
From: Notice Administrator [donotreply@edserisasettlement.com]
Sent: Friday, June 20, 2008 6:31 PM
To:
Subject: EDS ERISA Litigation Class Notice

YOU ARE A MEMBER OF A CLASS ACTION LAWSUIT. Below, please find the text of the Notice of Class Action Settlement.

Please [click here](#) for a printable version of the Court-approved Notice. If you do not have Adobe® Acrobat Reader installed on your computer, [click here](#) to download.

**PLEASE DO NOT CONTACT EDS HUMAN RESOURCES OR THE COURT;
CLASS COUNSEL HAS SET UP A TOLL-FREE NUMBER FOR INQUIRIES
(866) 540-4948.**

Please do not reply to this e-mail as this e-mail account is unattended.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

IN RE ELECTRONIC DATA SYSTEMS	:	CASE NO. 6:03-MD-1512
CORP. "ERISA" LITIGATION	:	LEAD CASE: 6:03-CV-126
	:	("ERISA")
THIS DOCUMENT RELATES TO:	:	
ALL ACTIONS	:	

NOTICE OF CLASS ACTION SETTLEMENT

Your legal rights might be affected if you are a member of the following class:

(a) All participants and former participants in the EDS 401(k) Plan and their beneficiaries, for whose individual accounts the Plan purchased and/or held interests in EDS stock through the EDS Company Stock Fund (f/k/a the EDS Stock Fund or the GM Class E Stock Fund) at any time during the period September 7, 1999 through and including October 9, 2002, and the beneficiaries of such participants or former participants; and (b) all participants and former participants in the Plan and their beneficiaries for whose individual accounts the Plan purchased EDS stock through the EDS Company Stock Fund at any time during the period October 20, 2001 through and including November 18, 2002.

A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER. YOU HAVE NOT BEEN SUED.

The Court has preliminarily approved a proposed settlement of a class action lawsuit (the "Settlement") brought under the Employee Retirement Income Security Act (often referred to as ERISA) and for the sale of unregistered Company stock to the EDS 401(k) Plan (the "Plan") in violation of Sections 12(a)(1) and 15 of the Securities Act of 1933. The Settlement will provide for payments in accordance with the Plan of Allocation to the Plan and to members of the Settlement Class, and it will provide for a proportionate allocation of those payments among the Settlement Class who had portions of their Plan accounts invested in the EDS Company Stock Fund (the "Stock Fund"). The Settlement also will provide structural and equitable relief in the form of certain Plan design changes. The Settlement is summarized below. The U.S. District Court for the Eastern District of Texas (the "Court") has scheduled a hearing on final approval of the

Settlement, the proposed allocation of the Settlement proceeds and the Appointed Counsel's motion for attorneys' fees and expenses and for compensation to the Named Plaintiffs. That hearing before the United States District Judge Leonard Davis has been scheduled for August 6, 2008, at 10:00 a.m. at the United States District Court for the Eastern District of Texas, Tyler Division, 211 W. Ferguson, Tyler, Texas 75702.

· Any objections to the Settlement, the proposed allocation of the Settlement funds, or the motion for attorneys' fees and expenses and compensation to the Named Plaintiffs must be served in writing on Lead Counsel for the Settlement Class, identified on page 7 of this notice, and on Defendants' attorneys, who are identified on page 7 of this notice. The procedure for objecting is described below.

· This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set out in the Settlement Agreement, which is filed as Exhibit A to the Joint Motion for Preliminary Approval of Settlement and Approval of Class Notice (the "Settlement Agreement"). Capitalized terms used in this Notice, but not defined in this Notice, have the meanings assigned to them in the Settlement Agreement. The Settlement Agreement and additional information with respect to this lawsuit and the Settlement are available at www.kellersettlements.com/eds.html or from Lead Counsel for the Settlement Class identified on Page 7 below.

· On May 13, 2008, Hewlett-Packard Company ("HP") and EDS announced a definitive merger agreement under which HP will purchase EDS at a price of \$25.00 per share. The merger is expected to close sometime in the second half of 2008. If this merger is consummated, the EDS Company Stock Fund will become an all cash fund. The case proceeds in the EDS Company Stock Fund will then be transferred to the Qualified Default Investment Alternative offered by the Plan.

Please read this Notice carefully and completely. If you are a member of the Settlement Class to whom this Notice is addressed, the Settlement will affect your rights. You are not being sued in this matter. You do not have to appear in court, and you do not have to hire an attorney in this case. If you are in favor of the Settlement and you received this Notice directly, you need not do anything. If you disapprove, you may object to the Settlement pursuant to the procedures described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
<p>YOU MAY DO NOTHING.</p> <p>NO ACTION IS NECESSARY TO RECEIVE PAYMENT IF YOU RECEIVED THIS NOTICE DIRECTLY.</p>	<p>If the Settlement is approved by the Court, you are a member of the Settlement Class, and you received this Notice by mail or email, you will not need to do anything to receive a payment. The portion, if any, of the Settlement Fund to be allocated to your existing Plan account or to be sent to you directly under the Settlement will be calculated as part of the implementation of the Settlement. If you believe that you are a member of the Settlement Class and you did not receive this Notice by mail or email directly from Plaintiffs' Lead Counsel, it is essential for you to contact Plaintiffs' Lead Counsel at the address or number on page 2 below. Otherwise, you may not be included in the distribution of the Settlement Fund.</p> <p>If you are entitled to a distribution and if you are a current Plan participant, any share of the Settlement Fund to which you are entitled will be deposited into your Plan account. If you no longer are a Plan participant and are entitled to share in the Settlement Fund, your share will be sent to you.</p>
<p>OBJECT (POSTMARKED BY JULY 28, 2008)</p>	<p>If you wish to object to any part of the Settlement, including the request for an award of fees and expenses, you may (as more fully discussed below) write to the Court and counsel about why you do not like the Settlement.</p>
<p>GO TO A HEARING (TO BE HELD ON AUGUST 6, 2008)</p>	<p>If you have submitted a written objection to the Settlement to the Court and counsel, you may (but do not have to) attend the Court Hearing about the Settlement and present your objections to the Court. You may attend the Hearing even if you do not file a written objection, but you will only be allowed to speak at the Hearing if you timely file a written objection and a notice of intent to appear in advance of the Hearing.</p>

These rights and options - and the deadlines to exercise them - are explained in this Notice.

The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in the event of any appeals.

Further Information

Additional regarding the litigation and this Notice may be obtained by contacting Plaintiffs' Lead Counsel:
SUSMAN GODFREY L.L.P.

Barry C. Barnett
Jonathan Bridges
901 Main Street, Suite 5100
Dallas, TX 75202-3775

Plaintiffs' Lead Counsel have established a toll-free phone number to receive your comments and questions:
(866) 540-4948.

Plaintiffs' Lead Counsel may also be contacted via e-mail: edserisa@susmangodfrey.com

Please do not contact the Court or EDS about this Notice.

WHAT THIS NOTICE CONTAINS

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This litigation (the "Action") is a consolidated case in which Plaintiffs allege that the Defendants breached fiduciary duties they owed to the participants in the Plan (the "ERISA Claims") and that the Plan purchased unregistered shares of EDS stock from the Company (the "Rescission Claims"). Copies of the most recent Complaint and other documents filed in the Action are available www.kellersettlements.com/eds.html or from counsel listed on Page 7 below.

SUMMARY OF SETTLEMENT

1. **Monetary Relief.** A Settlement Fund consisting of \$12.5 million in cash is being established in the Action ("Monetary Relief"). The net amount in the Settlement Fund, including interest, and after payment of any taxes, expenses, approved attorneys' fees and costs, and compensation to the Named Plaintiffs, will be paid and be allocated to Settlement Class members according to a Plan of Allocation to be approved by the Court.

2. **Structural and Equitable Relief.** In addition to monetary relief, the Settlement provides for structural and equitable relief in the form of Plan design changes designed to benefit Plan participants and beneficiaries, and is valued at no less than \$19 million ("Structural and Equitable Relief"), described in more detail in response to Question No. 7 below.

Statement of Potential Outcome of the Action

As with any litigated case, Plaintiffs would face an uncertain outcome if the Action were to continue against the Defendants. Continued litigation of the Action against these Defendants could result in a judgment greater or lesser than the recovery under the Settlement Agreement, or in no recovery at all.

Throughout this litigation, the Named Plaintiffs and the Defendants have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the Plaintiffs were to prevail at trial. The Defendants have denied and continue to deny the claims and contentions alleged by the Named Plaintiffs, that they are liable at all to the Settlement Class and that the Settlement Class or the Plan have suffered any damages for which the Defendants could be legally responsible. Nevertheless, the Defendants have taken into account the uncertainty and risks inherent in any litigation, particularly in a complex case such as this one, and have concluded that it is desirable that the Action be fully and finally settled as to them on the terms and conditions set forth in the Settlement Agreement.

Statement of Attorneys' Fees and Costs Sought in the Action

Appointed Counsel in the Action will apply to the Court for an order awarding to counsel for Named Plaintiffs in the Action from the proceeds of the Settlement Fund attorneys' fees not in excess of one-third of the Monetary Relief recovered, plus reimbursement of out-of-pocket expenses.

What Will the Named Plaintiffs Get?

The Named Plaintiffs named in the Action will share in the allocation of the money paid to the Plan on the same basis and to the same extent as all other members of the Settlement Class, except that, in addition, the Named Plaintiffs may apply to the Court for compensation up to \$5,000 each, plus reimbursement of the reasonable costs and expenses directly relating to their representation of the Settlement Class. Any compensation awarded to Named Plaintiffs by the Court will be payable from the Settlement Fund.

BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family are or may have been a participant in the Plan and/or one of its predecessor plans during one or both of the class periods of September 7, 1999 to October 9, 2002, and/or October 20, 2001 to November 18, 2002 (collectively "Settlement Class Period").

The Court caused this Notice to be sent to you because, if you fall within that group, you have a right to know about the Settlement and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the net amount of the Settlement Fund will be paid according to a Court-approved Plan of Allocation either (a) directly to members of the Settlement Class who are former Plan Participants who no longer hold an account in the Plan; or (b) to the Plan to be allocated among the accounts of members of the Settlement Class who are current Participants.

This Notice package describes the litigation, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the Eastern District of Texas, Tyler Division. The people who sued are called the "Named Plaintiffs," and the people they sued are called "Defendants." The Named Plaintiffs in the Action are Jeffrey Smith and Richard W. Mizell. The Defendants include EDS and the following persons and entities named as defendants in the Complaint: EDS's Compensation and Benefits Committee and its members, William H. Gray III, Ray J. Groves and C. Robert Kidder; Chief Executive Officer Richard H. Brown; the EDS Benefits Administration Committee, its Chairman, David R. Nixon, and its members, Elaine Moore, Carl Schwendiman, Layla Mocio, Michael E. Paolucci, Karina L. Pettengill and alleged members Joy Chandler and Kim McMann; and the EDS Investment Committee, its Chairman, James E. Daley, Vice Chairman Scott J. Krenz, and its members, H. Paulette Eberhart, Carl J. Schwendiman, David R. Nixon, and Myrna B. Vance. The legal action that is the subject of this Notice and the Settlement is known as *In re Electronic Data Systems Corp. "ERISA" Litigation*, Case No. 6:03-MD-1512, Lead Case 06:03-CV-126 ("ERISA") (the "Action").

2. What is the lawsuit about?

The Action claims that the Defendants were fiduciaries of the Plan and violated fiduciary duties and co-fiduciary duties under ERISA that they owed to current and former EDS employees who are or were participants in the Plan during the Settlement Class Period. In the Complaint, Named Plaintiffs have asserted causes of action for the losses they allege were suffered by the Plan as the result of the alleged breaches of

fiduciary duty by the Defendants, as well as losses resulting from the purchases of unregistered EDS stock by the Plan.

During the Settlement Class Period, participants in the Plan were able to allocate their account balances among various investment funds maintained by the Plan. The investment funds included a fund primarily invested in EDS common stock called the EDS Company Stock Fund (f/k/a the EDS Stock Fund or the GM Class E Stock Fund) ("Stock Fund"). Many Plan participants chose to have contributions to the Plan invested in the Stock Fund. In addition, EDS made matching contributions, which were invested in the Stock Fund and credited to Plan participants' accounts.

The Action alleges that EDS and some of its individual officers and employees had the discretion to freeze further investments in EDS stock, to sell the Plan's holdings of EDS stock, and to eliminate the Stock Fund. It also alleges that certain other defendants had the duty to monitor the performance of the responsible officers and employees. Named Plaintiffs further allege that the Defendants knew or should have known that EDS stock was not a prudent retirement investment during the Settlement Class Period and that the Defendants acted imprudently by not preventing further investment in EDS stock, not liquidating the Plan's EDS stock holdings, and not eliminating the Stock Fund. Named Plaintiffs also assert that certain Defendants violated their alleged fiduciary duties by failing to provide Plan participants with complete and accurate information about EDS.

In addition, the Action claims that, during a portion of the Settlement Class Period, the Company sold unregistered shares of EDS stock to the Plan in violation of the federal securities laws. Named Plaintiffs have asserted causes of action seeking to rescind or undo the Plan's alleged purchases of unregistered EDS stock.

The Defenses in the Action

The Defendants deny that they have liability to the Plan or its participants or beneficiaries. If the litigation were to continue, the Defendants would raise numerous defenses to liability, including the following:

- that they were not fiduciaries and/or co-fiduciaries of the Plan, or, if they were fiduciaries and/or co-fiduciaries, their fiduciary duties did not extend to the matters at issue in the Action;
- that EDS common stock was at all relevant times a prudent investment option for the Plan and its participants;
- that to the extent they were fiduciaries and/or co-fiduciaries as to the matters at issue in the Action, they fully discharged all fiduciary duties imposed on them by ERISA;
- that even if they failed to discharge one or more of their ERISA fiduciary duties, any such breach of fiduciary duty did not cause the losses alleged by the Plaintiffs;
- that the relief sought by the Plaintiffs in the Action is not permitted by ERISA;
- that the sale by EDS of shares of EDS stock to the Plan does not require registration under the federal securities laws; and
- that the Rescission Claims are time-barred.

The Action Has Been Aggressively Litigated

Appointed Counsel has conducted an extensive investigation of the allegations in the Action and of the alleged losses suffered by the Plan. In addition, through that investigation and through discovery of information in the Action, Appointed Counsel has obtained and reviewed millions of pages of documents, including Plan governing documents and materials, communications with Plan participants, internal EDS documents regarding the Plan, SEC filings, press releases, public statements, news articles, other publications, and other documents.

Appointed Counsel previously opposed a motion by the Defendants to dismiss the Plaintiffs' claims. The Court denied that motion in its entirety.

Appointed Counsel has drafted and served on Defendants numerous discovery requests, and has prepared and served responses to written discovery requests made by Defendants.

Appointed Counsel and Defendants' Counsel conducted numerous depositions in this Action.

On November 8, 2004, after extensive briefing and oral argument, and over Defendants' strenuous objections, the Court certified a Class, which is defined as revised for purposes of the Settlement as follows:

- (a) All participants and former participants in the EDS 401(k) Plan and their beneficiaries, for whose individual accounts the Plan purchased and/or held interests in EDS stock through the EDS Company Stock Fund (f/k/a the EDS Stock Fund or the GM Class E Stock Fund) at any time during the period September 7, 1999 through and including October 9, 2002, and the beneficiaries of such participants or former participants; and (b) all participants and former participants in the Plan and their beneficiaries, for whose individual accounts the Plan purchased EDS stock through the EDS Stock Fund at any time during the period October 20, 2001 through and including November 18, 2002.

Defendants subsequently appealed certification of the ERISA Claims to the United States Court of Appeals for the Fifth Circuit, which reversed and remanded the case to the Court for further proceedings. Named Plaintiffs renewed their motion for class certification. Defendants have not filed their opposition to this motion, and the case is now stayed pending consideration of the proposed settlement.

Settlement Discussions

This Settlement is the product of extensive negotiations between Appointed Counsel and Defendants' Counsel. Throughout the settlement negotiations, the Plaintiffs and the Defendants were advised by various consultants and experts, including individuals with expertise in ERISA fiduciary liability issues, insurance coverage issues, and estimating potential damages in cases involving ERISA fiduciary liability.

3. Why is this case a class action?

In a class action, one or more plaintiffs, called "Named Plaintiffs," sue on behalf of people who have similar claims. All of the individuals on whose behalf the Named Plaintiffs are suing are members of the "settlement class." One court resolves the issues for all class members. U.S. District Judge Leonard Davis is presiding over this case. In its Preliminary Approval Order setting the Fairness Hearing, the Court conditionally certified the Settlement Class in the Action.

4. Why is there a Settlement?

The Court has not reached any final decisions in connection with Plaintiffs' claims against the Defendants. Instead, the Plaintiffs and the Defendants have agreed to a settlement. In reaching the Settlement, they have avoided the cost and time of a trial.

As with any litigated case, the Plaintiffs face an uncertain outcome. On the one hand, continuation of the case against the Defendants could result in a judgment greater than this Settlement. On the other hand, continuation of the case against them could result in a judgment for less value than Plaintiffs have obtained in this Settlement, or even in no recovery at all. Based on these factors, the Plaintiffs and Appointed Counsel in this case believe the Settlement is best for all Settlement Class members. Additional information concerning the Settlement and these factors is available in the motion for preliminary approval of the Settlement Agreement, which may be obtained at www.kellersettlements.com/eds.html or directly from Clerk of the United States District Court for the Eastern District of Texas, Tyler Division.

5. How do I know whether I am part of the Settlement?

The proceeds of this Settlement will be allocated only to members of the Settlement Class, and then only according to a Court-approved Plan of Allocation.

You are a member of the Settlement Class if you fall within the "class definition" approved by United States District Judge Leonard Davis:

- (a) All participants and former participants in the EDS 401(k) Plan and their beneficiaries for whose individual accounts the Plan purchased and/or held interests in EDS stock through the EDS Company Stock Fund (f/k/a the EDS Stock Fund or the GM Class E Stock Fund) at any time during the period September 7, 1999 through and including October 9, 2002, and the beneficiaries of such participants or former participants; and
- (b) all participants and former participants in the Plan and their beneficiaries for whose individual accounts the Plan purchased EDS stock through the EDS Stock Fund at any time during the period October 20, 2001 through and including November 18, 2002.

Excluded from the Settlement Class are Defendants and the Immediate Family, heirs, successors or assigns of the Defendants.

If you are a member of the Settlement Class, the amount of money you will receive, if any, will depend upon the Court-approved Plan of Allocation, described below in Section 8.

6. Are there exceptions to being included?

You are not a member of the Settlement Class if you are a Defendant or the Immediate Family, heir, successor or assign of any of the Defendants.

THE SETTLEMENT BENEFITS - WHAT YOU GET

Any benefits you receive will depend upon the Court-approved Plan of Allocation, described below in Section 8.

7. What does the Settlement provide?

- A. **Monetary Relief.** A Settlement Fund consisting of \$12.5 million in cash is being established in the

Action. The net amount in the Settlement Fund, including interest, and after payment of, and establishment of reserves for, any taxes and Court-approved costs, Settlement Expenses, attorneys' fees, and expenses, including any Court-approved compensation to be paid to the Named Plaintiffs, will be paid to Settlement Class members either (a) directly to members of the Settlement Class who are former Plan participants and who no longer hold an account in the Plan or (b) to the Plan for allocation to members of the Settlement Class who are current participants. The payments will be made pursuant to a Plan of Allocation to be approved by the Court.

B. Structural and Equitable Relief. In addition to monetary relief, the Settlement provides for Structural and Equitable Relief, valued at no less than \$19 million, that consists of the following Plan design changes:

(i) **Employer Matching Contributions to be in Cash.** The Plan, which was amended after commencement of this litigation, shall continue to provide that, for at least three years from the Effective Date of Settlement, all Employer Matching Contributions to Participants' Employer Matching Contribution Accounts shall be made in cash.

(ii) **Guarantee of Employer Matching Contribution.** EDS guarantees that since entering into a binding settlement with Plaintiffs it has continued and that in the future it shall continue to provide the Employer Matching Contribution to Participants' Employer Matching Contribution Accounts for three years after the entry of the Final Order. The percentage and amount of Employer Matching Contributions shall not be less than what is set forth in Section 4.1(b) of the Plan Document as of entry of the Final Order.

(iii) **Employer Matching Contribution Accounts Unlocked.** The Plan, which was amended after commencement of this litigation, shall continue to provide that, for at least three years from the Effective Date of Settlement, each Plan Participant shall have the right to direct the investment of his or her Employer Matching Contribution Account balance in the same manner and among the same investment alternatives as are available for the investment of employee contributions to the Plan.

(iv) **Phase Out of EDS Company Stock Fund.** The EDS Company Stock Fund shall be continued as a Plan investment fund for three (3) years from the Effective Date of the Settlement. The EDS Company Stock Fund will be terminated three years from the Effective Date of Settlement. No earlier than six (6) months prior to three years from the Effective Date of Settlement, the Plan's trustee will begin to sell shares held in the EDS Company Stock Fund and those funds will be allocated to the Plan's "Qualified Default Investment Alternative," as defined by Department of Labor Regulation § 2550.404c-5(e). Upon the termination of the EDS Company Stock Fund, any funds remaining in that fund will be allocated to the Plan's "Qualified Default Investment Alternative," as defined by Department of Labor Regulation § 2550.404c-5(e). During this continuation period, the EDS Company Stock Fund shall continue to invest primarily in EDS stock (or stock of any successor to EDS) subject to the liquidity needs of the EDS Company Stock Fund to facilitate transactions. Upon the Effective Date of Settlement, the EDS Company Stock Fund shall be closed to new investments, but the participants may remove their investments from the EDS Company Stock Fund in amounts and timing that they so choose. Within thirty (30) days following the EDS Company Stock Fund becoming closed, future contributions that had been allocated to the EDS Company Stock Fund pursuant to any participant investment election on file shall be reallocated to the Plan's "Qualified Default Investment Alternative," as defined by Department of Labor Regulation § 2550.404c-5(e).

(v) **Pending HP Merger.** If the pending merger with HP is consummated, the EDS stock in the EDS Company Stock Fund will be converted to cash. Certain of the benefits provided by the Structural and Equitable Relief will be expedited because, as soon as administratively feasible, the cash proceeds in the EDS Company Stock Fund will then be transferred to the Qualified Default Investment Alternative offered by the Plan. The obligations to continue the cash employer match shall continue, and may be assumed by the successor company and plan to the extent applicable.

C. Released Claims. All Settlement Class members and anyone claiming through them are deemed to fully release the Defendants and any Person who served as a trustee or fiduciary of the Plan, their Successors-in-Interest, and the present and former Representatives of each of them (the "Releasees") from the "Released Claims."

The Released Claims are any and all claims of any nature whatsoever (including claims for any and all losses, damages, unjust enrichment, attorneys' fees, disgorgement of fees, litigation costs, injunction, declaration, contribution, indemnification, or any other type or nature of legal or equitable relief), based on any alleged conduct prior to March 3, 2008, whether accrued or not, whether already acquired or acquired in the future,

whether known or unknown, in law or equity, brought by way of demand, complaint, cross-claim, counterclaim, third-party claim, or otherwise which were or could have been asserted in the Complaint and that would be barred by principles of *res judicata* had the claims asserted in the Complaint been fully litigated and resulted in a final judgment or order (collectively Claims). Named Plaintiffs on behalf of themselves and on behalf of the Settlement Class hereby expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor and any and all provisions, rights and benefits of any similar statute, law or principle or common law of the United States, any state thereof, or any other jurisdiction." The Released Claims do not include any individual claim to vested benefits that are otherwise due under the terms of the Plan. Released Claims do include a claim for benefits, if any, arising out of or related to the fiduciary breach or prohibited transaction claims asserted in the Complaint.

D. **Settlement Conditions.** The Settlement is conditioned on obtaining approval from an Independent Fiduciary and on the Defendants and the insurer receiving reasonable assurance from the United States Department of Labor that it will not sue or bring administrative proceedings against Defendants for the Released Claims that are described above.

The above description of the operation of the Settlement is only a summary. The governing provisions are set forth in the Settlement Agreement (including its exhibits), which may be obtained at www.keller settlements.com/eds.html or from Lead Counsel for the Settlement Class listed on Page 7 below.

8. How much will my payment be?

Members of the Settlement Class who are, were, or became participants in the Plan will share in the Settlement based on their Plan accounts' losses, if any, in the Stock Fund, as determined under the Plan of Allocation. You are not responsible for calculating the amount you may be entitled to receive under the Settlement. This calculation will be done as part of the implementation of the Settlement through the Plan of Allocation. Your share will be calculated in the following steps:

- Each member of Settlement Class's "Net Loss" will be calculated. The Net Loss consists of the value of the participant's Plan account (i) invested in the Stock Fund at the beginning of the Class Period (September 7, 1999), plus (ii) the value of any investment in the Stock Fund during the Class Period, minus (iii) the proceeds of any divestment from the Stock Fund during the Class Period and the amount that remained in the Stock Fund on the earlier of either the last day of the Class Period or on the last day the member was a Participant.
- Each member of the Settlement Class will be assigned a Preliminary Fractional Share, consisting of the participant's Net Loss divided by the aggregate of all participants' Net Losses.
- Each member of the Settlement Class's share of the net Settlement proceeds will be equal to the net Settlement proceeds available for distribution to Class Members multiplied by the Participant's Preliminary Fractional Share.
- A member of the Settlement Class, who is a former Plan participant and who no longer holds a Plan account, share of the net Settlement proceeds is less than \$10, that member of the Settlement Class will receive no allocation from the net Settlement proceeds.

Do not worry if you do not have records that show your Plan activity. If you received this Notice by mail or email directly from Lead Counsel and you are entitled to a share of the net Settlement Fund, you will receive a statement showing the amount of your share. If you have questions regarding the Settlement or the Plan

have questions regarding the Settlement or the Plan of Allocation, please contact the Lead Counsel listed on Page 7 below.

9. How can I get a payment?

If you received this Notice by mail or email directly from Plaintiffs' Lead Counsel, you do **not** need to file a claim. If you are a member of the Settlement Class entitled to a share of the Settlement Fund, and have a current Plan account, your share will be deposited in your Plan account. If you are a former Plan participant who no longer holds a Plan account, your share will be sent directly to you. This Notice does not provide any tax advice. If you believe you need tax advice, you should consult your own tax and/or legal advisor at your own expense.

If you are a former Plan participant and believe that you are a member of the Settlement Class, but you have **not** provided the Plan with your current address or have not received this Notice by mail or email, it is

essential that you contact the counsel listed on Page 7 below. Otherwise, you may not be included in the distribution of the Settlement Fund.

10. When would I get my payment?

Payment is conditioned on several matters, including the Court's approval of the Settlement and such approval becoming final and no longer subject to any appeals to any court. Upon satisfaction of various conditions, the net Settlement Fund will be paid and allocated pursuant to the Plan of Allocation (described in the Answer to Question No. 8, above) as soon as possible after final approval has been obtained for the Settlement (which includes exhaustion of any and all appeals). Any appeal of the final approval may take several years. Any accrued interest on the Settlement Fund will be included in the amount paid to the members of the Settlement Class in accordance with the Plan of Allocation.

There Will Be No Payments If the Settlement Agreement Is Terminated.

The Settlement Agreement may be terminated on several grounds, including if the Independent Fiduciary does not approve or the Court does not approve or modifies the Settlement. Should the Settlement Agreement be terminated, the Settlement will be terminated, the certification of the Class for settlement purposes will be vacated, and the Action will proceed as if the Settlement Agreement had not been entered into.

11. Can I get out of the Settlement?

YOU DO NOT HAVE THE RIGHT TO EXCLUDE YOURSELF FROM THE SETTLEMENT. THE ACTION WAS CERTIFIED UNDER FEDERAL RULE OF CIVIL PROCEDURE 23(B)(1) AS A NON "OPT-OUT" CLASS ACTION BECAUSE THE COURT PRELIMINARILY DETERMINED THE REQUIREMENTS OF THOSE RULES WERE SATISFIED. THUS, IT IS NOT POSSIBLE FOR ANY PLAN PARTICIPANTS TO EXCLUDE THEMSELVES FROM THE BENEFITS OF THE SETTLEMENT. AS A SETTLEMENT CLASS MEMBER, YOU WILL BE BOUND BY ANY JUDGMENTS OR ORDERS THAT ARE ENTERED IN THE ACTION FOR ALL CLAIMS THAT WERE OR COULD HAVE BEEN ASSERTED IN THE ACTION OR ARE OTHERWISE INCLUDED IN THE RELEASE UNDER THE SETTLEMENT.

Although you cannot opt-out of the Settlement, you can object to the Settlement and ask the Court not to approve it. See Answer to Question No. 14, below.

THE LAWYERS REPRESENTING PLAINTIFFS

12. Do I have a lawyer in the case?

The Court has appointed Barry C. Barnett of the law firm Susman Godfrey L.L.P. as Lead Counsel, and the law firms Keller Rohrback L.L.P., Schatz Nobel IZard P.C., Abraham Fruchter & Twersky LLP and the Baskin Law Firm as Executive Committee Counsel for the Named Plaintiffs in the Action. These lawyers are called "Appointed Counsel." You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Appointed Counsel will file a motion for the award of attorneys' fees and expenses. This motion will be considered at the Fairness Hearing. As previously described, Appointed Counsel have agreed to limit their application for an award of attorneys' fees to not more than one-third of the Monetary Relief recovered, plus reimbursement of out-of-pocket expenses.

Objecting to the Settlement or the Attorneys' Fees

You can tell the Court that you do not agree with the Settlement or some part of it, including the attorneys' fees and expenses the attorneys intend to seek.

14. How do I tell the Court that I don't like the Settlement?

If you are a Settlement Class member, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. To object, you must send a letter or other written statement saying that you object to the Settlement in *In re Electronic Data Systems Corp. "ERISA" Litigation*, Case No. 6:03-MD-1512, Lead Case 6:03-CV-126 ("ERISA"). Be sure to include your name, address, telephone number, signature, and a full explanation of all reasons you object to the Settlement. **Your written objection must be sent to the following counsel and must be postmarked by no later than July 28, 2008:**

PLAINTIFF'S LEAD COUNSEL	DEFENDANTS' COUNSEL
SUSMAN GODFREY L.L.P. Barry C. Barnett	PROSKAUER ROSE L.L.P. Howard Shapiro

Jonathan Bridges
901 Main Street, Suite 5100
Dallas, TX 75202-3775
Telephone: (214) 754-1900
Facsimile: (214) 754-1933

Robert Rachal
Nicole A. Eichberger
909 Poydras Street, Suite 1100
New Orleans, LA 70112-4017
Telephone: (504) 310-4088
Facsimile: (504) 310-2022

You must also file your objection with the Clerk of the United States District Court for the Eastern District of Texas, Tyler Division by no later than seven (7) court days before the Fairness Hearing. The address is: Clerk of the Court, U.S. District Court for the Eastern District of Texas, Tyler Division, 211 W. Ferguson, Tyler, Texas 75702.

Your objection must be postmarked no later than July 28, 2008.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement as fair, reasonable and adequate (the "Fairness Hearing"). You may attend the Fairness Hearing in person or through counsel retained at your expense. You do not have to attend the Fairness Hearing.

15. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on August 6, 2008, at 10:00 a.m. at the United States District Court for the Eastern District of Texas, Tyler Division, 211 W. Ferguson, Tyler, Texas 75702. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement and the Plan of Allocation. The Court will also rule on the motions for attorneys' fees and expenses. We do not know how long these decisions will take.

16. Do I have to come to the hearing?

No. Appointed Counsel will answer any questions the Court might have. While you are not required to come, you are welcome to come at your own expense. Further, if you timely send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay for your own lawyer to attend the Fairness Hearing if you want to.

17. May I speak at the hearing?

If you are a Settlement Class member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send timely a written objection and a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Electronic Data Systems Corp. "ERISA" Litigation*, Case No. 6:03-MD-1512, Lead Case 6:03-CV-126 ("ERISA")." Be sure to include your name, address, telephone number, and your signature. Your written objection and Notice of Intention to Appear must be served on the attorneys listed in the Answer to Question No. 14, above, postmarked no later than July 28, 2008, and must be filed with the Clerk of the Court at the address listed in the Answer to Question No. 14, postmarked no later than July 28, 2008.

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you received this Notice by mail or email directly from Plaintiffs' Lead Counsel and you are a Settlement Class member, you will become a participant in the Settlement of the Action as described above in this Notice if the Settlement is approved, even if you do nothing. If you are a former Plan participant who no longer holds a Plan account and believe that you are a member of the Settlement Class, but you have **not** provided the Plan with your current address or have not received this Notice by mail or email, it is essential that you contact the counsel listed on Page 7 above. Otherwise, you may not be included in the distribution of the Settlement Fund.

GETTING MORE INFORMATION

19. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. The complete settlement is set forth in the Settlement Agreement. You may obtain a copy of the Settlement Agreement by making a written request to the counsel listed at Page 7 above. Copies of the Settlement Agreement, as well as the Motion for Preliminary Approval,

seeking preliminary approval of the Settlement, the Preliminary Approval Order and the proposed Plan of Allocation may also be obtained at www.kellersettlements.com/eds.html or from Lead Counsel for the Settlement Class listed on Page 7 above. The Settlement Agreement also was filed with the Clerk of the United States District Court for the Eastern District of Texas, Tyler Division and may be obtained from the Clerk's office directly.

20. How do I get more information?

For more information regarding the Settlement, you can go to www.kellersettlements.com/eds.html or contact the Lead Counsel for the Settlement Class listed on Page 7 above.

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