

CA, INC.  
Form PRE 14A  
May 27, 2010

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

**SCHEDULE 14A  
INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- 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):

- 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):
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- o Fee paid previously with preliminary materials.
  - o 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:
-

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June [ ], 2010

To Our Stockholders:

On behalf of the Board of Directors and management of CA, Inc., we are pleased to invite you to the 2010 Annual Meeting of Stockholders. The meeting will be held at the Company's headquarters located at One CA Plaza, Islandia, New York 11749 on July 27, 2010 at 10:00 a.m. Eastern Daylight Time.

Additional details about 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 a management report on our business and a discussion period during which you will be able to ask questions.

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

Thank you for your consideration and continued support.

Sincerely,

Arthur F. Weinbach  
*Chairman of the Board*

William E. McCracken  
*Chief Executive Officer*

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To the Stockholders of CA, Inc.:

The 2010 Annual Meeting of Stockholders of CA, Inc. will be held on Tuesday, July 27, 2010, at 10:00 a.m. Eastern Daylight Time at the Company's headquarters located at One CA Plaza, Islandia, New York 11749, for the following purposes:

- (1) to elect directors, each to serve until the next annual meeting and until his or her successor is duly elected and qualified;
- (2) to ratify the appointment of KPMG LLP as our independent registered public accountants for the fiscal year ending March 31, 2011;
- (3) to ratify the Stockholder Protection Rights Agreement;
- (4) to consider a stockholder proposal; and
- (5) to transact any other business that properly comes before the meeting and any adjournment or postponement of the meeting.

The Board of Directors fixed the close of business on June 1, 2010 as the record date for determining the stockholders who are entitled to notice of and to vote at the meeting and any adjournment or postponement.

To enter the meeting, you will need an admission ticket or other proof that you were a stockholder on June 1, 2010. Admission tickets are on the outside back cover of this Notice of Annual Meeting and Proxy Statement. If you hold your shares through a bank, broker or other nominee, you will need to bring either a copy of the voting instruction card provided by your bank, broker or other nominee, or a copy of a brokerage statement showing your ownership as of June 1, 2010.

A list of stockholders entitled to vote at the meeting will be available for inspection upon the request of any stockholder for any purpose germane to the meeting at our principal offices, One CA Plaza, Islandia, New York 11749, during the 10 days before the meeting, during ordinary business hours, and will be available at the meeting location during the meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 27, 2010:**

**The Notice of Annual Meeting, Proxy Statement, and Annual Report to Stockholders are available on the Internet at [www.proxyvote.com](http://www.proxyvote.com).**

Whether or not you expect to attend, please vote your shares by following the instructions contained in the Proxy Statement.

C.H.R. DuPree  
*Senior Vice President, Corporate  
Governance, and Corporate Secretary*

Islandia, New York  
June [ ], 2010

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**CA, INC.  
One CA Plaza  
Islandia, NY 11749**

**PROXY STATEMENT**

**GENERAL INFORMATION**

**Introduction**

This Proxy Statement is furnished to the holders of the common stock, par value \$0.10 per share ( Common Stock ), of CA, Inc. ( we, us, our or the Company ) in connection with the solicitation of proxies by our Board of Directors for the 2010 Annual Meeting of Stockholders and any adjournment or postponement of the meeting. The meeting will be held on July 27, 2010 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.

**Meeting Admittance Procedures**

To enter the meeting, you will have to present an admission ticket or other proof that you were a stockholder of the Company on the June 1, 2010 record date. Admission tickets are on the outside back cover of this Notice of Annual Meeting and Proxy Statement. If you hold your shares of Common Stock through a bank, broker or other nominee, you will have 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 of Common Stock as of June 1, 2010. You may also be required to present official identification containing your photograph (such as a driver's license or passport). We may inspect your packages and bags and we may require you to check them, and in some cases, we may not permit you to enter the meeting with them. Please note that, at our discretion, we may exclude cameras, mobile phones, recording equipment and other electronic devices. Please do not bring non-essential packages, bags or other items to the meeting. We may take other security measures in connection with the meeting. Please allow sufficient time and otherwise plan accordingly.

**Notice of Internet Availability**

If you received a notice regarding the availability of annual meeting proxy materials on the Internet ( Notice of Internet Availability ) for the annual meeting, you will not receive a printed copy of the proxy materials unless you specifically request one. The Notice of Internet Availability provides you with instructions on how to view our proxy materials on the Internet.

If you want to receive a paper or e-mail copy of the proxy materials, you may request one. There is no charge to you for requesting a copy. Please make your request for a copy as instructed in the Notice of Internet Availability by July 13, 2010 to facilitate timely delivery.

We plan to mail the Notice of Internet Availability on or about June 14, 2010. We will mail a printed copy of the proxy materials to certain stockholders, as in prior years, and we expect that mailing to begin on or about June 17, 2010.

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**Stockholders of Record; Street Name**

If your shares of Common Stock are registered directly in your name with our transfer agent, BNY Mellon Shareowner Services, you are considered the stockholder of record with respect to those shares, and the Notice of Internet Availability (and, if applicable, the mailed proxy materials) was sent directly to you. If your shares are held in an account at a bank, brokerage firm, or other similar organization, then you are the beneficial owner of shares held in street name, and the Notice of Internet Availability (and, if applicable, the mailed proxy materials) was forwarded to you by that firm. The firm holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct that firm on how to vote the shares held in your account. We may reimburse those firms for reasonable fees and out-of-pocket costs incurred in forwarding the Notice of Internet Availability (and, if applicable, the mailed proxy materials) to you.

**Proxy Solicitation**

We will bear the cost of our soliciting proxies. In addition to using the Internet, our directors, officers and employees may solicit proxies in person and by mailings, telephone, telegram, facsimile, or electronic transmission, for which they will not receive any additional compensation. We will also make arrangements with brokerage firms 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 those custodians, nominees and fiduciaries for reasonable fees and out-of-pocket expenses incurred. We have retained Morrow & Co., LLC to assist us in soliciting proxies for a fee of \$7,500, plus expenses.

**Voting**

The shares of Common Stock represented by valid proxies received and not revoked will be voted at the meeting.

If you are a stockholder of record and you:

indicate when voting on the Internet or by telephone that you wish to vote as recommended by our Board of Directors; or

sign and return a proxy card without giving specific voting instructions,

then the proxy holders (*i.e.*, the persons named in the proxy card provided by our Board of Directors) will vote your shares in the manner recommended by our Board of Directors on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the meeting.

If you are a beneficial owner of shares held in street name and do not provide the firm that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the firm that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the firm that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, it will inform our Inspector of Election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker non-vote. (Please see Broker Non-Votes, below.)

When our Inspector of Election tabulates the votes for any particular matter, broker non-votes will be counted for purposes of determining whether a quorum is present, but will not otherwise be counted. We encourage you to provide

voting instructions to the firm that holds your shares by carefully following the instructions provided in the Notice of Internet Availability.

Please note that if you hold your shares through a bank, broker or other nominee and you want to vote in person at the meeting, you must obtain a proxy from your bank, broker or other nominee authorizing you to vote those shares and you must bring that proxy to the meeting. If any other

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business properly comes before the meeting or any adjournment or postponement, it is the intention of the proxy holders named in the Board of Directors accompanying proxy card to vote the shares represented by the proxy card on those matters in accordance with their best judgment.

### **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 instructions from you. 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, and they are not counted in determining the number of votes present for the particular matter.

Under the rules applicable to brokers, if your broker holds shares in your name, the broker, in the absence of voting instructions from you, is entitled to vote your shares on Proposal 2.

### **Revocability of Proxy**

You may revoke your proxy at any time before it is exercised by filing a written revocation with the Corporate Secretary at CA, Inc., One CA Plaza, Islandia, NY 11749, submitting a proxy bearing a later date (including by telephone or the Internet), or voting in person at the meeting.

### **Record Date and Voting Rights**

Only stockholders of record at the close of business on June 1, 2010 are entitled to notice of and to vote at the meeting or any adjournment or postponement. On June 1, 2010, 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 the Inspector of Election. The Inspector of Election will treat shares of Common Stock represented by a valid proxy as present 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 are counted as present and entitled to vote for purposes of determining a quorum.

Assuming that a quorum is present at the meeting, a majority of the votes cast at the meeting with regard to a director will be required to elect the director, 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 additional information, please see Proposal 1 Election of Directors.

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 Proposal 2, the ratification of our independent registered public accountants, Proposal 3, the ratification of the Stockholder Protection Rights Agreement, and Proposal 4, the stockholder proposal. In determining whether Proposal 2, 3 or 4 has received the requisite number of affirmative votes, abstentions will have the effect of a vote against the proposal, and broker non-votes, if any, will reduce the absolute number, but not the percentage, of affirmative votes needed for approval of these proposals.



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**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 Notice of Internet Availability or 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 the Notice of Internet Availability or this Proxy Statement and our Annual Report for the fiscal year ended March 31, 2010 to your address unless contrary instructions were given by any stockholder at that address. If you received more than one copy of the Notice of Internet Availability or the proxy materials this year and you wish to reduce the number of copies you receive in the future and save us the cost of printing and mailing these documents, please contact your bank or broker.

You may revoke your consent to householding at any time by sending your name, the name of your bank or brokerage firm, and your account number to our 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 the Notice of Internet Availability or proxy materials for this year, but you would prefer to receive your own copy, we will send a copy of the Notice of Internet Availability or the Proxy Statement and Annual Report to you if you send a written request to CA, Inc., Investor Relations Department, One CA Plaza, Islandia, NY 11749, or contact our Investor Relations Department at 1-800-225-5224.

**Annual Report**

Our Annual Report for the fiscal year ended March 31, 2010 accompanies this Proxy Statement and is also available on the Internet. Please follow the instructions in the Notice of Internet Availability if you want to review our Annual Report on line. Our Annual Report contains financial and other information about us. The Annual Report is not a part of this Proxy Statement.

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**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 19, 2010 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) the Named Executive Officers set forth in the Fiscal Year 2010 Summary Compensation Table, below (other than Messrs. McCracken and Swainson, who are listed under the Directors and Nominees heading) and (4) all of our directors, nominees and executive officers as a group. The table also sets forth the number of shares of Common Stock underlying deferred stock units held by each of our directors as of May 19, 2010. Percentage of beneficial ownership is based on 514,633,356 shares of Common Stock outstanding as of May 19, 2010. Unless otherwise indicated, the address for the following stockholders is c/o CA, Inc., One CA Plaza, Islandia, NY 11749.

<b>Beneficial Owner</b>	<b>Number of Shares Beneficially Owned(1)(2)</b>	<b>Percent of Class</b>	<b>Additional Shares Underlying Deferred Stock Units(3)</b>
<i>Holders of More Than 5%:</i>			
Walter H. Haefner Cereal Holding AG Utoquai 49 8022 Zürich, Switzerland	125,813,380(4)	24.45%	
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	39,570,986(5)	7.69%	
NWQ Investment Management Company, LLC 2049 Century Park East, 16th Floor Los Angeles, CA 90067	37,715,205(6)	7.33%	
<i>Directors and Nominees:</i>			
Raymond J. Bromark	1,000	*	13,397
Alfonse M. D Amato(7)	6,750	*	0
Gary J. Fernandes	1,125	*	49,375
Kay Koplovitz	0	*	5,949
Robert E. La Blanc(8)	53,371	*	0
Christopher B. Lofgren	0	*	33,304
William E. McCracken	0	*	47,707
Richard Sulpizio	0	*	1,549
John A. Swainson(9)	81,928	*	0
Laura S. Unger	0	*	20,979
Arthur F. Weinbach	5,000	*	16,949
Renato (Ron) Zambonini	0	*	18,857
<i>Named Executive Officers (Non-Directors):</i>			
Nancy E. Cooper	316,262	*	
James E. Bryant	389,989	*	

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Amy Fliegelman Olli	193,688	*
Michael J. Christenson(10)	304,736	*
All Directors, Nominees and Executive Officers as a Group (21 persons)	3,809,161	*



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

- (1) Except as indicated below, all persons have represented to us that they exercise sole voting and investment power with respect to their shares.
- (2) 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 19, 2010: Senator D Amato, 6,750; Mr. Fernandes, 1,125; Mr. Bryant, 144,674; Ms. Cooper, 71,804; Ms. Fliegelman Olli, 41,876; Mr. Christenson, 194,774; and all directors, nominees and executive officers as a group, 1,745,591.
- (3) Under our prior and current compensation plans for non-employee directors, those directors have received a portion of their fees in the form of deferred stock units. In January 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 the director's deferred compensation account. Although the deferred stock units are derivative equity securities owned by the directors, the deferred stock units are not included in the above column headed "Number of Shares Beneficially Owned" because the directors do not have the right currently to dispose of or to vote the underlying shares of Common Stock. See "Compensation of Directors" for more information.
- (4) According to a Schedule 13D/A filed on October 30, 2003, Walter H. Haefner, through Cereal Holding AG, a company wholly owned by Mr. Haefner, exercises sole voting power and sole dispositive power over these shares.
- (5) According to a Schedule 13G filed on January 29, 2010 by BlackRock, Inc. ( "BlackRock" ), BlackRock exercises sole voting power and sole dispositive power over these shares.
- (6) According to a Schedule 13G/A filed on February 12, 2010 by NWQ Investment Management Company, LLC ( "NWQ" ), NWQ exercises sole voting power over 31,645,172 shares and sole dispositive power over 37,715,205 shares. According to the Schedule 13G/A, the shares are beneficially owned by clients of NWQ.
- (7) The 10th anniversary of Senator D Amato's service as a director occurred on June 29, 2009, during fiscal year 2010. In accordance with our director retirement policy, he retired as a director on that date.
- (8) Mr. La Blanc reached age 75 during fiscal year 2010. In accordance with our director retirement policy, he did not stand for re-election at the 2009 Annual Meeting of Stockholders.
- (9) Mr. Swainson retired as Chief Executive Officer and a director, effective December 31, 2009.
- (10) Mr. Christenson's employment with the Company terminated on May 31, 2010.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

**Nominees**

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

The Board has determined that eight of the nominees (all of the nominees other than Mr. McCracken) are independent under The NASDAQ Stock Market LLC ( NASDAQ ) listing requirements and our Corporate Governance Principles (the Corporate Governance Principles ), which are attached to this Proxy Statement as Exhibit A. Mr. McCracken is deemed not to be independent because of his current position as our Chief Executive Officer. The Board also determined that Senator D Amato and Mr. La Blanc, who retired as directors during fiscal year 2010, were independent under NASDAQ listing requirements and our Corporate Governance Principles. Mr. Swainson, who also retired as a director during fiscal year 2010, was deemed not to be independent because he served as our Chief Executive Officer at that time.

In the course of the Board s determination regarding the independence of each non-employee director, the Board considers transactions, relationships and arrangements as required by the independence guidelines contained in our Corporate Governance Principles. There were no transactions, relationships or arrangements outside of the independence guidelines that required review by the Board for purposes of determining whether the directors were independent.

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 that the Board does not anticipate), all the proxies granted to vote in favor of that director s election will be voted for the election of any other person or persons that the Board may nominate.

All members of the Audit, Compensation and Human Resources, and Corporate Governance Committees are independent directors as defined by NASDAQ listing requirements and our Corporate Governance Principles. Members of the Audit Committee also satisfy the separate independence requirements of the U.S. Securities and Exchange Commission ( SEC ).

Our policy is that all directors and nominees should attend our annual meetings of stockholders. All of our directors then in office attended the 2009 Annual Meeting of Stockholders.

Under our majority voting standard for uncontested elections of directors, a director nominee will be elected only if the number of votes cast for exceeds the number of votes against the director s election. In contested elections, the plurality voting standard will apply, under which the nominees receiving the most votes will be elected regardless of whether those votes constitute a majority of the shares voted at the meeting. Under our Corporate Governance Principles, if a director does not receive more votes for than votes against at an annual meeting of stockholders, 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.

The Board does not have a formal policy with respect to diversity. However, the Board and the Corporate Governance Committee each believe that it is essential that the Board members represent diverse viewpoints, with a broad array of

experiences, professions, skills, geographic representation and backgrounds that, when considered as a group, provide a sufficient mix of perspectives to allow the Board to best fulfill its responsibilities to the long-term interests of the Company's stockholders.

Set forth below are each nominee's name, age, principal occupation for the last five years and other biographical information, including the year in which each was first elected a director of the

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Company. In addition, the biographies discuss the particular experience, qualifications, attributes and skills of the director that, in light of the Company's business and structure, led the Board to conclude that the individual should serve on the Board of the Company.

**Raymond J. Bromark**, 64, has been a director since 2007. Mr. Bromark is a retired Partner of PricewaterhouseCoopers, LLP ( PwC ), an international accounting and consulting firm. He joined PwC in 1967 and became a Partner in 1980. He was Partner and Head of the Professional, Technical, Risk and Quality Group of PwC from 2000 to 2006, a Global Audit Partner from 1994 to 2000 and Deputy Vice Chairman, Auditing and Business Advisory Services from 1990 to 1994. In addition, he served as a consultant to PwC from 2006 to 2007. Mr. Bromark has been a director of World Color Press, Inc., a provider of printing services to publishers, retailers, catalogers and magazines, since 2009 and chairs its audit committee. He is a member of the American Institute of Certified Public Accountants (the AICPA ) and a former member of 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 has also been a member of the Financial Accounting Standards Board Advisory Council, the Public Company Accounting Oversight Board's Standing Advisory Group, the AICPA's Special Committee on Financial Reporting, the AICPA's SEC Practice Section Executive Committee and the AICPA's Ethics Executive Committee. Mr. Bromark's qualifications include: extensive experience in accounting, auditing, financial reporting, and compliance and regulatory matters; deep understanding of financial controls and familiarity with large public company audit clients; and extensive experience in leadership positions at PwC.

**Gary J. Fernandes**, 66, has been a director since 2003. Mr. Fernandes has been 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 as Senior Vice President of EDS from 1984 to 1996 and as Chairman of A.T. Kearney, a management consulting firm and a subsidiary of EDS, from 1995 to 1998. He served on the board of directors of EDS from 1981 to 1998. After retiring from EDS, Mr. Fernandes founded Convergent Partners, a venture capital fund focusing on buyouts of technology-related companies, and was a partner from 1999 to 2000. In 1993, he founded Voyagers The Travel Store Holdings, Inc., a chain of travel agencies, acting as president and sole shareholder. Voyagers filed a petition under Chapter 7 of the U.S. federal bankruptcy laws in 2001. He has served as a director of BancTec, Inc., a privately-held systems integration, manufacturing and services company, since 2003 and Blockbuster Inc., a provider of home entertainment services since 2004. Mr. Fernandes also serves as an advisory director of MHT Partners, an investment banking firm serving mid-market companies. Mr. Fernandes was a director of webMethods, Inc., a business integration and optimization software company, from 2002 until 2005 and a director of 7-Eleven, Inc., an operator, franchisor, and licensor of convenience stores worldwide, from 1991 until 2005. He served as a director of E-Telecare Global Solutions, a provider of customer care outsourcing services from 2007 until 2008, where he also served as Non-Executive Chairman of the Board. He serves on the Board of Governors of Boys & Girls Clubs of America, and is a director of the Boys & Girls Club of Dallas County. He also serves as a trustee of the O'Hara Trust, a charitable trust that benefits the Boys & Girls Clubs of Dallas County, and the Hall-Voyer Foundation, a charity supporting educational and health programs in Honey Grove, Texas. Mr. Fernandes has chaired the audit, compensation and finance committees of a number of public companies. Mr. Fernandes's qualifications include: extensive leadership experience at a large, complex, global public company; extensive experience in the technology industry; global business experience through 15 years of responsibility for EDS's international business; government and regulatory experience through oversight of EDS's U.S. government business; financial and investment experience; entrepreneurial experience; and public company governance experience as a member or chair of boards and board committees of public companies.

**Kay Koplovitz**, 65, has been a director since 2008. Ms. Koplovitz has been a principal of Koplovitz & Co., LLC, a media and investment firm, since 1998. She has been a director of Liz



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Claiborne, Inc., a designer and marketer of fashion apparel and accessories, since 1992, and Chairman of the Board since 2007. She is a founder of USA Network, an international cable television programming company, and served as its Chairman and Chief Executive Officer from 1977 to 1998. In 2001, Ms. Koplovitz co-founded Boldcap Ventures, a venture capital fund focused on investing in early to mid-stage companies, primarily in the healthcare and technology sectors, of which she is a governing board member. Ms. Koplovitz served as a director and member of the governance committee of Oracle Corporation, a database software and middleware company, from 1998 to 2001 and was a director of Instinet Group, Inc., an electronic brokerage services provider, from 2001 to 2007. From 2000 to 2001, Ms. Koplovitz served as Chief Executive Officer of Working Women Network, a multi-platform media company, which filed a petition under Chapter 7 of the U.S. federal bankruptcy laws in 2001 after Ms. Koplovitz left the company. Ms. Koplovitz serves on the boards of Ion Media Networks, Inc., a privately owned television and media company, The Paley Center for Media (formerly the Museum of Television and Radio), Springboard Enterprises, a non-profit organization that supports emerging growth ventures led by women, and the International Tennis Hall of Fame and is a Trustee of Babson College. Ms. Koplovitz's qualifications include: extensive executive leadership experience at a large, complex company; entrepreneurial experience; extensive marketing and sales experience; technology experience; venture capital investment experience; and public company governance experience as a member or chair of boards and board committees of public companies.

**Christopher B. Lofgren**, 51, has been a director since 2005. Mr. Lofgren has been President and Chief Executive Officer of Schneider National, Inc. ( Schneider National ), a provider of transportation and logistics services, since 2002. He served as Chief Operating Officer of Schneider National from 2001 to 2002, Chief Executive Officer of Schneider Logistics, a subsidiary of Schneider National, from 2000 to 2001, Chief Information Officer of Schneider National from 1996 to 2002, and Vice President, Engineering and Systems Development of Schneider National from 1994 to 1996. Prior to joining Schneider National, Mr. Lofgren held several positions at Symantec Corp., a security, storage and systems management solutions company, including Interim General Manager, Director of Engineering, and Senior Engineer Manager. Prior to Symantec, Mr. Lofgren was a Senior Staff Engineer with Motorola, Inc.. Mr. Lofgren serves on the Advisory Boards of the School of Industrial and Systems Engineering and the College of Engineering of the Georgia Institute of Technology. He was inducted into the National Academy of Engineering in 2009. Mr. Lofgren's qualifications include: extensive executive leadership experience at a large, complex company; extensive technology experience; and understanding of regulatory compliance through Schneider National's highly regulated industry.

**William E. McCracken**, 67, has been a director since 2005. Mr. McCracken has been Chief Executive Officer of the Company since January 2010. He was non-executive Chairman of the Board from June 2007 to September 2009 and Interim Executive Chairman of the Board from September 2009 to January 2010, and he served as executive Chairman of the Board from January 2010 to May 2010. He was President of Executive Consulting Group, LLC, a general business consulting firm, from 2002 to January 2010. During his 36-year tenure at International Business Machines Corporation ( IBM ), Mr. McCracken held a variety of executive positions, including General Manager of IBM Printing Systems Division from 1998 to 2001, General Manager of Marketing, Sales and Distribution for IBM PC Company from 1994 to 1998 and President of IBM's EMEA and Asia Pacific PC Company from 1993 to 1994. From 1999 to 2001, he served on IBM's Chairman's Worldwide Management Council, a group of the top 30 executives at IBM. Mr. McCracken was a director of IKON Office Solutions, Inc., a provider of document management systems and services, from 2003 to 2008, where he served on its audit committee, compensation committee and strategy committee at various points in time during his tenure as a director. He is also Chairman of the Board of Trustees of Lutheran Social Ministries of New Jersey, a charitable organization that provides adoption, assisted living, counseling and immigration and refugee services. Mr. McCracken's qualifications include: extensive executive leadership experience at large, complex, global public companies, including the Company; extensive technology experience; international management experience; government and regulatory



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experience through oversight of government business for managed operations at IBM; and public company governance experience as a member or chair of boards and board committees of public companies.

**Richard Sulpizio**, 60, has been a director since November 2009. Mr. Sulpizio has been President and Chief Executive Officer of Qualcomm Enterprise Services, a division of Qualcomm Incorporated responsible for mobile communications and services to the transportation industry, since December 2009. Mr. Sulpizio served as President and Chief Operating Officer of Qualcomm Incorporated ( Qualcomm ), a developer of wireless technologies, products and services from 1998 to 2001 and served in various other executive positions between 1991 and 1998. He served as a director of Qualcomm from 2000 to 2007. Mr. Sulpizio served as President and Chief Executive Officer of MediaFLO, USA, Inc., a Qualcomm subsidiary involved in bringing multimedia services to the wireless industry, from 2005 to 2006. Mr. Sulpizio served as President of Qualcomm Europe in 2004 and President of Qualcomm China from 2002 to 2003. Before joining Qualcomm, Mr. Sulpizio worked for eight years at Unisys Corporation, a worldwide information technology company, and 10 years at Fluor Corporation, an engineering and construction company. He has served as a director of ResMed, Inc., a global developer, manufacturer and marketer of medical products, since 2005, where he has served on its governance committee and compensation committee. He also serves on the advisory board of the University of California San Diego s Sulpizio Family Cardiovascular Center and the board of directors of the Danny Thompson Memorial Leukemia Foundation. Mr. Sulpizio s qualifications include: extensive executive leadership experience at a large, complex, global public company; extensive technology experience; international management experience; and public company governance experience as a member or chair of boards and board committees of public companies.

**Laura S. Unger**, 49, has been a director since 2004. Since April 2010, Ms. Unger has been a special advisor to Promontory Financial Group, a global consulting firm for financial services companies. She served as the Independent Consultant to JPMorgan for the global analyst conflict settlement from 2003 to 2010. From 2002 to 2003, Ms. Unger was employed by CNBC as a Regulatory Expert. Ms. Unger was a Commissioner of the SEC from 1997 to 2002, and served as Acting Chairperson of the SEC from February to August 2001. Ms. Unger served as Counsel to the U.S. Senate Committee on Banking, Housing and Urban Affairs from 1990 to 1997. Prior to working on Capitol Hill, Ms. Unger was an attorney with the Enforcement Division of the SEC. Ms. Unger has served as a director and member of the governance, compensation and audit committees of Ambac Financial Group, Inc., a holding company whose affiliates provide financial guarantees and financial services, since 2002, a director and member of the nominating and governance committee and audit committee of the IQ Funds Complex, a group of closed-end mutual funds, since 2008 and a director and member of the nominating and governance committee of CIT Group, Inc., a provider of financing to small businesses and middle market companies, since 2010. Ms. Unger was a director and a member of the audit committee of Borland Software Corporation, a provider of software lifecycle management solutions from 2002 to 2004 and a director and member of the audit committee of MNBA Corporation, a bank holding company, from 2004 to 2006. She also serves as a director of Children s National Medical Center Foundation. Ms. Unger s qualifications include: government and public policy experience; legal and regulatory experience; extensive leadership experience at government agencies; and public company governance experience as a member or chair of boards and board committees of public companies.

**Arthur F. Weinbach**, 67, has been a director since 2008. Mr. Weinbach has been Chairman of the Board of the Company since May 2010. Since 2007, Mr. Weinbach has been Executive Chairman of Broadridge Financial Solutions, Inc. ( Broadridge ), a provider of products and services for securities processing, clearing and outsourcing which was spun off from Automatic Data Processing, Inc. ( ADP ), a provider of business outsourcing solutions. Prior to the spin off, Mr. Weinbach was associated with ADP from 1980 to 2007, serving as Chief Executive Officer from 1996 to 2006 and as Chairman until November 2007. Prior to joining ADP, Mr. Weinbach held various positions at Touche Ross & Co. ( Touche Ross ), an accounting firm and a predecessor of Deloitte & Touche LLP, and was





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a partner from 1975 to 1979. He has been a director of The Phoenix Companies, Inc., a provider of life insurance and annuity products, since 2008, chairman of its audit committee since November 2009 and a member of its compensation committee from 2008 to present. Previously, Mr. Weinbach served as a director of First Data Corporation, a provider of electronic commerce and payment solutions for merchants, financial institutions and card issuers, from 2000 to 2006, and as a member of its audit committee for much of that period. He was also a director of Schering-Plough Corporation, a pharmaceutical manufacturer, from 1999 to 2009, at which he chaired its audit and finance committees during various times. He is currently a Trustee of New Jersey SEEDS, a non-profit organization providing academic enrichment and leadership programs for high-achieving, low-income youth. Mr. Weinbach's qualifications include: extensive financial, accounting and auditing experience; international experience; technology experience; and public company governance experience as a member or chair of boards and board committees of public companies.

**Renato (Ron) Zambonini**, 63, has been a director since 2005. Mr. Zambonini was Chairman of the Board of Cognos Incorporated ( Cognos ), a developer of business intelligence software, from 2004 until 2008, and a director from 1994 until 2008. Mr. Zambonini was Chief Executive Officer of Cognos from 1995 to 2004, President from 1993 to 2002, and Senior Vice President, Research and Development from 1990 to 1993. Prior to joining Cognos, Mr. Zambonini served as Vice President, Research and Development of Cullinet Software, Inc., a software developer, from 1987 to 1989. Mr. Zambonini served as a director of Reynolds & Reynolds, a software company servicing automotive dealerships, from 2003 to 2006, and a director of Emergis, Inc., an electronic commerce business, from 2004 to 2008. Mr. Zambonini served on the audit committee of Reynolds & Reynolds and the compensation committee of Emergis. Mr. Zambonini's qualifications include: extensive executive leadership experience at a large, complex, public company; extensive technology experience; and public company governance experience as a member or chair of boards and board committees of public companies.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE *FOR* EACH OF THE NOMINEES LISTED ABOVE (PROPOSAL 1).**

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**RELATED PERSON TRANSACTIONS**

The Board has adopted a 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 Transaction involving that person or an immediate family member of that person. The General Counsel and/or the Office of Corporate Secretary will review each potential Related Person Transaction to determine if it is 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 our Corporate Governance 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 2010, there has been one Related Person Transaction. Erica Christensen La Blanc, a daughter-in-law of Robert E. La Blanc, our former director, has served as a non-executive employee of the Company. She has received an annual salary and annual employee benefits valued at approximately \$138,000. Mr. La Blanc reached age 75 during fiscal year 2010 and in connection with our director retirement policy did not stand for re-election at the 2009 Annual Meeting of Stockholders. This Related Person Transaction was approved in accordance with the Policy.

**Table of Contents****BOARD COMMITTEES AND MEETINGS**

The Board of Directors has established four principal committees – the Audit Committee, the Compensation and Human Resources Committee, the Corporate Governance Committee and the Compliance and Risk Committee – to carry out certain responsibilities and to assist the Board in meeting its fiduciary obligations. These committees operate under written charters, which have been adopted by the respective committees and by the Board. All the members of the Audit Committee, the Compensation and Human Resources Committee and the Corporate Governance Committee are independent under both our Corporate Governance Principles and NASDAQ listing requirements. The charters of the current 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 our Corporate Governance Principles or the Code of Conduct described below.

The current members of the Board’s four principal committees are as follows:

<b>Independent Directors</b>	<b>Audit</b>	<b>Compensation and Human Resources</b>	<b>Corporate Governance</b>	<b>Compliance and Risk</b>
R. Bromark	X (Chair)			
G. Fernandes		X (Chair)		X
K. Koplovitz		X	X	
C. Lofgren			X (Chair)	X
R. Sulpizio		X	X	
L. Unger			X	X (Chair)
A. Weinbach	X	X		
R. Zambonini(1)	X			
<b>Employee Director</b>				
W. McCracken(1)				X

(1) Messrs. McCracken and Zambonini are the members of the Special Litigation Committee, described under the heading “Litigation Involving Directors and Executive Officers – Stockholder Derivative Litigation,” below.

Information about the principal responsibilities and meetings of these committees appears below.

The general purpose of the *Audit Committee* is to assist the Board in fulfilling its oversight responsibilities with respect to: (1) the audits of our financial statements and the integrity of our financial statements and internal controls; (2) the qualifications and independence of our independent registered public accountants (including the Committee's direct responsibility for the engagement of the independent registered public accountants); (3) the performance of our internal audit function and independent registered public accountants; (4) our accounting and financial reporting processes; and (5) the activity of our internal control function, including reviewing decisions with respect to scope, risk assessment, testing plans, and organizational structure. The Board has determined that Mr. Bromark qualifies as an audit committee financial expert and that all members of the Committee are independent under applicable SEC and NASDAQ rules. Additional information about the responsibilities of the Audit Committee is set forth in the Audit Committee charter. During fiscal year 2010, the Committee met nine times.

The general purpose of the *Compensation and Human Resources 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

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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 executive officers other than the Chief Executive Officer in connection with its oversight of executive management development and succession planning, and determining the compensation of executive officers, including determinations regarding equity-based and other incentive compensation awards. Additional information about the Committee's responsibilities is set forth in the Compensation and Human Resources Committee charter. During fiscal year 2010, the Committee met 11 times.

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. Additional information about the Committee's responsibilities is set forth in the Corporate Governance Committee charter. During fiscal year 2010, the Committee met 11 times.

During fiscal year 2010, the Compensation and Human Resources Committee and the Corporate Governance Committee met once in a joint session to discuss the performance of the Chief Executive Officer and management succession planning, as contemplated by their respective charters.

The general purpose of the *Compliance and Risk Committee* is to: (1) provide general oversight of our risk and compliance functions; (2) provide input to our management in the identification, assessment, mitigation and monitoring of enterprise-wide risks faced by the Company; and (3) provide recommendations to the Board with respect to its review of our business practices and compliance activities and enterprise risk management. Additional information about the responsibilities of the Compliance and Risk Committee is set forth in the Committee's charter. During fiscal year 2010, the Committee met six times.

During fiscal year 2010, the Board of Directors met 10 times and acted by unanimous written consent on three occasions. The independent directors meet at all regular Board meetings in executive session without any non-independent director present. During fiscal year 2010, either the non-executive Chairman of the Board or the Lead Independent Director, each of whom was an independent director, presided at these executive sessions. During fiscal year 2010, each director attended, in the aggregate, more than 75% of the Board meetings and meetings of the Board committees on which the director served.

From time-to-time, the Board also establishes special committees to assist the Board in carrying out its responsibilities. During fiscal year 2010, the Board established two active ad hoc committees. The Board established a CEO Search Committee to assist the Board in identifying and screening candidates for the position of Chief Executive Officer of the Company. The CEO Search Committee, whose responsibilities concluded with the appointment of Mr. McCracken as Chief Executive Officer, consisted of Messrs. Fernandes (Chair), Weinbach and Zambonini, and Ms. Koplovitz. The Board also established an M&A Committee to review and approve certain acquisitions and divestitures. The current members of the M&A Committee are Messrs. Weinbach (Chair), Bromark, Fernandes, Lofgren, Sulpizio and Zambonini.

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**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 our Corporate Governance Principles, which are 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 the shares have been owned; 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.

Recommendations and the information described above should be sent to the Corporate Secretary at CA, Inc., 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 the proposing stockholder; contact references or other persons to assess the candidate; and conduct one or more interviews with the candidate. The Committee may consider that 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 these 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 meeting of stockholders. These nominations must be received by the Corporate Secretary no earlier than March 29, 2011 and no later than April 28, 2011 (unless the date of the 2011 annual meeting of stockholders is changed by more than 30 days from the one year anniversary date of the 2010 annual meeting of stockholders). These nominations must provide certain information specified in our By-laws. See *Advance Notice Procedures for 2011 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 these suggestions. In addition, the Committee may engage search firms to assist it in identifying director candidates.



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**COMMUNICATIONS WITH DIRECTORS**

The Board of Directors is interested in receiving communications from stockholders and other interested parties, which would include, among others, customers, suppliers and employees. These 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 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 postal mail to the office of the Corporate Secretary at CA, Inc., 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 in the preceding paragraph will be forwarded to the applicable directors, unless the Corporate Secretary determines that the communication is not appropriate. Regardless, certain of these communications may be forwarded to other employees in the Company for review and action, when appropriate, or to the directors upon request.

**CORPORATE GOVERNANCE**

Directly and through the Corporate Governance Committee, the Board periodically reviews corporate governance developments.

We periodically consider and review our Corporate Governance Principles. Our current Corporate Governance 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. The Board also evaluates the principal committee charters from time to time, as appropriate.

We maintain a Code of Conduct, which is applicable to all employees and directors, and is available on our website at investor.ca.com. Any waiver to the Code of Conduct that applies to our directors or executive officers will be contained in a report filed with the SEC on Form 8-K or will be otherwise disclosed as permitted by law or regulation.

Each of our Corporate Governance Principles and our Code of Conduct is available free of charge in print to any stockholder who requests a copy by writing to our Corporate Secretary, at CA, Inc., One CA Plaza, Islandia, New York 11749.

**Board Leadership Structure**

The Board is currently led by our non-executive Chairman, Mr. Weinbach, who is an independent director. Our Corporate Governance Principles set forth no policy with respect to the separation of the positions of Chairman and Chief Executive Officer or with respect to whether the Chairman should be a member of management or a non-management director. The Board recognizes that there is no single, generally accepted approach to providing Board leadership, and given the dynamic and competitive environment in which we operate, the Board's leadership structure may vary as circumstances warrant. The Board has determined that the leadership of the Board is currently

best conducted by an independent Chairman. The Chairman provides overall leadership to the Board in its oversight function, while the Chief Executive Officer, Mr. McCracken, provides leadership with respect to the day-to-day management and operation of our business. We believe the separation of the offices allows Mr. Weinbach to focus on management of Board matters and allows Mr. McCracken to focus on managing our business. In addition, we believe the separation of the offices enhances the

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objectivity of the Board in its management oversight role. To further enhance the objectivity of the Board, we have limited the members of our Board who are not independent to our Chief Executive Officer.

**Board Role in Risk Oversight**

Our management is responsible for managing risks affecting the Company, including identifying, assessing and appropriately mitigating risk. The responsibilities of the Board include oversight of the Company's risk management processes. To enhance the effectiveness of the Board's risk oversight function, the Board has established the Compliance and Risk Committee. The Board exercises its risk oversight responsibilities primarily through the Compliance and Risk Committee, which regularly reviews and discusses with management the significant risks that may affect our enterprise. In addition to reporting to our Chief Executive Officer, our Executive Vice President, Risk and Chief Administrative Officer, whose department includes our Chief Risk Officer, reports to the Compliance and Risk Committee with respect to the Company's enterprise risk management function, including operational, financial, strategic, legal and regulatory risks. Our Executive Vice President and General Counsel reports to the Compliance and Risk Committee with respect to the Company's business practices and compliance functions. The other committees of the Board also provide risk oversight associated with their respective areas of responsibility. For example, the Audit Committee oversees risks related to our financial statements, our financial reporting process, our internal control processes and accounting matters. In addition, the Compensation and Human Resources Committee provides oversight with respect to risks related to our compensation practices. The Corporate Governance Committee oversees risks related to our corporate governance structure and processes. In fulfilling their oversight responsibilities, all committees receive regular reports on their respective areas of responsibility from members of management. The Chair of each committee, in turn, reports regularly to the full Board on matters including risk oversight.

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**COMPENSATION OF DIRECTORS**

Only our non-employee directors receive compensation for their services as directors. Under our 2003 Compensation Plan for Non-Employee Directors (the "2003 Directors Plan"), each non-employee director receives an annual fee that is fixed by the Board and paid in the form of deferred stock units, except that up to 50% of that fee may be paid in cash, if elected by the director in advance. Following termination of service, a director receives shares of Common Stock in an amount equal to the number of deferred stock units in the director's deferred compensation account. The deferred stock units are settled, at the election of the director, by delivery of shares of Common Stock either in a lump sum or in up to 10 annual installments beginning on the first business day of the calendar year after termination of service. The 2003 Directors Plan also allows the Board of Directors to authorize the payment of additional fees to any eligible director who chairs a committee of the Board of Directors or to an eligible director serving as the lead independent director or Chairman of the Board. Currently, all of our non-employee directors receive compensation pursuant to the 2003 Directors Plan.

Under the 2003 Directors Plan, the compensation of our non-employee directors is based on a director service year that, prior to the 2010 Annual Meeting of Stockholders, covered the period from annual meeting to annual meeting. The 2003 Directors Plan was amended in November 2009 to adjust the director service year to coincide with the calendar year beginning on the date of the 2010 Annual Meeting of Stockholders.

Each non-employee director receives an annual director fee of \$175,000. In addition, the non-executive Chairman of the Board receives an annual Chairman's fee of \$175,000, the Chair of the Audit Committee receives an annual Chair's fee of \$25,000 and each non-employee Chair of each other committee of the Board of Directors receives an annual Chair's fee of \$10,000. These additional fees are also payable in deferred stock units, unless the director elects to receive up to 50% in cash, as described above for annual fees. Annual fees are generally paid to directors quarterly in arrears.

In September 2009, Mr. Swainson announced that he planned to retire as Chief Executive Officer effective December 31, 2009. In connection with the announcement, Mr. McCracken was appointed as Interim Executive Chairman. Mr. McCracken was subsequently elected Chief Executive Officer in January 2010. Upon being appointed as Interim Executive Chairman in September 2009, Mr. McCracken ceased being compensated as a non-executive director and non-executive Chairman of the Board. For a description of Mr. McCracken's compensation in all capacities for fiscal year 2010, please see "Compensation and Other Information Concerning Executive Officers," below.

In connection with Mr. McCracken's appointment as Interim Executive Chairman, Mr. Fernandes was appointed as lead independent director and received a one-time lump sum payment of \$10,000 in the form of deferred stock units.

In addition to director fees, to further our commitment to support charities, non-employee directors are able to participate in our Matching Gifts Program. Under this program, we match contributions by directors up to an aggregate annual amount of \$25,000 by a director to charities approved by us. Upon the mandatory retirement of a director in accordance with our director retirement policy, we also make a one-time donation of \$10,000 to a charity specified by the retiring director.

We also provide directors with, and pay premiums for, director and officer liability insurance and we reimburse directors for reasonable expenses incurred in connection with Company business.



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The following table includes information about compensation paid to our non-employee directors for the fiscal year ended March 31, 2010.

**Fiscal Year 2010 Director Compensation Table**

<b>Director</b>	<b>Fees Earned or Paid in Cash (\$)(1)</b>	<b>Stock Awards (\$)(1)(2)</b>	<b>Option Awards(\$)(3)</b>	<b>All Other Compensation (\$)(4)(5)(6)(7)</b>	<b>Total (\$)</b>
R. Bromark	100,000	100,000	0	500	200,500
A. D Amato(8)	21,632	21,632	0	35,000	78,264
G. Fernandes	0	195,000	0	2,000	197,000
K. Koplovitz	87,500	87,500	0	21,500	196,500
R. La Blanc(9)	0	79,236	0	35,000	114,236
C. Lofgren	50,618	134,382	0	9,700	194,700
W. McCracken(10)					
R. Sulpizio(11)	35,729	35,729	0		71,458
J. Swainson(12)					
L. Unger	92,500	92,500	0	16,133	201,133
A. Weinbach	0	175,000	0	24,500	199,500
R. Zambonini	87,500	87,500	0		175,000

(1) As noted above, 100% of directors' fees are paid in deferred stock units, except that up to 50% of those fees may be paid in cash, if elected by the director in advance. The amounts in the Fees Earned or Paid in Cash column represent the amounts paid to directors who elected to receive a portion of their director fees in cash. In fiscal year 2010, Messrs. Bromark, D Amato, Sulpizio and Zambonini and Mss. Koplovitz and Unger elected to receive 50% of their director fees in cash; Messrs. Fernandes, La Blanc and Weinbach elected to receive 100% of their director fees in deferred stock units; and Mr. Lofgren elected to receive 100% of his director fees in deferred stock units prior to September 14, 2009 and elected to receive 50% of his director fees in cash after September 14, 2009.

(2) As required by SEC rules, this column represents the aggregate grant date fair value of awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation for deferred stock units. The aggregate grant date fair value for deferred stock units is calculated by multiplying the number of deferred stock units by the closing market price of the

Common Stock on the date the deferred stock units are credited to a director's account. These award fair values have been determined based on the assumptions set forth in Note 11, Stock Plans, in the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

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As of March 31, 2010, the following deferred stock units had been credited to each director's account:

<b>Director</b>	<b>Aggregate Number of Deferred Stock Units</b>
R. Bromark	13,397
A. D. Amato(8)	0
G. Fernandes	49,375
K. Koplovitz	5,949
R. La Blanc(9)	0
C. Lofgren	33,304
W. McCracken(10)	47,707
R. Sulpizio(11)	1,549
J. Swainson(12)	
L. Unger	20,979
A. Weinbach	16,949
R. Zambonini	18,857

- (3) No options were granted to directors during fiscal year 2010. Under prior director compensation arrangements, directors received a portion of their fees in options, each to purchase a share of Common Stock. The options were granted as of the day of the annual meeting of stockholders, with an exercise price equal to the closing price of the Common Stock on that date and the options vested on the day before the next succeeding annual meeting date. As of March 31, 2010, the following options were outstanding for each director, all of which are vested.

<b>Director</b>	<b>Number of Securities Underlying Unexercised Options</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>
R. Bromark	0		
A. D. Amato(8)	6,750	32.38	6/29/2010
G. Fernandes	1,125	23.37	6/18/2013



K. Koplovitz	0
R. La Blanc(9)	0
C. Lofgren	0
W. McCracken(10)	
R. Sulpizio(11)	0
J. Swainson(12)	
L. Unger	0
A. Weinbach	0
R. Zambonini	0

(4) The amounts in this column include contributions we made under our Matching Gifts Program in fiscal year 2010. Under our current Matching Gifts Program, we match up to \$25,000 of director charitable contributions made in each fiscal year by each director. Because our matching gifts are processed several months after the related director contributions are reported to us, the matching gifts that are included in this column for fiscal year 2010 also include matching gifts that were made in fiscal year 2010 to match some director contributions made in fiscal year 2009. The contributions we made under our Matching Gifts Program in fiscal year 2010 were as follows: Mr. Bromark, \$500; Senator D Amato, \$25,000; Mr. Fernandes, \$2,000; Ms. Koplovitz,

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\$21,500; Mr. La Blanc, \$25,000; Mr. Lofgren, \$9,700; Ms. Unger, \$16,133; and Mr. Weinbach, \$24,500.

- (5) The amounts in this column include charitable contributions made in connection with the retirement of directors. Upon the mandatory retirement of a director in accordance with our director retirement policy, we offer to make a one-time donation of \$10,000 to a charity specified by the retiring director. In fiscal year 2010 we made the following retirement-related contributions: Senator D Amato, \$10,000; and Mr. La Blanc, \$10,000.
- (6) We provide directors with, and pay premiums for, director and officer liability insurance and reimburse directors for reasonable travel and accommodation expenses incurred in connection with Company business, the values of which are not included in this table.
- (7) The total amount of perquisites for each director is less than \$10,000.
- (8) The 10th anniversary of Senator D Amato's service as a director occurred on June 29, 2009, during fiscal year 2010. In accordance with our director retirement policy, he retired as a director on that date.
- (9) Mr. La Blanc reached age 75 during fiscal year 2010. In accordance with our director retirement policy, he did not stand for re-election at the 2009 Annual Meeting of Stockholders.
- (10) From April 2009 to August 2009, Mr. McCracken received compensation as a non-employee director and non-executive Chairman of the Board. In September 2009, Mr. McCracken was appointed as Interim Executive Chairman and ceased being compensated in those former capacities and began to be compensated as an employee of the Company. For a description of Mr. McCracken's total compensation for fiscal year 2010 in all capacities with the Company, please see Compensation and Other Information Concerning Executive Officers, below.
- (11) Mr. Sulpizio was first elected as a director on November 4, 2009.
- (12) Mr. Swainson retired as Chief Executive Officer and a director effective December 31, 2009. As an employee, Mr. Swainson did not receive director compensation.

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**COMPENSATION AND HUMAN RESOURCES COMMITTEE REPORT ON  
EXECUTIVE COMPENSATION**

The Compensation and Human Resources 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 and our Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

**THE COMPENSATION AND  
HUMAN RESOURCES COMMITTEE**

Gary J. Fernandes, Chair  
Kay Koplovitz  
Richard Sulpizio  
Arthur F. Weinbach

**COMPENSATION DISCUSSION AND ANALYSIS**

**The Company's Executive Compensation Program Philosophy**

Our Company has adopted a pay-for-performance philosophy and we expect our executives to deliver superior results. For this reason, the Company ties a substantial portion of our executive's compensation to the Company's performance. The Company compensates executives largely based on the achievement of the Company's strategic, operational and financial objectives. Our executive compensation program is designed to appropriately balance the annual and long-term performance objectives of the Company and in order to promote the interests of our stockholders. Our executives' annual performance cash incentive and one-year and three-year performance share awards are all payable based on the achievement of specific performance goals established by the Compensation Committee at the beginning of the pertinent performance cycle. The executive compensation performance objectives have been determined by the Compensation Committee to be consistent with the Company's operational, strategic and financial targets for the fiscal year. As a result of this close alignment between the Company's operational, strategic and financial targets and our pay-for-performance philosophy, the Company does not believe that our executive compensation program promotes or encourages excessive risk-taking. Consistent with a pay-for-performance philosophy, the Company also adopted a compensation recovery policy that permits the Company to claw back compensation in the case of a substantial restatement of the Company's financial statements that is a direct result of intentional misconduct or fraud.

The objectives of our executive compensation program are to: (1) attract and retain talented senior executives whose judgment is vital to the continued success of the Company; (2) recognize executives' performance during the fiscal year and over long-term performance period; (3) align compensation with the interests of our stockholders; and (4) encourage our executives to conduct business in a manner that is accountable to our stockholders and does not expose the Company to inappropriate risk-taking.

The Company also expects its executives to maintain substantial equity ownership in the Company. Our executive compensation program includes a significant equity component and it imposes stock ownership requirements under which executives are expected to accumulate and retain Company stock equal to a multiple of their base salary. For

additional information regarding our executive stock ownership requirements, please see Other Important Compensation Policies Affecting Named Executive Officers Executive Stock Ownership Requirements, below.

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**Processes and Procedures for Determining Executive Compensation**

**The Role of the Compensation Committee**

The responsibilities of the Compensation and Human Resources Committee of the Board of Directors (the Compensation Committee ) include overseeing our compensation plans and policies, establishing the performance measures under our annual and long-term incentive programs that cover executive officers, approving executive officer compensation and authorizing awards under our equity-based plans. The responsibilities of the Compensation Committee are set forth in the Compensation Committee's charter, which is available on our website at investor.ca.com. The Compensation Committee: (1) develops an executive compensation philosophy and objectives and establishes principles to guide the design and components of executive compensation; (2) approves the amount and the form of compensation of the Company's executive officers (as defined in the applicable SEC regulations), including the Chief Executive Officer (the CEO ) and the other Named Executive Officers (as defined in applicable SEC regulations); and (3) recommends to the Board approval of all executive compensation plans and programs. The Compensation Committee may delegate its authority to one or more members or subcommittees, when deemed appropriate, but has not delegated any of the abovementioned responsibilities. The Compensation Committee consists entirely of directors who are independent as described in applicable NASDAQ rules.

The Compensation Committee, together with the Corporate Governance Committee, oversees the performance of the CEO and oversees executive management development and succession planning.

The Compensation Committee meets regularly in executive session, without management present. The Compensation Committee reports to the Board at each regular Board meeting.

**The Role of Executive Management**

In making these executive compensation determinations, the Compensation Committee considers input from a number of sources, including executive management.

The Compensation Committee considers the views and insights of the CEO and the Executive Vice President, Global Human Resources (the EVP-HR ), in making compensation decisions for Named Executive Officers and others. Since the input of these executive officers with respect to the business environment and competitive status in various business areas is an essential component of the Compensation Committee's process, the input of executive officers is critical. No executive officer provides any recommendation regarding the determination of that executive officer's own compensation, however.

In fiscal year 2010, our CEO and our EVP-HR made recommendations to the Compensation Committee with regard to each executive officer's base salary levels and individual incentive compensation targets (*i.e.*, annual performance cash incentive target and long-term incentive plan ( LTIP ) target amounts), based on each executive's experience, role, potential and performance.

The recommendations of our CEO and EVP-HR were then reviewed by the Compensation Committee with the assistance of the Compensation Committee's independent compensation consultant, Towers Watson (formerly Towers Perrin), and compared with competitive market data for the CEO and key executives of certain peer companies based on, among other things, compensation information disclosed in publicly filed documents from a selected peer group, as well as survey data for companies in the computer software and services industry.

The Company's Chief Financial Officer and its Corporate Senior Vice President and Corporate Controller (principal accounting officer) certified the level of attainment of the performance goals for the annual and long-term incentive components of the fiscal year 2010 compensation program. Based on the input of those officers, the Compensation Committee approved the level of attainment and the payouts based on that level of attainment.

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The Compensation Committee also determines the form in which the compensation will be paid *e.g.*, cash or equity and determines the form of equity, including stock options, stock appreciation rights, restricted stock, restricted stock units or performance shares. In each year since fiscal year 2006, the Compensation Committee has approved a compensation program that the Compensation Committee believes (1) incorporates a well-balanced mix of short-term and long-term incentives and cash and non-cash components; (2) links pay to the achievement of goals that are tied to our operational performance; and (3) helps achieve the objectives with respect to compensation that are described elsewhere in this Compensation Discussion and Analysis section. As detailed below, this compensation program was also followed in fiscal year 2010.

### **The Role of the Compensation Consultant**

During fiscal year 2010, the Compensation Committee engaged Towers Watson as its independent executive compensation consultant. Towers Watson provided the Compensation Committee with the following services:

- advised with respect to the design, form, components and amounts of compensation for executive officers;
- advised on the appropriate composition of the Company's peer group;
- advised with respect to compensation arrangements for new executive hires and terminating executives;
- reviewed the Company's current compensation programs and determined whether such compensation programs were competitive and well balanced;
- reviewed market trends, regulatory issues and developments and their potential effect on executive compensation programs;
- consulted with the Compensation Committee on appropriate performance metrics for the annual performance cash incentive and long-term incentive program; and
- advised on proxy disclosure rule changes related to compensation policies and programs.

The process in which the Compensation Committee engages Towers Watson to perform work is set forth in a formal agreement containing a description of the scope of Towers Watson's services. The Compensation Committee engaged Towers Watson based on their experience, expertise and familiarity with the Company. A representative of Towers Watson often attends sessions of the Compensation Committee that deal with executive compensation matters.

### **Peer Group**

The Compensation Committee, with the assistance of Towers Watson, conducted a competitive compensation review for the Company's executive leadership team. Towers Watson presented the Compensation Committee with a competitive market range of compensation for our Named Executive Officers based on compensation data as set forth in the proxy statement disclosures of our peer group (identified below) and Towers Watson's compensation survey-based data for the computer, hardware, software and services industry. Towers Watson used the following selection criteria for recommending the fiscal year 2010 peer group for purposes of benchmarking compensation: (1) U.S.-based publicly traded companies with annual revenues between \$1 billion and \$6 billion; and (2) companies that report the majority of their revenues using software and technology services industry classifications. The resulting peer group consisted of the following companies:

Axiom Corporation  
Adobe Systems Incorporated  
Autodesk, Inc.  
BMC Software, Inc.

Cadence Design Systems, Inc.  
Citrix Systems, Inc.  
Compuware Corporation  
Intuit, Inc.

McAfee, Inc.  
Novell, Inc.  
Symantec Corporation  
VeriSign, Inc.



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The fiscal 2010 peer group was unchanged from the fiscal 2009 peer group.

The purpose of comparing the Company's executive compensation program with peer group proxy data was to inform the Compensation Committee of competitive compensation practices. In addition, the Compensation Committee reviewed survey-based data for the computer hardware, software and services industry to provide a secondary data point for the Compensation Committee when considering market data. Towers Watson used the following selection criteria for determining the companies in the survey: (1) companies that participated in the Towers Watson (at the time Towers Perrin) 2008 general Industry Executive Compensation Survey; and (2) U.S.-based publicly traded companies that have annual revenues between \$1 billion and \$20 billion; and (3) companies that report the majority of their revenues using computer hardware, software and services industry classifications.

The Compensation Committee also considered the Company's performance and individual contribution, experience and potential when comparing compensation data. The Compensation Committee considered this data in establishing target total direct compensation opportunities for our Named Executive Officers and executive leadership team, which is targeted to be within the 50th to 75th percentiles of compensation of executives in the selected peer group. After taking these factors into account, the Compensation Committee exercised its judgment in making compensation decisions. We believe that this approach gives the Compensation Committee the information necessary to make compensation decisions based upon all of the relevant facts and circumstances.

## **Risk Considerations Relating to Compensation**

The Company's Chief Risk Officer and its EVP-HR presented the Compensation Committee with an analysis of the risks involved in the design and implementation of all of the Company's significant incentive compensation programs, including all of the executive compensation plans that cover our Named Executive Officers. Based on that presentation, the Compensation Committee concurred with management's assessment that our incentive compensation programs should not give rise to risks that are reasonably likely to have a material adverse effect on the Company. Some factors considered in this analysis were the following:

The long-term equity awards granted to our executives are subject to long-term performance goals that are linked to the Company's long-term strategy and have long-term performance cycles or vesting schedules, which links the compensation to long-term stock price performance and to the long-term interests of the Company's stockholders.

The Company's clawback policy gives the Compensation Committee the ability under certain circumstances to recover executive compensation awards when an executive engages in intentional misconduct or fraud that results in a substantial restatement of the Company's financial statements.

The Compensation Committee has discretion to decrease the amount of any incentive compensation payouts (negative discretion) when determining final payouts of awards, which gives the Compensation Committee the ability to avoid rewarding executives for excessive or inappropriate risk-taking.

## **Determination of Fiscal Year 2010 Compensation**

### **Elements of Compensation**

Our executives' aggregate compensation includes base salary, annual performance cash incentive, long-term equity incentive compensation, broad-based employee benefit programs and limited perquisites. The Compensation Committee approved aggregate compensation at the beginning of fiscal year 2010 that was generally targeted to be competitive among compensation of a selected peer group of companies in the computer software and technology

services industry, assuming

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predetermined performance objectives were attained at the target level. See Processes and Procedures for Determining Executive Compensation Peer Group, above.

For fiscal year 2010, our long-term incentive plan ( LTIP ) compensation included: (1) a fiscal year 2010 one-year performance share award for a performance cycle that commenced on April 1, 2009 and ended on March 31, 2010, and which is subject to a three-year prorated vesting schedule; and (2) a three-year performance share award for a performance cycle that commenced on April 1, 2009 and ends March 31, 2012.

The following table briefly summarizes the elements of compensation for our executive officers, which are described in greater detail elsewhere in this Compensation Discussion and Analysis section.

<b>Compensation Element</b>	<b>Description</b>	<b>Purpose</b>	<b>Other Features</b>
Base Salary	Generally, base salary is the smallest element of each executive's total target direct compensation opportunity ( <i>i.e.</i> , base salary, target annual performance cash incentive, one-year performance share target value and three-year performance share target value).	To provide a competitive base level of fixed cash compensation, which reflects the executive's position, responsibilities, skills, contributions and potential in order to attract, retain and motivate superior key executive talent.	Base salaries are reviewed annually and determined based on (i) the responsibilities of the position; (ii) the experience, performance and potential of the executive; and (iii) periodic reference to the competitive marketplace, as described above.
Annual Performance Cash Incentive	The annual performance cash incentive generally represents approximately 20% of the Named Executive Officers' total target direct compensation opportunity.	To reward performance on key strategic, operational and financial goals over the course of a year, as part of focus on both short-term and long-term performance goals serving as the foundation for superior longer-term performance.	The annual performance cash incentive is awarded to executives upon achieving annual financial, strategic and operational performance objectives.  The Compensation Committee retains negative discretion to reduce annual performance cash incentive payouts for any reason.

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<b>Compensation Element</b>	<b>Description</b>	<b>Purpose</b>	<b>Other Features</b>
Long-Term Incentive Plan ( LTIP )	<p>The LTIP has been comprised of two components: (i) a one-year performance share award and (ii) a three-year performance share award.</p> <p>The LTIP awards are issued upon the achievement of pre-established performance metrics. The value of these equity awards is ultimately determined by the achievement of pre-established goals and our share price.</p> <p>The one-year performance share awards fully vest in equal installments over a two-year period after the end of the one-year performance cycle.</p> <p>The three-year performance share awards vest at the conclusion of a three-year performance cycle.</p>	<p>To provide additional motivation to key executive talent to deliver on long-term goals that align with long-term stockholder value.</p> <p>The predominance of the equity component, along with related vesting and stock ownership requirements, is intended to complement the short-term annual performance cash incentive and focus management on long-term stockholder value.</p> <p>To provide a long-term performance-based compensation component that is able to attract and retain key executives for sustained performance over long-term performance periods.</p>	<p>The intent of the LTIP is to promote behavior that aligns the interests of executives with the long-term performance of the Company and the long-term interests of our stockholders.</p> <p>Generally, the LTIP constitutes the largest component of each executive's total target direct compensation opportunity.</p> <p>Upon a change in control (as defined in the CA, Inc. 2007 Incentive Plan) one-year and three-year performance share awards will generally vest at 100% of target, prorated for the portion of the performance cycle that has been completed through the date of a change in control.</p> <p>The Compensation Committee retains negative discretion to reduce LTIP payouts for any reason.</p>

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<b>Compensation Element</b>	<b>Description</b>	<b>Purpose</b>	<b>Other Features</b>
Change in Control Severance Policy	<p>The Company's Change in Control Severance Policy provides severance benefits for certain executives, including some of the Named Executive Officers.</p> <p>The treatment of equity upon a change in control is addressed separately under the terms of the Company's broad-based equity plans.</p>	<p>To provide post-change-in-control benefits consistent with current competitive practice.</p> <p>To provide additional incentive to those key executives most closely connected to a potential change in control to remain focused on the Company's business priorities and to act more objectively and, therefore, in the best interests of stockholders, despite the fact that such a transaction could result in the executives' termination.</p> <p>To encourage key executives to remain with the Company prior to the completion of a change-in-control transaction and to work toward a successful transition.</p> <p>To provide potential additional non-competition and non-solicitation protection for the Company.</p>	<p>Payments under this policy are payable only after both (1) a change in control and (2) a termination of the executive's employment within 24 months after the change in control. Payments represent a single multiple of an executive's base salary and average annual performance cash incentive.</p> <p>Payments under this policy are contingent upon an executive's signing a release of claims against the Company.</p>
Employment Agreements	<p>These agreements provide for certain obligations to the Company (<i>e.g.</i>, non-compete, non-solicitation, limitation on other outside business activities) and benefits to the employee upon a termination of employment under specified circumstances.</p>	<p>To attract and retain key employees over a specified term.</p>	



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<b>Compensation Element</b>	<b>Description</b>	<b>Purpose</b>	<b>Other Features</b>
Deferred Compensation Arrangements	The Company sponsors non-qualified deferred compensation plans available to certain executives of the Company, including the Named Executive Officers.	To attract and retain key executive talent by providing a voluntary deferral of earned incentive compensation, which provides a long-term retirement savings opportunity on a tax-efficient basis.	
Perquisites	The Company provides limited perquisites to its executives.	To attract and retain key executive talent by providing a limited number of competitive personal benefits that allow executives greater and more focused productivity to serve the business more effectively and balance their lives.	

**Performance-Based Compensation Annual and Long-Term Incentives*****Annual Performance Cash Incentive***

Early in fiscal year 2010, the Compensation Committee approved performance metrics for executive officers, including the Named Executive Officers, which were based on the Company's annual financial, operational and strategic objectives for fiscal year 2010. The annual cash performance metrics for fiscal year 2010 were:

***Operating Income:*** Defined as income from continuing operations before interest and income taxes as reported in Item 8, Financial Statements and Supplementary Data, of the Company's Form 10-K for fiscal year 2010, plus non-GAAP operating adjustments, including purchased software amortization, intangibles amortization, acquired in-process research and development, and hedging gains, net, as reported in the Reconciliation of GAAP Results to Non-GAAP Net Income table of the Company's fourth quarter fiscal year 2010 financial results press release.

***Revenue in Constant Currency:*** Defined as growth in total revenue as reported in Item 8, Financial Statements and Supplementary Data, of the Company's 10-K for fiscal year 2010 excluding the impact of foreign currency exchange on total revenue as reported in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Company's Form 10-K for fiscal year 2010.

Generally, under the terms of the annual performance cash incentive award, if an executive's employment terminates prior to the end of the fiscal year, the executive ceases to be eligible for any portion of the award. However certain executive contracts may contain terms that provide for an executive to be paid all or a prorated portion of the executive's annual performance cash incentive bonus at the end of the fiscal year, based on the Company's actual performance. For further information please see Other Compensation Arrangements Provided to Our Named

Executive Officers.

The Compensation Committee retains negative discretion to reduce any annual performance cash incentive payout for any reason, including the results of the Compensation Committee's review



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of the basis on which the performance goals were achieved. This review includes an examination of, among other things, the quality and long-term strategic alignment of the performance underlying the attainment of the performance goals, as well as the long-term risks associated with the manner in which the performance goals were attained. For further discussion, please see *Other Important Compensation Policies Affecting Named Executive Officers*.

Executive compensation is also tied to the ethical standards of the Company. A failure to complete annual ethics training results in a mandatory 10% reduction of an executive's annual performance cash incentive. In determining whether to exercise its discretion to reduce payouts on the basis of issues relating to ethical standards, the Compensation Committee considers each executive's contribution to the establishment and maintenance of high ethical and compliance standards throughout his or her organization and, in general, throughout the Company. The Company's Ethics Committee also notifies the Compensation Committee whether there were any incidents or reports of unethical behavior or other misconduct. No reductions were made to any Named Executive Officer's annual performance cash incentive for ethical or other reasons with respect to payouts made for fiscal year 2010.

In May 2010, the Compensation Committee approved the payment of the fiscal year 2010 annual performance cash incentive based on the achievement of the previously established targets. The annual performance cash incentive amounts paid to the Named Executive Officers are reflected in the *Non-Equity Incentive Plan Compensation* column of the *Fiscal Year 2010 Summary Compensation Table*, below, and in the *Performance Targets and Actual Results for Fiscal Year 2010* table, below.

Additional details about the fiscal year 2010 annual performance cash incentives, including results and payouts, are provided in the *Performance Targets and Actual Results for Fiscal Year 2010* table, below.

### ***Long-Term Incentive Plan***

The Compensation Committee approves the aggregate target amounts of the LTIP awards, their respective apportionment between the components of the program, the applicable performance metrics and the applicable performance targets. The components of the LTIP compensation opportunities awarded in fiscal year 2010 were one-year performance shares and three-year performance shares.

#### **One-Year Performance Shares**

Represented the opportunity to earn shares of Common Stock that vest 34% at issuance and 33% on each of the first two anniversaries of the issuance date.

Granted at the beginning of the fiscal year 2010 performance cycle.

Settled by issuance of restricted shares at the end of fiscal year 2010 (after the Compensation Committee considered the results for the fiscal year 2010 performance cycle) based on the achievement of one-year performance goals.

Intended to promote retention and align the interests of our executives with the long-term performance of our stock price and the interests of our stockholders as approximately two-thirds of the award vests over the two-year period following completion of the performance cycle, during which the executive must remain employed by the Company.

Intended to reward growth in fiscal year 2010 revenue, operating income and cash flow from operations, recognizing the importance of annual operating performance to our business.

The threshold, target, maximum and actual payout factors for fiscal year 2010 one-year performance shares are shown in the Relationship of Actual Performance to Payouts for Performance-Based Compensation for Performance Cycles Ending in Fiscal Year 2010 table. The

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actual number of shares issued under this award is shown in the Performance Targets and Actual Results for Fiscal Year 2010 table.

Under the LTIP program, the issuance of stock at the conclusion of the one-year performance cycle from April 1, 2009 to March 31, 2010 was dependent on the achievement of specified performance targets set early in fiscal year 2010 by the Compensation Committee. The LTIP performance metrics for fiscal year 2010 were:

*Operating Income:* As defined above under Annual Performance Cash Incentive, above.

*Revenue in Constant Currency:* As defined above under Annual Performance Cash Incentive, above.

*Adjusted Cash Flow From Operations ( CFFO ):* Defined as Net Cash Provided by Continuing Operating Activities as reported in Item 8, Financial Statements and Supplementary Data, of the Company's Form 10-K for fiscal year 2010, plus Restructuring and Other Payments for fiscal year 2010, as reported within the Company's fourth quarter of fiscal year 2010 Supplemental Financial Information Package.

**Three-Year Performance Shares**

Represent the opportunity to earn shares of Common Stock.

Granted at the beginning of the three-year performance cycle consisting of fiscal years 2010, 2011 and 2012.

To be settled by issuance of shares of Common Stock (after the Compensation Committee considers the results for the fiscal year 2010-2012 performance cycle).

Intended to reward growth in cash flow from operations, operating income, and revenue over the performance cycle.

The three-year performance shares are granted exclusively to our executive leadership team which includes our Named Executive Officers, because the Compensation Committee believes that members of the executive leadership team are principally responsible for determining and executing the Company's long-term strategy.

The number of three-year performance shares that the Named Executive Officers may earn for the fiscal year 2010-2012 performance cycle are reflected in the Estimated Future Payouts under Equity Incentive Plan Awards column of the Fiscal Year 2010 Grants of Plan-Based Awards table. The number of three-year performance shares that the Named Executive Officers actually earned for the fiscal year 2008-2010 performance cycle are reflected in the Base Salary Plus Performance-Based Compensation Earned for Performance Cycles Ending March 31, 2010 table, below, which also identifies the range of shares that could have been earned as well as the achievement of specified performance goals for that performance cycle.

The performance metrics for the fiscal year 2008-2010 three-year performance cycle, which concluded on March 31, 2010, approved by the Compensation Committee, were the following:

*Average Three-Year Revenue:* Defined as average three-year total growth in Revenue in Constant Currency (as defined above under Annual Performance Cash Incentive), expressed as a percentage, as reported in the Company's Form 10-K for fiscal year, 2010.

*Average Three-Year Adjusted CFFO:* Defined as average annual growth rate for Adjusted CFFO (as defined above) for fiscal years 2008, 2009 and 2010.

*Effect of Termination of Employment.* If an executive's employment terminates prior to the end of the applicable LTIP performance cycle, the executive generally ceases to be eligible for any portion of the award. However certain executive contracts may contain terms that provide for an executive to be paid a prorated portion of his or her annual performance cash incentive bonus at the end of the

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fiscal year, based on the Company's actual performance. For further information please see *Other Compensation Arrangements Provided to Our Named Executive Officers*. Also, if employment is terminated due to disability or by the Company without cause, an executive may be eligible for a prorated portion of the award after the performance cycle, in accordance with the terms of the program. All determinations are at the Compensation Committee's discretion. Also, in the event of the executive's death, the executive's estate would receive a prorated portion of the target award (based on the portion of the period completed through the date of death).

*Negative Discretion.* The Compensation Committee retains negative discretion to reduce any LTIP payout for any reason, including the results of the Compensation Committee's review of the basis on which the performance goals were achieved. This review includes an examination of, among other things, the quality and long-term strategic alignment of the performance underlying the attainment of the performance goals, as well as the long-term risks associated with the manner in which the performance goals were attained. For further discussion please see *Other Important Compensation Policies Affecting Named Executive Officers*.

**Supplemental Tables to Illustrate Fiscal Year 2010 Compensation**

In effort to illustrate to our stockholders what the performance targets are for our Named Executive Officers and the actual results for compensation payable during fiscal year 2010, as well as how the Compensation Committee views the relationship of performance to executive compensation, we have provided three additional tables in the Compensation Discussion and Analysis portion of this Proxy Statement.

The first table shows the Compensation Committee's targeted value for base salary, annual performance cash incentive and one-year performance shares for each Named Executive Officer for fiscal year 2010, as well as the value actually earned based on fiscal year 2010 performance. The table also shows the targeted compensation opportunity value for fiscal 2010-2012 three-year performance shares for each Named Executive Officer. In addition, the table illustrates the targeted percentage of total direct compensation represented by each of these components. The table does not show the actual value earned for the fiscal 2010-2012 three-year performance shares, since it will not be earned until after the end of the three-year performance cycle in fiscal year 2012. For more information, including projected performance with respect to the fiscal 2010-2012 three-year performance shares, see *Performance-Based Compensation - Annual and Long-Term Incentives* below.

**Table of Contents****Performance Targets and Actual Results for Fiscal Year 2010**

		Base Salary	Annual Performance Cash Incentive	Fiscal 2010 One-Year Performance Shares(1)			Fiscal 2010 Three Month Perfor mance Share Value
				Number of Shares(3)	Stock Price(4)(5)	Value	
E. Cooper (7) Executive	Target Allocation(8)	44%	56%				
	Target <i>Payout Factor(9)</i>	\$ 1,000,000	\$ 1,250,000 <i>112.4%</i>				
	Actual	\$ 41,667(10)	\$ 242,507(10)				
E. Cooper Vice President & Financial	Target Allocation(8)	19%	19%			37%	
	Target	\$ 600,000	\$ 600,000	66,481	\$ 18.05	\$ 1,199,982	\$ 800,000
	<i>Payout Factor(9)</i> Actual	\$ 600,000	\$ 674,400 <i>112.4%</i>	<i>118.25%</i> 78,613	\$ 21.47	\$ 1,687,821	
E. Bryant Vice President, Chief Administrative	Target Allocation(8)	16%	22%			37%	
	Target	\$ 500,000	\$ 700,000	66,481	\$ 18.05	\$ 1,199,982	\$ 800,000
	<i>Payout Factor(9)</i> Actual	\$ 500,000	\$ 786,800 <i>112.4%</i>	<i>118.25%</i> 78,613	\$ 21.47	\$ 1,687,821	
E. Siegelman Vice President & Counsel	Target Allocation(8)	23%	23%			32%	
	Target	\$ 550,000	\$ 550,000	43,213	\$ 18.05	\$ 779,995	\$ 520,000
	<i>Payout Factor(9)</i> Actual	\$ 550,000	\$ 618,200 <i>112.4%</i>	<i>118.25%</i> 51,099	\$ 21.47	\$ 1,097,096	
E. Siegelman (11) Chief Financial Officer	Target Allocation(8)	15%	19%			35%	
	Target	\$ 1,000,000	\$ 1,250,000	125,222	\$ 18.05	\$ 2,260,257	\$ 2,000,000

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	<i>Payout Factor</i> (9)		<i>112.4%</i>	<i>118.25%</i>			
	Actual	\$ 958,333(11)	\$ 941,781(11)	148,075	\$ 21.47	\$ 3,179,170	
J.							
son(12)	Target Allocation(8)	20%	20%			37%	
nt & Chief	Target	\$ 800,000	\$ 800,000	83,102	\$ 18.05	\$ 1,499,991	\$ 1,000,000
ng Officer	<i>Payout Factor</i> (9)		<i>112.4%</i>	<i>118.25%</i>			
	Actual	\$ 800,000	\$ 899,200	98,268	\$ 21.47	\$ 2,109,814	

- (1) The performance cycle for the fiscal year 2010 one-year performance shares began on April 1, 2009 and ended on March 31, 2010.
- (2) The performance cycle for the fiscal year 2010-2012 three-year performance shares began on April 1, 2009 and ends on March 31, 2012. For additional information on the projected performance share award attainments for this and other outstanding performance cycles, please refer to the Outstanding Equity Awards at Fiscal Year End table.
- (3) Reflects the number of shares of our Common Stock issuable at 100% performance ( target ) or issued based on actual performance ( actual ) to the Named Executive Officer upon settlement of the one-year performance shares after completion of the performance cycle. For Mr. Christenson and Mss. Cooper and Fliegelman Olli, 34% of these shares vested upon issuance and the remaining shares vest 33% on each of the first two anniversaries of the date of issuance, provided the executive remains employed by the Company. With respect to Mr. Swainson s fiscal year 2010 one-year performance shares, he was issued a prorated portion of the performance shares for the period of time he served the Company as Chief Executive Officer, of which 70% vested upon issuance in accordance with special retirement vesting approved by the Compensation Committee. The remainder of the award was forfeited upon his termination of employment. Mr. Bryant has informed the Company that he expects to retire from the Company during fiscal year 2011. Accordingly, Mr. Bryant s one-year performance share award vested 70% upon issuance, in accordance with the special retirement vesting as approved by the Compensation Committee, and the remainder will be forfeited upon his termination of employment.
- (4) Stock price of \$18.05 is the closing price for our Common Stock on May 19, 2009, the date that the targets were set by the Compensation Committee.
- (5) Stock price of \$21.47 is the closing price of our Common Stock on May 11, 2010, the date that actual performance for the performance cycle was certified by the Compensation Committee.

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- (6) The actual value of the fiscal year 2010-2012 three-year performance share awards is not shown because it cannot be determined until the conclusion of the fiscal year 2010-2012 three-year performance cycle on March 31, 2012.
- (7) Mr. McCracken became CEO on January 28, 2010. He served as Interim Executive Chairman of the Board of the Company from September 1, 2009 to January 28, 2010, and as executive Chairman of the Board from January 28, 2010 to May 6, 2010.
- (8) Target Allocation represents the percentage of each component of the Named Executive Officer's total direct compensation (*i.e.*, base salary, target annual performance cash incentive, one-year performance share target value and three-year performance share target value) that the Compensation Committee targeted to deliver to the Named Executive Officer at the beginning of fiscal year 2010.
- (9) Payout Factor is the percentage of target actually earned by each Named Executive Officer based on performance cycles that concluded in fiscal year 2010.
- (10) For a description of the components of Mr. McCracken's fiscal year 2010 base salary, see Fiscal Year 2010 Summary Compensation Table, below. Pursuant to the terms of Mr. McCracken's employment agreement, with respect to fiscal year 2010, Mr. McCracken was eligible to receive a target annual performance cash incentive of \$1,250,000, which was prorated to reflect his service as Chief Executive Officer from January 28 to March 31, 2010, based on the Company's actual performance.
- (11) Mr. Swainson retired as CEO on December 31, 2009 and his employment terminated on March 15, 2010. Pursuant to the terms of Mr. Swainson's employment agreement, he received a portion of his annual performance cash incentive for the year in which his termination as CEO occurred, prorated for the portion of the fiscal year during which he served as CEO, based on the Company's actual performance. See Other Compensation Arrangements Provided to our Named Executive Officers' Employment Agreements, below.
- (12) Mr. Christenson's employment with the Company terminated on May 31, 2010.



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The second table in this Compensation Discussion and Analysis reflects the relationship of (i) actual performance against the Company's performance goals to (ii) payouts for the annual performance cash incentive and LTIP awards, including the one-year performance shares for fiscal year 2010 and the three-year performance shares for fiscal years 2008-2010. For each of these components of the LTIP awards, total payouts are based on a weighted average of each performance metric (each component of the LTIP has performance metrics as indicated in the table below). The fiscal year 2010 one-year performance cycle measures for each metric range from threshold (the minimum level at which an executive may earn the relevant portion of the award) to maximum (150% of the targeted value of the relevant portion of the award, as shown below). The fiscal year 2008-2010 three-year performance cycle measures for each metric range from threshold (the minimum level at which an executive may earn the relevant portion of the award) to maximum (200% of the targeted value of the relevant portion of the award, as shown below). These measurements are weighted and averaged to produce a Total Payout Factor, which is shown in the following table. The Total Payout Factor is multiplied by each executive's target award value (in dollars or number of shares) to produce the executive's final award. For more information, see the Base Salary Plus Performance-Based Compensation Earned for Performance Cycles Ending March 31, 2010 table, below.

**Relationship of Actual Performance to Payouts for Performance-Based Compensation for Performance Cycles Ending in Fiscal Year 2010**

and	Percentage of Performance/Payout Relationship (dollars in millions)						Target Award Earned		F	
	Threshold		Target		Maximum		Payout	Weighting		
Performance Metric	Performance	Payout	Performance	Payout	Performance	Payout	Actual	Percentage	of	
Performance Incentive	Goal	(%)	Goal	(%)	Goal	(%)	Performance	Credited	Result	
ing Income(1)	1,175	25%	1,302	100%	1,387	150%	1,360	134%	40%	5
e (Constant y)(2)	(2.0)%	25%	2.9%	100%	6.1%	150%	2.7%	98%	60%	5
<b>Payout Factor</b>										11
<b>One-Year</b>										
<b>Performance Shares</b>										
ing Income(1)	1,175	25%	1,302	100%	1,387	150%	1,360	134%	25%	3
d Cash Flow operations(3)	1,161	25%	1,321	100%	1,428	150%	1,413	143%	25%	3
e (Constant y)(2)	(2.0)%	25%	2.9%	100%	6.1%	150%	2.7%	98%	50%	4
<b>Payout Factor</b>										11
<b>2010</b>										
<b>Year</b>										
<b>Performance</b>										

Three-Year Change in Constant Currency Growth(4)	2.6%	50%	3.1%	100%	4.1%	200%	2.6%	50%	50%	2
Three-Year Change in Adjusted Operating Cash Flow (5)	2.0%	50%	5.0%	100%	8.0%	200%	6.5%	150%	50%	7
<b>Layout Factor</b>										<b>10</b>

\* Performance cycle April 1, 2007 to March 31, 2010

(1) Defined as income from continuing operations before interest and income taxes as reported in Item 8, Financial Statements and Supplementary Data, of the Company's Form 10-K for fiscal year 2010, plus non-GAAP operating adjustments, including purchased software amortization, intangibles amortization, acquired in-process research and development, and hedging gains net. A reconciliation of this non-GAAP financial measure to its comparable GAAP financial measure is included in Supplemental Financial Information, below.

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- (2) Defined as growth in total revenue as reported in Item 8, Financial Statements and Supplementary Data, of the Company's 10-K for fiscal year 2010, excluding the impact of foreign currency exchange on total revenue as reported in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Company's Form 10-K for fiscal year 2010. A reconciliation of this non-GAAP financial measure to its comparable GAAP financial measure is included in Supplemental Financial Information, below.
- (3) Defined as Net Cash Provided by Continuing Operating Activities as reported in Item 8, Financial Statements and Supplementary Data, of the Company's Form 10-K for the fiscal year 2010, plus Restructuring and Other Payments for fiscal year 2010, as reported within the Company's fourth quarter of fiscal year 2010 Supplemental Financial Information Package. See Supplemental Financial Information, below.
- (4) Defined as average three-year total growth in Revenue in Constant Currency (as defined above), expressed as a percentage, as reported in the Company's Form 10-K for fiscal year 2010. See Supplemental Financial Information, below.
- (5) Defined as average annual growth rate for Adjusted CFO (as defined above) for fiscal years 2008, 2009 and 2010. See Supplemental Financial Information, below.

Because the performance cycle for fiscal year 2010-2012 three-year performance share awards ends with fiscal year 2012, the results for that performance cycle are not yet available and no payout will occur until after fiscal year 2012. The financial objectives for the fiscal year 2010-2012 three-year performance cycle reflected our internal, confidential business plan at the time the awards were established. The Company believes that the disclosure of these objectives and targets could result in competitive harm, particularly since disclosure may provide insight to our competitors about our capital allocation strategy and cash flow and income growth objectives. At the time the fiscal year 2010-2012 three-year performance objectives were formulated, there was a substantial degree of difficulty with respect to achieving those objectives, since the threshold payout level would require performance above the level of our results for the fiscal year that ended immediately prior to the beginning of the three-year performance cycle.

The third table in this Compensation and Discussion Analysis summarizes total base salary plus performance-based compensation earned by each Named Executive Officer for performance cycles ending in fiscal year 2010, as determined by the Compensation Committee. This table also includes the market value of shares earned for performance in fiscal year 2010, including the three-year performance shares for the fiscal year 2008-2010 performance cycle. This table is a meaningful representation of the LTIP compensation earned and the manner in which the Compensation Committee determines compensation opportunities. A significant portion of this compensation

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continues to be at risk because it is paid in shares of our Common Stock, which remain subject to vesting or is subject to our stock ownership requirements.

**Base Salary Plus Performance-Based Compensation Earned for Performance Cycles  
Ending March 31, 2010**

Base Salary	Status of Award	Annual Performance Cash Incentive	Fiscal Year 2010 One-Year Performance Shares(1)		Fiscal Year 2008-2010 Three-Year Performance Shares(2)			
			Actual # of Shares(3)	Value(4)	Target # of Shares(3)	Payout Factor	Actual # of Shares(3)	Value(4)
\$ 41,667	Vested Unvested	\$ 242,507						
\$ 41,667	Total	\$ 242,507						
\$ 600,000	Vested Unvested	\$ 674,400	26,729 51,884	\$ 573,872 \$ 1,113,949	29,652	100.0%	29,652	\$ 636,625
\$ 600,000	Total	\$ 674,400	78,613	\$ 1,687,821	29,652	100.0%	29,652	\$ 636,625
\$ 500,000	Vested Unvested	\$ 786,800	55,030 23,583	\$ 1,181,494 \$ 506,327	39,016	100.0%	39,016	\$ 837,674
\$ 500,000	Total	\$ 786,800	78,613	\$ 1,687,821	39,016	100.0%	39,016	\$ 837,674
\$ 550,000	Vested Unvested	\$ 618,200	17,374 33,725	\$ 373,020 \$ 724,076	20,288	100.0%	20,288	\$ 435,583
\$ 550,000	Total	\$ 618,200	51,099	\$ 1,097,096	20,288	100.0%	20,288	\$ 435,583
\$ 958,333	Vested Unvested	\$ 941,781	103,653 44,422	\$ 2,225,430 \$ 953,740	71,625	100.0%	71,625	\$ 1,537,781
\$ 958,333	Total	\$ 941,781	148,075	\$ 3,179,170	71,625	100.0%	71,625	\$ 1,537,781

\$ 800,000	Vested	\$ 899,200	33,412	\$ 717,356	31,213	100.0%	31,213	\$ 670,143
	Unvested		64,856	\$ 1,392,458				
\$ 800,000	Total	\$ 899,200	98,268	\$ 2,109,814	31,213	100.0%	31,213	\$ 670,143

- (1) One-year performance shares relate to the fiscal year 2010 performance cycle beginning April 1, 2009 and ending March 31, 2010.
- (2) Three-year performance shares relate to the fiscal year 2008-2010 three-year performance cycle beginning April 1, 2007 and ending March 31, 2010.
- (3) Reflects the number of shares of our Common Stock issuable at 100% performance ( target ) or issued based on actual performance ( actual ) to the Named Executive Officer upon settlement of one-year or three-year performance shares after completion of the performance cycle.
- (4) Based on the closing market price of \$21.47 for our Common Stock on May 11, 2010, the date the Compensation Committee certified attainment of performance goals for this performance cycle. For Mr. Christenson and Mss. Cooper and Fliegelman Olli, 34% of these shares vested upon issuance and the remaining shares vest 33% on each of the first two anniversaries of the date of issuance, provided the executive remains employed by the Company. Mr. Swainson was issued fiscal year 2010 one-year performance shares that were prorated for the portion of the performance cycle during which he served as CEO, of which 70% vested upon issuance in accordance with special retirement vesting as approved by the Compensation Committee and the remainder were forfeited on the date of termination of his employment. Mr. Bryant s one-year performance share award vested 70% upon issuance, in accordance with special retirement vesting, as approved by the Compensation Committee, since Mr. Bryant has informed the Company that he expects to retire from the Company during fiscal year 2011. The remainder of Mr. Bryant s grant will be forfeited on the date of termination of his employment. See Performance-Based Compensation Annual and Long-Term Incentives, above.
- (5) This column represents the total value of total direct compensation earned by the Named Executive Officers in respect of fiscal year 2010.
- (6) For a description of the components of Mr. McCracken s fiscal year 2010 base salary, see Fiscal Year 2010 Summary Compensation Table. Pursuant to the terms of Mr. McCracken s employment

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agreement, with respect to fiscal year 2010, Mr. McCracken was eligible to receive a target annual performance cash incentive of \$1,250,000, which was prorated to reflect his service as Chief Executive Officer from January 28 to March 31, 2010, based on the Company's actual performance.

**Other Important Compensation Policies Affecting Named Executive Officers**

**Negative Discretion of the Compensation Committee**

The Compensation Committee retains discretion to reduce the amount of any incentive compensation payout (including annual performance cash incentive and LTIP) for any reason, including the results of the Compensation Committee's review of the basis on which the performance goals were achieved. This review includes an examination of, among other things, the quality and long-term strategic alignment of the performance underlying the attainment of the performance goals, as well as the long-term risks associated with the manner in which the performance goals were attained. For example, the Compensation Committee did not pay any fiscal year 2006 annual performance cash incentive to the CEO and many other senior executives due to the Company's overall performance in that fiscal year, notwithstanding formulaic outcomes of performance goals.

**Policy on Adjustments or Recovery of Compensation**

In April 2007, the Compensation Committee approved a compensation recovery policy that is applicable in the event of a substantial restatement of our financial statements that is a direct result of the intentional misconduct or fraud of an executive officer or other senior executive. Under this policy, the Compensation Committee can, in its discretion, direct that we recover all or a portion of any award (which includes any cash or equity based bonus or incentive compensation award) made to any executive officer or other senior executive who engaged in such intentional misconduct and/or fraud for any fiscal year that is negatively affected by such restatement. The amount the Compensation Committee can seek to recover is the amount by which the affected award exceeds the amounts that would have been payable to such person had the financial statements been initially filed as restated, or any greater or lesser amount (but not greater than the entire affected awards in the given period). The Compensation Committee will determine how we may recover this compensation, including by seeking repayment, reduction of any potential future payments and/or an adjustment of what otherwise might have been a future increase in compensation or a compensatory grant.

**Tax Deductibility of Incentive Compensation**

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation in excess of \$1 million paid to the CEO and to the other three highest-paid executive officers (other than the Chief Financial Officer) unless this compensation qualifies as performance-based. For purposes of Section 162(m), compensation derived from the exercise of stock options generally qualifies as performance-based. In addition, we generally intend that incentive compensation paid in cash or in the form of restricted stock or restricted stock units or performance shares qualifies as performance-based and we believe that, for fiscal year 2010, incentive compensation paid to the Named Executive Officers in cash and equity qualified as performance-based. However, the Compensation Committee retains discretion to approve or revise annual, long-term or other compensation arrangements in a manner that does not permit the compensation to qualify for tax deductibility under Section 162(m).

**Executive Stock Ownership Requirements**

The objective of our Executive Stock Ownership Requirements is to align certain executives' interests with those of stockholders and encourage growth in stockholder value. In 2006, the Compensation Committee adopted Executive Stock Ownership Guidelines, which are applicable to executives including the Named Executive Officers. In order to

maintain a strong alignment between

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the interests of management and stockholders of the Company, effective as of July 28, 2009, the Company amended its Executive Stock Ownership Guidelines to incorporate a minimum retention ratio requirement. The Compensation Committee believes that the minimum retention ratio requirement strongly reinforces our executive compensation philosophy by aligning the interests of executives with stockholder value.

Under the Executive Stock Ownership Requirements, the amount of Common Stock each executive is targeted to own, which is stated as a multiple of the executive's base salary, reflects each executive's role and level of responsibility at the Company. The multiples applicable to the Named Executive Officers are as follows: (i) CEO four times, (ii) the President and Chief Operating Officer and the Chief Financial Officer three times and (iii) the other Named Executive Officers two times. A Named Executive Officer who equals or exceeds the applicable stock ownership requirement may dispose of shares of Company stock only so long as such Named Executive Officer's remaining ownership of Company stock equals or exceeds the applicable stock ownership requirement. However, if a Named Executive Officer is not in compliance with the applicable stock ownership requirement, the Named Executive Officer must maintain a minimum retention ratio of 75% of the after tax value of any Company stock that the Named Executive Officer receives upon vesting of any Company incentive award. Additionally, the Compensation Committee may, among other things, elect to reduce future equity awards or require cash incentives to be paid in shares of Company stock for executives who do not meet the minimum stock ownership requirement.

### **Other Important Compensation Matters**

Three of the Named Executive Officers Mr. McCracken and Mss. Cooper and Fliegelman Olli have employment agreements with the Company. In each of these cases, the use of employment agreements was deemed to be necessary to recruit or retain the executive. Generally, these employment agreements provide for severance upon a termination of employment without cause or a resignation for good reason (as defined in the agreements) equal to one times base salary, although this can vary depending on specific circumstances.

The Company also maintains an Executive Deferred Compensation Plan, under which our executive officers may be eligible to defer a portion of their annual performance cash incentive. In addition, at the time of the hiring of Mr. Swainson and Ms. Cooper, the Company credited certain amounts to deferred compensation accounts for the benefit of these executives to make up for retirement and other benefits that were being forfeited with their prior employers.

Our Change in Control Severance Policy is intended to maintain continuity of management in the event of a change in control. The Board has broad latitude to amend this policy and to add or remove executives as participants under the policy, as it deems appropriate.

During fiscal year 2010, the Company entered into retention agreements with Messrs. Bryant and Christenson and Mss. Cooper and Fliegelman Olli. The purpose of these agreements was to retain these members of management during the transition from the former CEO, the search for a new CEO and the initial period of employment of a new CEO by providing those executives with the opportunity to earn cash payments generally equivalent to a year's base salary should the executives remain employed through certain milestone dates. The executives will not receive the retention payment if their employment is terminated for any reason other than termination without cause or resignation for good reason or, in some instances, non-renewal of their employment agreement prior to the milestone date. If the executive is terminated prior to the milestone date, the executive is required to sign a release of claims against the Company in order to receive the retention payment.

Details about the compensation arrangements discussed in this section are provided below under Other Compensation Arrangements Provided to Our Named Executive Officers.





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The following table includes information concerning compensation paid to or earned by our Chief Executive Officer, former Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers (the Named Executive Officers ) for the fiscal year ended March 31, 2010.

Named Principal	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)	Total Compensation (\$)(5)
E. Ten(5) Executive	2010	1,114,584	1,300,000(6)	561,879	492,621	242,507	36,627	3,727,518
Cooper Chief Officer	2010	600,000		2,386,153		674,400	46,778	3,667,331
	2009	600,000		1,878,198		394,740	42,982	2,915,920
	2008	575,000		1,963,773		1,033,200	54,314	3,626,287
Bryant, K & Administrative	2010	500,000		1,968,553		786,800	24,314	3,279,667
Regelman Olli General	2010	550,000		1,697,154		618,200	162,398	3,027,752
Swainson(7) Chief Executive Officer	2010	958,333		4,921,417		941,781	4,718,109	11,539,640
	2009	1,000,000		4,942,701		822,375	336,854	7,101,930
	2008	1,000,000		4,923,505		2,152,500	341,196	8,427,201
J. son(8) President & Operating	2010	800,000		2,460,700		899,200	51,304	4,211,204
	2009	800,000		2,471,326		526,320	35,311	3,833,657
	2008	762,500		5,683,597		1,377,600	64,411	7,828,018

- (1) This column represents the aggregate grant date fair value in accordance with Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) Topic 718, Compensation Stock Compensation, for a restricted stock, restricted stock units and performance shares granted in fiscal years 2010, 2009 and 2008. These award fair values have been determined based on the assumptions set forth in Note 11, Stock Plans, in the Notes to the Consolidated Financial Statements in the Company s fiscal year 2010 Annual Report on Form 10-K ( Form 10-K ) and Note 10 in the Company s fiscal years 2009 and 2008 Form 10-Ks, respectively. Additional information about the awards reflected in this column is set forth in the notes to the Fiscal Year 2010 Grants of Plan-Based Awards and Outstanding Equity Awards at Fiscal Year-End tables, below. The following amounts represent the grant date fair value of the fiscal year 2010 one-year performance share awards based on actual payouts for fiscal year 2010: Ms. Cooper \$600,800; Mr. Bryant, \$790,541; Ms. Fliegelman Olli, \$345,438; Mr. Swainson, \$1,581,100; and Mr. Christenson, \$790,541. The following amounts represent the grant date fair value of the fiscal year 2010-2012 three-year performance share awards assuming maximum payouts: Ms. Cooper, \$1,168,802; Mr. Bryant, \$1,168,802; Ms. Fliegelman Olli, \$759,710; Mr. Swainson, \$2,922,033; and Mr. Christenson, \$1,460,999. Mr. McCracken was not granted a fiscal year 2010 one-year award or a fiscal year 2010-2012 three-year performance share award. The grant date fair value of the deferred stock units granted to Mr. McCracken for his service as a non-employee director and as non-executive Chairman of the Board was \$72,917. See Note (5) below.
- (2) This column represents the grant date fair value in accordance with FASB ASC Topic 718 for all stock option awards granted in fiscal year 2010. These award fair values have been determined based on the assumptions set forth in Note 11, Stock Plans, in the Notes to the Consolidated Financial Statements in the Company s fiscal year 2010 Form 10-K.
- (3) The amounts in this column for fiscal year 2010 represent the annual performance cash incentives described under Compensation Discussion and Analysis Determination of Fiscal Year 2010 Compensation Elements of Compensation Annual Performance Cash Incentive, above. These annual performance cash incentive amounts were paid early in fiscal years 2011,

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2010 and 2009 for performance in fiscal years 2010, 2009 and 2008, respectively. We also accrued these amounts for financial reporting purposes in fiscal years 2010, 2009 and 2008, respectively. The receipt of these awards may be partially deferred at the election of the recipient under our Executive Deferred Compensation Plan. Pursuant to the terms of his employment agreement, Mr. McCracken was paid a prorated portion of his annual performance cash incentive based on actual attainment of the Company's performance goals.

- (4) The "All Other Compensation" column includes perquisites and other personal benefits detailed below, as well as contributions we made under our 401(k) plan and related supplemental defined contribution retirement plans:

	<b>Swainson</b>	<b>McCracken</b>	<b>Cooper</b>	<b>Christenson</b>	<b>Bryant</b>	<b>Olli</b>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Company-provided automobile transportation(a)	844	0	13,197	18,004	0	0
Personal Company aircraft use(b)	106,589	26,427	0	7,112	751	26,620
Tax reimbursement for personal aircraft use(c)	36,619	0	0	0	0	0
Housing allowance(d)	23,505	0	2,975	0	0	45,590
Executive financial planning service(e)	0	0	8,500	0	8,500	9,000
Employer contributions to defined contribution plans and deferred compensation plans(f)	21,749	0	22,106	21,188	15,063	21,188
Matching charitable contributions(g)	799	10,200	0	5,000	0	0
Annual stipend(h)	0	0	0	0	0	60,000

(a) In order to help maintain the confidentiality of business matters and to increase productivity when traveling, certain Named Executive Officers had personal use of Company provided automobile transportation in fiscal year 2010 or reimbursement for personal automobile transportation. The amounts reflected in the table represent the incremental cost related to the executives' personal use.

(b) Mr. McCracken and Mr. Swainson used the Company's corporate aircraft for personal travel in fiscal year 2010 in accordance with our Aircraft Use Policy. The Policy required Mr. McCracken and Mr. Swainson to use the corporate aircraft for personal travel for security reasons and permits other executives to use corporate aircraft for personal purposes. We determined that the value of such use for Mr. McCracken, based on the incremental cost to the Company, was \$15,510, plus additional charges for family members of \$10,917, for a total value of \$26,427. We determined that the value of such use for Mr. Swainson, based on

the incremental cost to the Company, was \$35,465, plus additional charges for family members of \$71,124, for a total value of \$106,589. We determined the value of such use for Ms. Fliegelman Olli, based on the incremental cost to the Company, was \$26,340, plus additional charges for family members of \$280. With respect to Messrs. Christenson and Bryant, the amounts above represent the cost for family members use of the corporate aircraft, which was \$7,112 and \$751, respectively. The incremental cost is based on the direct operating cost as calculated by a third party provider, based on a number of variables, including fuel, fuel additives, maintenance, labor, parts and landing and parking fees. Although we believe there is no incremental cost for use by family members who travel with an executive, for purposes of this table, we assume and reflect charges comparable to first-class airfare (or in the case of helicopter use, charter fares) for family members. This incremental cost valuation of aircraft use is different from the standard industry fare level ( SIFL ) valuation used to impute income to the executives for tax purposes.

- (c) The Company reimbursed Mr. Swainson for the tax effect of the amount imputed as income to him (which differs from the incremental cost) until December 31, 2009. At the regular

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meeting of the Compensation Committee held on July 28, 2009, the Committee reviewed the personal use of corporate aircraft by Mr. Swainson and his family. Mr. Swainson agreed to waive the tax reimbursement of the effect of the income imputed to him for future personal use of corporate aircraft by him and his family and the Compensation Committee agreed that the Company would no longer reimburse Mr. Swainson for that tax effect commencing with personal use on and after January 1, 2010, the start of the 2010 tax year.

- (d) Reflects the amount the Company paid in fiscal year 2010 for corporate housing. The Company defrays corporate housing expense in lieu of relocation of the executive to the vicinity of the Company's corporate headquarters.
  - (e) Effective January 1, 2010, the Company offers financial planning services from a third party to certain executives of the Company to assist executives in managing complex investment, tax, legal and estate planning matters so the executives remain focused on business priorities rather than personal financial concerns.
  - (f) The amount reflects Company matching contributions under our tax-qualified 401(k) retirement plan and related nonqualified supplemental retirement plans. The amount also reflects the Company's annual discretionary contribution under the tax-qualified 401(k) plan, which was made in fiscal year 2011, but relates to fiscal year 2010. The Company offers a tax-qualified 401(k) plan, related non-qualified supplemental plans and a non-qualified deferred compensation plan for our executives to promote retention of key executives by providing a competitive long-term retirement savings opportunity on a tax-efficient basis.
  - (g) The amount shown for Mr. Swainson represents the Company's matching contributions made in fiscal year 2010 with respect to charitable contributions made by Mr. Swainson. Under our charitable gift matching program for U.S. employees, we match up to \$5,000 of contributions for each employee per calendar year. The amount shown for Mr. McCracken represents the Company's matching contributions of \$10,200 made in fiscal year 2010 with respect to charitable contributions made by Mr. McCracken in his capacity as a non-employee director. For a description of our matching gift program for non-employee directors, please refer to Compensation of Directors. above.
  - (h) Ms. Fliegelman Olli receives a \$5,000 stipend per month pursuant to her employment agreement. See Other Compensation Arrangements Provided to Our Named Executive Officers Employment Agreements, below.
- (5) Mr. McCracken became CEO on January 28, 2010. He served as Interim Executive Chairman of the Board of the Company from September 1, 2009 to January 28, 2010, and as executive Chairman of the Board from January 28, 2010 to May 6, 2010. On September 1, 2009, Mr. McCracken ceased being compensated as a non-employee director and as non-executive Chairman of the Board and began being compensated as an employee of the Company. From April 2009 to August 2009, Mr. McCracken received compensation as a non-employee director and as non-executive Chairman of the Board at the rates described under Compensation of Directors. Under the 2003 Directors Plan, Mr. McCracken elected to receive his director fees 50% in cash (\$72,917) and 50% in deferred stock units (\$72,917). For his service from September 1, 2009 to March 15, 2010, Mr. McCracken received \$1,000,000 as salary, as well as a stock option grant of 72,323 shares of Common Stock and a restricted stock unit award of 23,957 shares under the 2007 Incentive Plan. On March 16, 2010, Mr. McCracken began to receive an annual base salary of \$1,000,000 as CEO (\$41,667 during fiscal year 2010).
- (6) Mr. McCracken received a sign-on bonus of \$1,300,000 intended to reflect a discretionary bonus for the portion of fiscal year 2010 during which he served as Interim Executive Chairman and to compensate him for increased

personal living expenses he incurred during 2009 and expects to incur in his capacity as a full-time employee of the Company.

- (7) Mr. Swainson retired as CEO on December 31, 2009 and his employment terminated on March 15, 2010. Pursuant to the terms of Mr. Swainson's employment agreement, upon his retirement from the Company, he received a severance payment of \$4,528,004. See Other

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Compensation Arrangements Provided to Our Named Executive Officers Employment Agreements, below.

(8) Mr. Christenson's employment with the Company terminated on May 31, 2010.

**Fiscal Year 2010 Grants of Plan-Based Awards**

The following table provides additional information about stock and option awards, equity incentive plan awards and non-equity incentive plan awards granted to the Named Executive Officers during the fiscal year ended March 31, 2010. The compensation plans under which the grants in the following table were made are described in the Compensation Discussion and Analysis section above.

Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)
	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
9/3/2009(2)								72,323
9/3/2009(3)							23,957	
2/28/2010(4)	312,500	1,250,000	1,875,000					
1/19/2009(5)				16,620	66,481	99,721		
1/19/2009(6)				11,080	44,321	66,481		
1/19/2009(7)	150,000	600,000	900,000					
2/28/2009(8)							20,000	
1/19/2009(5)				16,620	66,481	99,721		
1/19/2009(6)				11,080	44,321	66,481		
1/19/2009(7)	175,000	700,000	1,050,000					
1/19/2009(5)				10,803	43,213	64,819		
1/19/2009(6)				7,202	28,808	43,212		
1/19/2009(7)	137,500	550,000	825,000					
2/28/2009(8)							20,000	



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/19/2009(5)				41,551	166,204	249,306
/19/2009(6)				27,700	110,803	166,204
/19/2009(7)	312,500	1,250,000	1,875,000			
/19/2009(5)				20,775	83,102	124,653
/19/2009(6)				13,850	55,401	83,101
/19/2009(7)	200,000	800,000	1,200,000			

- (1) The amounts shown represent shares of our Common Stock. The following shares of restricted stock were issued early in fiscal year 2010 in payment of the fiscal year 2009 one-year and the fiscal year 2007-2009 three-year performance shares: Ms. Cooper, 33,583/33,567; Mr. Bryant, 44,189/55,947; Ms. Fliegelman Olli, 22,978/19,309; Mr. Swainson, 88,379/111,894; and Mr. Christenson, 44,189/55,947. 34% of the fiscal year 2009 one-year performance share awards vested upon issuance and 33% will vest upon each of the first two anniversaries of the date of issuance, provided the executive remains employed by the Company. These shares are not reflected in the table above, because performance share awards were not granted in fiscal year 2010. The fiscal year 2007-2009 three-year performance share awards vested 100% upon issuance to the Named Executive Officers.
- (2) The amounts in this row represent the grant date fair value of stock options awarded to Mr. McCracken on September 3, 2009 in connection with his service as Interim Executive Chairman. The award, which was granted to him as compensation for his services as Interim Executive Chairman, vested upon grant and becomes exercisable at the rate of 20% on each anniversary of the date of grant.
- (3) The amounts in this row represent the grant date fair value of a restricted stock unit awarded to Mr. McCracken on September 3, 2009 in connection with his service as Interim Executive

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Chairman. The award vests 20% on each anniversary of the grant date and is not payable until one year after the award is fully vested.

- (4) Pursuant to the terms of Mr. McCracken's employment agreement, he was eligible to receive a target annual performance cash incentive of \$1,250,000, which was prorated to reflect his service as CEO from January 28, 2010 through March 31, 2010.
- (5) The amounts in this row represent the one-year performance share award threshold, target and maximum payout set under the fiscal year 2010 LTIP by the Compensation Committee on May 19, 2009, as described in the Compensation Discussion and Analysis, and the amounts reported in the last column represent the fair value as of the date the targets were set, computed in accordance with FASB ASC Topic 718 based on probable outcome, assuming target. See Note 11, "Stock Plans," in the Notes to the Consolidated Financial Statements in our fiscal year 2010 Form 10-K for an explanation of the methodology and assumptions used in the FASB ASC Topic 718 valuations.
- (6) The amounts in this row represent the fiscal 2010-2012 three-year performance share award threshold, target and maximum payout set under the fiscal year 2010 LTIP by the Compensation Committee on May 19, 2009, as described in the Compensation Discussion and Analysis, and the amounts reported in the last column represent the fair value as of the date the targets were set, computed in accordance with FASB ASC Topic 718 based on probable outcome, assuming target. See Note 11, "Stock Plans," in the Notes to the Consolidated Financial Statements in our fiscal year 2010 Form 10-K for an explanation of the methodology and assumptions used in the FASB ASC Topic 718 valuations.
- (7) The amounts in this row represent the threshold, target and maximum payouts under the annual performance cash incentive for fiscal year 2010. Payout of the annual performance cash incentive was made early in fiscal year 2011 and is reflected in the Non-Equity Incentive Plan Compensation Column of the Fiscal Year 2010 Summary Compensation Table, above, and is discussed in the Compensation Discussion and Analysis, above.
- (8) The amounts in this row represent restricted shares granted to Mss. Cooper and Fliegelman Olli as retention stock awards that vest 100% on the third anniversary of the grant date.

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**Outstanding Equity Awards at 2010 Fiscal Year-End**

The following table sets forth certain information with respect to outstanding equity awards at March 31, 2010 with respect to the Named Executive Officers.

**Option Awards**

**Stock Awards**

**Equity**

**Equity  
Incentive  
Plan**