended in any manner that would materially and adversely affect any holder of outstanding Rights other than a 10% Stockholder, provided, further that from and after the 10% Ownership Date, the Rights Agreement shall not be supplemented or amended in any manner.

Contact: Bruce Plowman  
or Spencer Davis  
310.615.0311

FOR IMMEDIATE RELEASE  
Moved on PR Newswire  
February 19, 1998

COMPUTER SCIENCES CORPORATION BOARD REJECTS  
COMPUTER ASSOCIATES' UNSOLICITED ACQUISITION OFFER

EL SEGUNDO, Calif., Feb. 19 -- Computer Sciences Corporation (NYSE: CSC) (the "Company") announced today that its Board of Directors voted unanimously to reject an unsolicited acquisition offer from Computer Associates International, Inc. (NYSE:CA) and that Computer Sciences will not enter into negotiations with Computer Associates.

Computer Sciences said that its Board's action was in response to an unsolicited offer contained in a letter from Computer Associates dated February 10, 1998, and subsequent indications from Computer Associates that it would offer \$114 per share for the stock of Computer Sciences in a friendly acquisition. The Company said that its Board is not formally responding to Computer Associates' tender offer, filed February 17, 1998, but rather to all other materials that CSC's Board has seen, read and deliberated on, and that the Company's formal response to the tender offer will be made in a filing with the Securities and Exchange Commission within the requisite ten business days.

In a letter from Computer Sciences' Chairman and CEO, Van Honeycutt, to Computer Associates' Chairman and CEO Charles Wang, Computer Sciences said that the terms of Computer Associates' proposal do not represent fair value for CSC shareholders and that any effort to combine Computer Sciences and Computer Associates would not make business sense. CSC also advised CA that the Company has moved to strengthen its protections against CA's attempt to force an acquisition by threatening damage to the value of CSC and that it would use every legal means necessary to defeat that attempt.

-more-

Computer Sciences Corporation - page 2

February 19, 1998

In his letter to Wang, Honeycutt said: "We believe that CSC has far greater near- and long-term prospects than are reflected in your bid. Based on our assessment of CSC's opportunities for growth in revenues and earnings per share, and the potential such growth has to effect significant appreciation in our stock price, we do not believe your offer rewards our shareholders for the true value of their investment."

Computer Sciences said that a combination with Computer Associates does not make business sense because it would result in a lower credit rating for the combined company, compromise CSC's "platform neutrality", and trigger the departure of key CSC employees.

"CSC's strong financial condition, as reflected by our 'A' credit rating, is critical to our ability to secure the large, long-term outsourcing contracts that are a key to growth in IT services," said Honeycutt in the letter. "A combined CSC and CA would be irresponsibly leveraged and thus have a much lower credit rating and be at a distinct disadvantage in the competition for such business."

In the letter, Honeycutt said that the loss of platform neutrality, or the ability of CSC consultants to recommend a variety of software products to meet customers' individual needs, "would be severely compromised if CSC were to be acquired by CA, and, as a result, we would lose credibility in the marketplace."

CSC will be filing today with the Securities and Exchange Commission a periodic report on Form 8-K disclosing specific measures approved by its Board of Directors.

CSC provides clients with a wide range of professional services, including management consulting, information systems consulting and integration, and operations support. The company has more than 44,000 employees in nearly 600 offices worldwide. For the 12 months ended December 26, 1997, CSC had \$6.3 billion in revenue. More information about CSC,

including a copy of the letter to Computer Associates referred to herein, is available at [www.csc.com](http://www.csc.com).

-more-

Computer Sciences Corporation cautions that any statements in this document as to future business results are forward looking statements and by their nature are necessarily subject to uncertainties concerning events beyond the company's control, and no assurances can be given that such results will be achieved.

-0-

Media Contact: C. Bruce Plowman, Computer Sciences Corporation  
(310) 615-0311

Robert Mead, Bozell Sawyer Miller Group  
(212) 445-8208

Investor Contact: J. Spencer Davis, Computer Sciences Corporation  
(310) 615-0311

Editors: please see attached letter.  
-----

February 19, 1998

Mr. Charles Wang  
Chairman and Chief Executive Officer  
Computer Associates International, Inc.  
One Computer Associates Plaza  
Islandia, New York 11788

Dear Charles:

Our Board of Directors has met and carefully considered the offer contained in your letter of February 10, 1998 and your subsequent indications that you would offer \$114 per share for the stock of Computer Sciences Corporation in a friendly transaction. We have not had the time to review the disclosures in your tender offer and will furnish you our further responses to the tender offer at a later time.

Our board voted unanimously to reject your proposal and not to enter into negotiations with Computer Associates on the sale of Computer Sciences. We believe that the terms of your proposal do not represent fair value for our shareholders and that any effort to combine Computer Sciences and Computer Associates does not make business sense.

On the advice of counsel, we have moved to strengthen our protections against your ill-considered and unwelcome attempt to force an acquisition by threatening damage to the value of our company. We will utilize every legal means necessary to defeat your attempt and will hold you and your company responsible for any damages we sustain.

Our rationale for rejecting a merger of our companies is clear and compelling.

Your Offer Does Not Represent Fair Value

We believe that CSC has far greater near-and long-term prospects than are reflected in your bid. Based on our assessment of CSC's opportunities for growth in revenues and earnings per share, and the potential such growth has to effect significant appreciation in our stock price, we do not believe your offer rewards our shareholders for the true value of their investment. In addition, your offer fails to recognize that CSC shareholders own a unique asset that is impossible to replicate in the information technology marketplace.

CSC is in robust financial condition with a compound annual growth rate of 20.4 percent in revenue over the past five years, and a 26.3 percent increase in income before special items for the same period. We have made larger gains in market share and revenue than our primary competitor in fifteen of the last sixteen quarters. We have won or implemented \$6.7 billion in large outsourcing contracts over the past twelve months and our pipeline of major new business prospects is extremely promising.

CSC is on course to grow our business in all of our markets through strong internal growth and an acquisition strategy designed to enhance our growth in geographic markets, key vertical industries and specialized service segments.

#### Combining CSC and CA Does Not Make Sense

CSC's strong financial condition, as reflected by our 'A' credit rating, is critical to our ability to secure the large, long-term outsourcing contracts that are a key to growth in IT services. A combined CSC and CA would be irresponsibly leveraged and thus have a much lower credit rating and be at a distinct disadvantage in the competition for such business.

CSC's ability to provide independent solutions is a threshold issue for customers who demand platform neutrality. This neutrality would be severely compromised if CSC were to be acquired by CA and, as a result, we would lose substantial credibility in the marketplace. You have already stated publicly that you would redirect the efforts of many CSC employees to sales and service of CA's software products, a prospect that both our customers and employees would find unacceptable.

More than 25 percent of CSC's total anticipated revenues for fiscal 1999 are derived from outsourcing contracts that contain change in control provisions which would allow customers who are concerned about such issues to move to another services firm. We have already been notified by a number of such clients that they will either exercise such provisions or curtail or reduce the flow of new business to CSC should a CA takeover occur. In addition, software critical to CSC's data centers and other operations is licensed to CSC under contracts which are terminable by the licensor if CA acquires CSC.

The most important asset of Computer Sciences is our people. They create sustainable competitive advantage in customer satisfaction and revenue generation, and are the best in the business. It is widely recognized that CSC and CA have dramatically different cultures, and it is clear that many of the very assets you are trying to buy - our employees - will decline to join your company.

Our Board of Directors and our management are committed to maximizing the value of our stockholders' investment, consistent with the highest standards of responsibility to our customers and employees. Consistent with our fiduciary duty to stockholders, we are always prepared to give serious consideration to strategic options which fairly reflect the value of our corporation and which make business sense. Clearly, your offer does neither.

Charles, we respectfully suggest that you withdraw your offer immediately and move on.

Sincerely,

Van B. Honeycutt

cc: Computer Associates Board of Directors