

**UNITED STATES DISTRICT COURT  
DISTRICT OF COLUMBIA**

IN RE BAAN COMPANY SECURITIES LITIGATION

Master File No:  
1:98CV02465-ESH-JMF

**NOTICE OF PENDENCY AND SETTLEMENT**

**If you bought Baan Company Securities between January 28, 1997 and October 12, 1998, inclusive,  
you could get a payment from a class action settlement.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- The settlement will provide \$32.5 million to pay claims from investors who purchased or otherwise acquired the securities of Baan Company ("Baan"), including common stock (a.k.a. "ordinary shares"), American Depository Receipts ("ADRs"), warrants and options, between January 28, 1997 and October 12, 1998 (the "Class Period"), who also: (a) were residents of the United States at the time of such purchase; or (b) purchased such securities within the United States, including on the NASDAQ National Market System.
- The settlement resolves a lawsuit over whether Baan and others misled investors about its financial condition and future earnings.
- Your legal rights are affected whether you act, or don't act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to bring your own lawsuit about the legal claims asserted in this case.
<b>OBJECT</b>	Write to the Court about why you don't like the settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- 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 to Class Members who submit acceptable Proofs of Claim if the Court approves the settlement. This takes time, so please be patient.

**SUMMARY NOTICE**

Statement of Plaintiff Recovery

Pursuant to the Settlement described herein, a Settlement Fund consisting of \$32,500,000 in cash has been established. Plaintiffs estimate that there were approximately 50 million shares of Baan common stock traded during the Class Period which may have been damaged. Plaintiffs estimate that the average recovery per damaged share of Baan common stock under the Settlement is \$0.65 per damaged share before deduction of Court-awarded attorneys' fees and expenses. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by his, her or its Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim.

Statement of Potential Outcome of Case

The parties disagreed on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The Defendants deny that they are liable to the Plaintiffs or the Class and deny that Plaintiffs or the Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Counsel intend to apply for fees of up to one-third (33-1/3%) of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the amount of up to \$1,500,000. The requested fees and expenses would amount to an average of \$0.24 per damaged share in total for fees and expenses. The Named Plaintiffs are not receiving any compensation for their services as Class Representatives but may apply for reimbursement of the reasonable costs and expenses (including lost wages) directly relating to the representation of the Class. Lead Plaintiffs shall be entitled to share in the Net Settlement Fund on the same basis and to the same extent as all other Class Members.

## Further Information

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Co-Lead Counsel: Joshua H. Vinik, Esq., Milberg Weiss Bershad Hynes & Lerach LLP, One Pennsylvania Plaza, New York, New York 10119-0165, Telephone (212) 594-5300, or Lee S. Shalov, Esq., Shalov Stone & Bonner LLP, 485 Seventh Avenue, Suite 1000, New York, New York 10018, Telephone (212) 239-4340.

## Reasons for the Settlement

The principal reason for the Settlement is the benefit to be provided to the Class now.

## **BASIC INFORMATION**

### **1. Why did I get this notice package?**

You or someone at this address may have purchased or otherwise acquired the securities of Baan Company, including common stock (a.k.a. "ordinary shares"), American Depository Receipts ("ADRs"), warrants or options, between January 28, 1997 and October 12, 1998 (the "Class Period"). If you did, you may be a Class Member and will be affected by this litigation.

The Court directed that this notice be sent to Class Members because Class Members have a right to know about a proposed settlement of this class action lawsuit and to raise any objections before the Court decides whether to approve the settlement. If you are a Class Member, this Notice will advise you about all of your rights and options. If the Court approves the settlement (and after any objections or appeals are resolved), an administrator appointed by the Court will make the payments that the settlement allows to Class Members who submit acceptable Proofs of Claim.

This Notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Columbia, and the case is known as *In re Baan Securities Litigation*, Master File No. 1:98CV02465. The people who sued, Ralf Hirschmann, Frances Cipriano, and Daniel DeJongh, are called the Lead Plaintiffs. The persons they sued, Baan Company, Jan Baan (Baan's CEO), Tom C. Tinsley (Baan's COO), N.M. (Klaas) Wagenaar (Baan's CFO), J.G. Paul Baan (a former Baan officer and president, chairman, and managing director of Vanenburg), William O. Grabe (a Baan director), David C. Hodgson (a Baan director), and Amal M. Johnson (a Baan officer), and Vanenburg Ventures B.V. (owner of 25% of Baan's outstanding common shares during the Class Period), are called the Defendants.

### **2. What is this lawsuit about?**

The lawsuit claims that the Defendants misled investors by issuing false and misleading statements about Baan. The lawsuit also claimed that Baan issued press releases and financial statements that had false and misleading information about Baan's income and earnings per share during the Class Period. The complaint further alleges that plaintiffs and the other Class Members purchased the Baan securities during the Class Period at prices artificially inflated as a result of the Defendants' dissemination of materially false and misleading statements regarding Baan. The Defendants deny they did anything wrong.

Plaintiffs' Complaint raised claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. Defendants' motions to dismiss the Complaint were granted in part, but the Court upheld certain of Plaintiffs' claims. Defendants filed their Answers to the Complaint denying the material allegations and raising various affirmative defenses. Thereafter Lead Plaintiffs' motion for certification of this action as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure was granted. Extensive discovery was undertaken by the parties to the litigation including expert discovery, and the case was nearly ready for trial when the proposed settlement was reached.

### **3. Why is this a class action?**

In a class action, one or more people called Class Representatives sue on behalf of all people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. In this action, all the people who purchased securities of Baan during the Class Period are alleged to have similar claims relating to those purchases.

### **4. Why is there a settlement?**

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the risks and cost of a trial, and the people affected will get compensation. The Lead Plaintiffs and the attorneys think the settlement is best for all Class Members. A trial may have resulted in a larger recovery or no recovery at all.

## **WHO IS IN THE SETTLEMENT**

To see if you will get money from this settlement, you first have to determine whether you are a Class Member.

**5. How do I know if I am part of the settlement?**

United States District Judge Ellen Segal Huvelle has certified that this action shall proceed on behalf of everyone who fits the following description:

*All persons or entities who purchased or otherwise acquired the securities of Baan, including common stock, American Depository Receipts, warrants and options, between January 28, 1997 and October 12, 1998 (the "Class Period"), who also: (a) were residents of the United States at the time of such purchase; or (b) purchased such securities within the United States, including on the NASDAQ National Market System.*

**6. Are there exceptions to being included?**

You are not a Class Member if you are one of the Defendants, or a member of the immediate family of any of the Defendants or an entity in which a Defendant has a controlling interest.

If you own shares in a mutual fund that purchased Baan securities during the Class Period, that alone does not make you a Class Member (in such case the mutual fund company may be a Class Member). You are a Class Member only if you directly purchased or acquired Baan securities during the Class Period AND were a resident of the United States or purchased such securities within the United States.

You can choose to be excluded by submitting a request for exclusion in accordance with the instructions set forth in the answer to question 13 below.

**7. I'm still not sure if I am included?**

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-447-7657 or visit [www.gilardi.com](http://www.gilardi.com) for more information. Or you can fill out and return the claim form described below, in the answer to question 10, to see if you qualify.

**THE SETTLEMENT BENEFITS -- WHAT YOU GET**

**8. What does the settlement provide?**

Defendants have agreed to create a \$32.5 million fund to be divided, after fees and expenses, among all Class Members who send in a valid Proof of Claim form.

**9. How much will my payment be?**

Your share of the fund will depend on your "Recognized Claim" and the total of all Recognized Claims from Proofs of Claims submitted by all Class Members. The Plan of Allocation attached hereto as Exhibit A sets forth the method for calculating Recognized Claims.

If every eligible Class Member sends in a valid Proof of Claim form, it is anticipated that the average payment would be \$0.41 per share. The number of claimants who send in claims varies widely from case to case. If less than 100% of the Class sends in claim forms, the average payment would be more (but not more than twice the amount of the Recognized Claims). The actual payment will be based on Recognized Claims not per share, so the recovery per share will vary.

**HOW YOU GET A PAYMENT -- SUBMITTING A CLAIM FORM**

**10. How can I get a payment?**

To qualify for payment, you must send in a Proof of Claim form. A Proof of Claim form is attached to this Notice. You may also get a Proof of Claim form on the Internet at [www.gilardi.com](http://www.gilardi.com). Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than **December 3, 2003**.

**11. When would I get my payment?**

The Court will hold a hearing on September 30, 2003, to decide whether to approve the settlement. If Judge Huvelle approves the settlement after that, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. In addition, processing the Proofs of Claim requires a good amount of time. Please be patient.

**12. What am I giving up to get a payment or stay in the Class?**

Unless you exclude yourself, you are staying in the class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against the Defendants about the legal issues in *this* case. It also means that all of the Court's orders will apply to you and legally bind you. If the Court approves this settlement, then all Class Members will be deemed to have released the Defendants and "Released Parties" from all the "Settled Claims."

"Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and unknown claims, (i) that have been asserted in this Action by the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and relate to the purchase or acquisition of Baan securities during the Class Period.

"Released Parties" means the Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, shareholders, agents, employees, attorneys, advisors, and investment advisors, auditors, accountants and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or assigns of the Defendants.

### EXCLUDING YOURSELF FROM THE CLASS

If you don't want a payment from this settlement, and you want to keep the right to sue or continue to sue the Defendants, on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself -- or is sometimes referred to as "opting out" of the settlement Class.

#### 13. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from *In re Baan Company Securities Litigation, Master File No. 1:98CV02465*. Be sure to include your name, address, telephone number, and your signature. Your letter should also state all of your purchases and sales of Baan securities during the period January 28, 1997 through and including October 12, 1998. You must mail your exclusion request postmarked no later than **September 15, 2003** to:

BAAN EXCLUSIONS, c/o Joshua H. Vinik, Esq.  
Milberg Weiss Bershad Hynes & Lerach LLP  
One Pennsylvania Plaza  
New York, New York 10119-0165

You can't exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Baan in the future.

#### 14. If I don't exclude myself, can I sue the Defendants for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue any of the Defendants for the claims that this settlement resolves. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **September 15, 2003**.

#### 15. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may sue, continue to sue, or be part of a different lawsuit against the Defendants.

### THE LAWYERS REPRESENTING YOU

#### 16. Do I have a lawyer in this case?

The Court has appointed the law firms of Milberg Weiss Bershad Hynes & Lerach LLP and Shalov Stone & Bonner LLP, to represent all Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### 17. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees in the amount of one-third (33-1/3%) of the Gross Settlement Fund and for expenses of up to \$1,500,000. The Court may award less than these amounts. Any fees and expenses awarded by the Court will be payable from the Gross Settlement Fund.

### OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

**18. How do I tell the Court that I don't like the settlement?**

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the proposed settlement in the *In re Baan Company Securities Litigation*. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. Mail copies of your objection to the following address postmarked no later than **September 15, 2003** (do not mail or file anything with the Court, counsel will collect all objections and submit them):

Joshua H. Vinik, Esq.  
MILBERG WEISS BERSHAD HYNES & LERACH LLP  
One Pennsylvania Plaza  
New York, New York 10119-0165

Any objections mailed to this address shall be copied and sent to counsel for the plaintiffs and defendants and the originals will be submitted to the Court.

**19. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to consider whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

**20. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Fairness Hearing at 9:30 A.M. on Tuesday, September 30, 2003, at the United States District Court for the District of Columbia, E. Barrett Prettyman U.S. Courthouse, 333 Constitution Avenue, N.W., Washington, D.C. 20001. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. Judge Huvelle will listen to people who have asked to speak at the hearing. The Settlement Fairness Hearing may be adjourned from time to time by the Court without further written notice to the Class. After the hearing, the Court will decide whether to approve the settlement. If the Court approves the settlement, the Court may also decide how much to pay to Class Counsel. We do not know how long these decisions will take.

**21. Do I have to come to the hearing?**

No. Class Counsel will answer questions Judge Huvelle may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

**22. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *In re Baan Company Securities Litigation*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than **September 15, 2003**, and be sent to the address listed in question 18. You cannot speak at the hearing if you excluded yourself.

**IF YOU DO NOTHING**

**23. What happens if I do nothing at all?**

If you do nothing, you'll get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the legal issues in this case, ever again.

**GETTING MORE INFORMATION**

**24. Are there more details about the settlement?**

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement by writing to Joshua H. Vinik, Esq., Milberg Weiss Bershad Hynes & Lerach LLP, One Pennsylvania Plaza, New York, New York 10119-0165, or Lee S. Shalov, Esq., Shalov Stone & Bonner LLP, 485 Seventh Avenue, Suite 1000, New York, New York 10018, or by visiting [www.gilardi.com](http://www.gilardi.com).

**25. How do I get more information?**

You can call 1-800-447-7657 toll free; write to Baan Settlement Claims Administrator, P.O. Box 8040, San Rafael, CA 94912-8040; or visit the website at [www.gilardi.com](http://www.gilardi.com), where you will find answers to common questions about the settlement, the Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

**SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased Baan Company common stock (a.k.a. "ordinary shares"), American Depository Receipts ("ADRs"), warrants or options, between January 28, 1997 and October 12, 1998 for the beneficial interest of a person or organization other than yourself, the Court has directed that, within seven (7) days of your receipt of this Notice, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such securities during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and, within seven (7) days of your receipt of such copies, mail the Notice and Proof of Claim form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Baan Securities Litigation  
c/o Gilardi & Co. LLC  
Claims Administrator  
P.O. Box 8040  
San Rafael, CA 94912-8040  
(800) 447 – 7657

Dated: Washington, D.C.  
July 15, 2003

By Order of the Court  
CLERK OF THE COURT

## **EXHIBIT A PROPOSED PLAN OF ALLOCATION:**

The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim."

An Authorized Claimant's "Recognized Claim" shall mean the amount determined in accordance with the following:

**(a) Common Stock Purchases:** (i) for each share of Baan common stock purchased on the open market during the Class Period which an Authorized Claimant continued to hold as of the close of trading on October 12, 1998 (the end of the Class Period), the Recognized Claim shall be equal to the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan common stock (as shown on the table set forth below); (ii) for each share of Baan common stock purchased on the open market during the Class Period which an Authorized Claimant sold at a loss prior to the close of trading on October 12, 1998, the Recognized Claim shall be equal to the **lesser of (a)** the difference, if a loss, between the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan common stock during the Class Period and the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale of the Baan common stock, **or (b)** the difference, if a loss, between the purchase price paid (including brokerage commissions and transaction charges) and the proceeds received on sale (after brokerage commissions and transaction charges).

**(b) ADR Purchases:** (i) for each Baan ADR purchased on the open market during the Class Period which an Authorized Claimant continued to hold as of the close of trading on October 12, 1998 (the end of the Class Period), the Recognized Claim shall be equal to the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan ADR (as shown on the table set forth below); (ii) for each Baan ADR purchased on the open market during the Class Period which an Authorized Claimant sold at a loss prior to the close of trading on October 12, 1998, the Recognized Claim shall be equal to the **lesser of (a)** the difference, if a loss, between the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan ADR during the Class Period and the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale of the Baan ADR, **or (b)** the difference, if a loss, between the purchase price paid (including brokerage commissions and transaction charges) and the proceeds received on sale (after brokerage commissions and transaction charges).

**(c) Call Option Purchases:** (i) For Baan call options purchased during the Class Period and that WERE NOT owned at the close of trading on May 4, 1998, July 2, 1998, October 9, 1998 or October 12, 1998<sup>1</sup>, an Authorized Claimant shall have no "Recognized Claim"; (ii) For Baan call options purchased during the Class Period that WERE owned by the Authorized Claimant at the close of trading on May 4, 1998, July 2, 1998, October 9, 1998 or October 12, 1998, the "Recognized Claim" shall be the **lesser of: (a)** 50%<sup>2</sup> of the difference, if a loss, between the amount paid for the call options during the Class Period (including brokerage commissions and transaction charges) and the sum for which said call options were sold at a loss<sup>3</sup> (after brokerage commissions and transaction charges); **or (b)** the difference, if a loss, between the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan Call Option and the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale of the Baan Call Option (or on the expiration date for Call Options that the Authorized Claimant continued to own at the expiration) multiplied by the number of shares covered by the Call Option; (iii) no Loss shall be Recognized based on a sale or writing of any Call Option that was subsequently repurchased.

**(d) Put Option Sales:** (i) For Baan Put Options sold (written) during the Class Period, but which WERE NOT the obligation of the Authorized Claimant at the close of trading on May 4, 1998, July 2, 1998, October 9, 1998 or October 12, 1998, an Authorized Claimant shall have no "Recognized Claim"; (ii) For Baan Put Options sold (written) during the Class Period that WERE the obligation of the Authorized Claimant at the close of trading on May 4, 1998, July 2, 1998, October 9, 1998 or October 12, 1998, the "Recognized Claim" shall be the **lesser of: (a)** the difference, if a loss, between the amount received for selling the Put Options during the Class Period (after brokerage commissions and transaction charges) and the sum for which said Put Options were repurchased at a loss<sup>4</sup> (including brokerage commissions and transaction charges); **or (b)** the difference, if a loss, between the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale of the Baan Put Option and the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of repurchase of the Baan Put Option multiplied by the number of shares covered by the Put Option; (iii) no Loss shall be Recognized based on a sale of any Put Option that was previously purchased.

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<sup>1</sup>Options not owned on these dates would not have experienced any change in the alleged inflation and would not be damaged.

<sup>2</sup>This discount is to account for the fact that call option purchasers pay for a time premium that expires without reference to the underlying price of the stock, which loss is not an element of their damages.

<sup>3</sup>For Baan call options purchased during the Class Period that expired unexercised while still owned by the purchaser, the expiration will be treated as a sale for \$0.00.

<sup>4</sup>For Baan Put Options written during the Class Period that were "put" to the Authorized Claimant the "Recognized Claim" shall be calculated as if the sale of the put option was a purchase of the common stock on the date of the sale of the put option and for a price equal to the strike price less the premium received on the sale of the put option.

(e) Warrants (i) for each warrant to purchase one share of Baan common stock purchased on the open market during the Class Period which an Authorized Claimant continued to hold as of the close of trading on October 12, 1998 (the end of the Class Period), the Recognized Claim shall be equal to the **lesser of (a)** "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan common stock (as shown on the table set forth below); **or (b)** the price paid for such warrants less the value of such warrants on October 12, 1998; (ii) for each warrant to purchase one share of Baan common stock purchased on the open market during the Class Period which an Authorized Claimant sold at a loss prior to the close of trading on October 12, 1998, the Recognized Claim shall be equal to the **lesser of (a)** the difference, if a loss, between the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Baan warrants during the Class Period and the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale of the Baan warrants, **or (b)** the difference, if a loss, between the purchase price paid (including brokerage commissions and transaction charges) and the proceeds received on sale (after brokerage commissions and transaction charges).

Set forth below is a table setting forth "Plaintiffs' Contention Of The Estimated Inflation Per Share" on a daily basis during the time period, January 28, 1997 through October 12, 1998.

Transactions resulting in a gain shall not be included. In the event a Class Member has more than one purchase or sale of Baan securities, all purchases and sales shall be matched on a First In First Out ("FIFO") basis. Any person or entity who purchased Baan common stock during the Class Period to cover a "short" sale prior to the Class Period shall have a Recognized Claim on such shares equal to Plaintiffs' Contention Of The Estimated Inflation Per Share on the date of purchase. A purchase or sale of Baan securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of Baan securities during the Class Period shall not be deemed a purchase or sale of Baan securities for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Baan securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Baan securities.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim compared to the Total Recognized Claims of all accepted claimants. Each Authorized Claimant shall be paid an amount determined by multiplying his, her or its "Recognized Claim" by a fraction, the numerator of which shall be the Net Settlement Fund and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants.

Checks will be distributed to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their checks and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel.

The amount of a Class Member's Recognized Claim as computed above is not intended to be an estimate of what a Class Member might have been able to recover at trial, and it is not an estimate of the amount that will be paid pursuant to this Settlement. Instead, this computation is only a method to weight Class Members' claims against one another. Each Authorized Claimant will receive a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim. While it is not expected to happen, in the event that unusually few Proofs of Claim are submitted and twice the total of all the Recognized Claims of all the Authorized Claimants are not at least equal to the Net Settlement Fund the parties shall endeavor in good faith to agree upon a disposition of any excess and if the parties are not able to reach an agreement the parties hereto shall request the Court to determine the appropriate disposition of such excess. Notwithstanding the foregoing, no funds shall be returned to Defendants.

**Baan Company**  
**Plaintiffs' Contention of The Estimated Inflation Per Share**

<u>Date</u>	<u>Inflation Per Share</u>
Prior to January 28, 1997	\$0.00
January 28, 1997 to May 4, 1998	\$5.40
May 5, 1998 to July 2, 1998	\$0.26
July 6, 1998 to October 9, 1998	\$3.78
October 12, 1998	\$0.85
After October 12, 1998	\$0.00