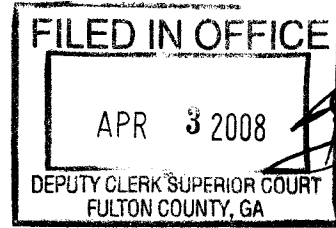


IN THE SUPERIOR COURT OF FULTON COUNTY  
STATE OF GEORGIA



ARNOLD WANDEL, derivatively on behalf of )  
Nominal Defendant Home Depot, Inc., )

Plaintiff, )

v. )

GREGORY D. BRENNEMAN, *et al.*, )

Defendants, )

- and - )

THE HOME DEPOT INC., )

Nominal Defendant. )

CITY OF PONTIAC GENERAL EMPLOYEES' )  
RETIREMENT SYSTEM, *et al.*, )

Plaintiffs, )

v. )

KENNETH G. LANGONE, *et al.*, )

Defendants, )

- and - )

THE HOME DEPOT INC., )

Nominal Defendant. )

C.A. No. 2006 CV 117491

C.A. No. 2006 CV 122302

**[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT,  
APPROVING NOTICE OF SETTLEMENT, AND SETTING SCHEDULE**

The parties to the above-captioned derivative actions (the "Litigation"), having applied for an Order to approve the proposed settlement of the Litigation in accordance with the Stipulation of Settlement entered into by the parties, dated as of March 28, 2008

(the "Stipulation"), and for the dismissal of the Litigation with prejudice upon the terms and conditions set forth in the Stipulation (the "Settlement"), and the Court having read and considered the Stipulation and accompanying documents, and all parties having consented to the entry of this Order,

NOW, THEREFORE, this 03 day of APRIL, 2008, upon application of the parties, **IT IS HEREBY ORDERED** as follows:

1. Except for the terms defined herein, the Court adopts and incorporates the definitions in the Stipulation for purposes of this Order.

2. The Settlement appears to be the product of serious, informed, and non-collusive negotiations, has no obvious deficiencies, provides substantial value to the Company, and falls within the range of possible approval, and, therefore, merits further consideration.

3. The Court preliminarily finds that the Settlement is fair, reasonable, adequate and in the best interests of the Company and its stockholders.

4. The Court has scheduled a Settlement Hearing, which will be held on JUNE 10, \_\_\_\_\_, 2008, at 11 a.m., at 185 Central Avenue, S.W., Atlanta, Georgia 30303, to consider:

(a) whether the terms and conditions of the Settlement are fair, reasonable, adequate, and in the best interests of Home Depot and the Home Depot stockholders;

(b) whether an Order and Final Judgment in the form submitted by the parties with the Stipulation, dismissing the Litigation with prejudice, releasing the Released Claims as to the Released Persons, and enjoining prosecution of any and all

Released Claims as against the Released Persons, with each party to bear its, his, or her own costs except as otherwise provided, should be entered by the Court;

(c) Plaintiffs' counsel's request for an award of attorney fees and expenses; and

(d) such other matters as the Court may deem necessary and appropriate.

5. The Court reserves the right to adjourn the Settlement Hearing or modify any of the dates set forth herein without further notice.

6. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the parties to the Litigation and without further notice to the Company's stockholders.

7. The Court approves, as to form and content, the Notice of Settlement of Derivative Action (the "Notice"), attached as Exhibit B-1 hereto and to the Stipulation, and finds publication of the Notice in *Investor's Business Daily* and via a Form 8-K furnished to the Securities and Exchange Commission meets the requirements of O.C.G.A. § 14-3-745, the Due Process Clause of the Fourteenth Amendment of the United States Constitution, and any other applicable laws and constitutes due and sufficient notice of all matters relating to the Settlement.

8. All costs incurred in publishing the Notice shall be paid by the Company.

9. The Company shall undertake the administrative responsibility for providing notice to the Company's stockholders as follows:

(a) No later than APRIL 10, 2008, the Company shall cause a copy of the Notice to be published once in *Investor's Business Daily*;

(b) No later than APRIL 10, 2008, the Company shall cause a copy of the Notice and of the Stipulation to be filed with the United States Securities and Exchange Commission as exhibits to a current report on Form 8-K; and

(c) At least seven (7) days prior to the Settlement Hearing, the Company's counsel shall file with the Court and serve on Plaintiffs' counsel proof, by affidavit or declaration, of such publication.

10. All proceedings in the Litigation, other than such proceedings as may be necessary to carry out the terms and conditions of the Stipulation and the Settlement, are hereby stayed and suspended until further Order of this Court. Until further Order of the Court, Plaintiffs, the Company, Plaintiffs' counsel, and all of the Company's stockholders, and any of them, are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claim against any Released Person.

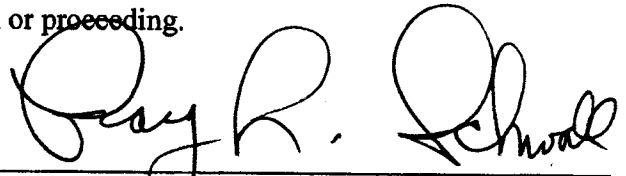
11. Any Home Depot stockholder may appear and show cause if he, she, or it has any reason why the proposed Settlement of the Litigation should not be approved as fair, reasonable, and adequate, or why the Judgment should not be entered thereon, or why attorney fees and expenses should not be awarded to Plaintiffs' counsel; provided, however, that no Home Depot stockholder shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the attorney fees and expenses to be awarded to Plaintiffs' counsel, unless that person files and serves his, her, or its objection at least ten days prior to the date of the above referenced hearing, in accordance with the terms and conditions for objecting set forth in the Notice.

12. If the Settlement provided for in the Stipulation shall be approved by the Court following the Settlement Hearing, a Judgment shall be entered as described in the Stipulation.

13. If the Settlement is not approved by the Court, is terminated, or shall not become effective for any reason, the Litigation shall proceed, completely without prejudice to any party as to any matter of law or fact, as if the Stipulation had not been made and had not been submitted to the Court, and neither the Stipulation, any provision contained in the Stipulation, any action undertaken pursuant thereto, nor the negotiation thereof by any party shall be deemed an admission or offered or received in evidence at any proceeding in the Litigation or any other action or proceeding.

IT IS SO ORDERED.

DATE APRIL 03, 2008



\_\_\_\_\_  
THE HONORABLE JUDGE CRAIG SCHWALL  
SUPERIOR COURT OF FULTON COUNTY

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Nominal Defendant. )

C.A. No. 2006 CV 122302

**NOTICE OF SETTLEMENT OF DERIVATIVE LITIGATION**

TO: ALL HOLDERS OF THE COMMON STOCK OF THE HOME DEPOT, INC. ("HOME  
DEPOT" or "THE COMPANY") AS OF MARCH 28, 2008

The purpose of this Notice is to inform you of the above-captioned shareholder derivative actions (the "Litigation") pending in the Superior Court of Fulton County, Georgia (the "Court") and a proposed settlement of the Litigation (the "Settlement"). This Notice also informs you of your right to participate in a hearing to be held on JUNE 10, 2008, at 11 A.m. in Courtroom 5E of the Justice Center Tower, 185 Central Avenue, S.W., Atlanta, GA 30303 (the "Approval Hearing") to consider: (a) whether the terms and conditions of the Settlement provided for in the Stipulation of Settlement dated March 28, 2008 (the "Stipulation"), are fair, reasonable, adequate, and in the best interests of Home Depot and Home Depot stockholders; (b) whether to enter final judgment dismissing the Litigation with prejudice and extinguishing and releasing any and all Released Claims as against the Released Persons (as those terms are defined in the Stipulation); (c) if the Court approves the Settlement, whether to approve an award to

Plaintiffs' counsel of attorney fees and reimbursement of expenses; and (d) such other matters as may properly come before the Court.

In the Litigation, the Plaintiffs, derivatively on behalf of Home Depot, allege that the Defendants, current and former officers and directors of Home Depot, caused Home Depot to grant backdated stock options to the Company's officers, directors, and employees. Such grants were allegedly in violation of the Company's 1997 Omnibus Stock Incentive Plan and allegedly resulted in misstated public filings. Plaintiffs also allege that the Defendants caused the Company to engage in fraudulent return-to-vendor chargeback practices. Finally, Plaintiffs allege that the Defendants caused the Company to provide its former chief executive officer excessive compensation. Plaintiffs claim that by these actions, Defendants breached their fiduciary duties owed to Home Depot causing Home Depot to suffer damages. The Defendants have denied and continue to deny any wrongdoing or that they breached their fiduciary duties or caused Home Depot to suffer any injury.

Pursuant to the Stipulation and in consideration of the Settlement of the Litigation, the Defendants have agreed that Home Depot will maintain and/or adopt certain corporate governance measures that relate to Board structure, director independence standards, director stock ownership, shareholder meetings, compensation policies and procedures, majority voting, stock option plans, nomination procedures for directors, vendor return policies, and Home Depot's contracting policy.

Any stockholder of Home Depot who objects to the Settlement or the award of attorney fees and expenses to Plaintiffs' counsel or who otherwise wishes to be heard may appear in person or by his attorney at the Approval Hearing. To do so, however, an objector must, no later than ~~ten (10)~~ <sup>FOURTEEN</sup> days prior to the Approval Hearing, file with the Clerk of Court a written objection setting forth the grounds for such objection and serve copies by hand or overnight delivery to each of the following counsel:

(14)  
ERP

Michael R. Smith  
King & Spalding LLP  
1180 Peachtree Street, N.E.  
Atlanta, GA 30309

John C. Herman  
Coughlin Stoia Geller Rudman  
& Robbins LLP  
3424 Peachtree Road, Suite 1650  
Atlanta, GA 30326

Attendance at the Approval Hearing is not necessary for the objection to be considered by the Court; however, persons wishing to be heard orally in opposition to the approval of the Settlement are required to indicate in their written objection their intention to appear at the hearing.

Dated: \_\_\_\_\_, 2008

By: The Clerk of the Superior Court of Fulton County