

Following are Frequently Asked Questions (FAQs) on the Employee Stock Purchase Plan (ESPP).

Q: What is an ESPP?

A: An ESPP is an Employee Stock Purchase Plan. This plan allows you as an employee of Engility to purchase Engility Stock at a discount. This provides you the opportunity to be an owner of your future both in your investments as well as in your career.

Q: Who can participate in the ESPP?

A: All Engility employees paid on an US payroll with the exception of casual employees, on-call employees and interns.

Q: Do I have to enroll each time?

A: No, just once. To participate in the ESPP you have to make an active election by logging on to www.NetBenefits.com or calling Fidelity at 1-800-544-9354 (5pm Sunday and midnight Friday Eastern time, excluding holidays of the New York Stock Exchange). The log in for www.NetBenefits.com is the same as your 401(k) and/or your personal investment account with Fidelity. For each offering period you will have the opportunity to change your election percentage to 0%. If no action is taken, the prior offering period election will continue indefinitely.

Q: What is an election period? What is an offering period?

A: An election period is the window to enroll in the plan. An offering period is the six months period of time you are contributing for a stock purchase. The first payroll deduction (at the beginning of the first offering period) will be included in the first paycheck of July each year. The final payroll deduction for the offering period will be in the final paycheck of December each year.

Q: What is the minimum and maximum percentage of base pay I can contribute?

A: You can elect between 1 and 10 percent of base pay.

Q: What is the maximum dollar amount I can contribute or the maximum shares I can purchase?

A: The maximum annual dollar amount you can use to purchase Engility stock is \$25,000 per year. The maximum shares you can purchase on each purchase date are 5,000.

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Q: How are my payments to purchase Engility stock made? When and what are the frequencies for payroll deductions?

A: Based on your contribution election, payroll will withhold the requested percentage in an after-tax deduction each pay. At the end of the offering period (every 6-(six) months) stock will be purchased based on the funds collected.

Q: How is the purchase price determined?

A: The employee purchase price is 10% less than the average of the closing market price on the last five (5) business days of the offering period. During the last week of the period, Engility will purchase the stock from the open market and/or pull from available shares and provide it to you at a 10% discount on this average price. The employee shares will be credited to your account at a single price at the end of the period, and that price can be higher or lower than the average price during the period the payroll deduction is taken.

Q: Why is an average purchase price used?

A: Engility stock is not traded in large volumes comparatively. Using an average price is intended to ensure that the company purchases do not overly influence the price of the stock.

Q: How much of a discount do I receive as an employee of Engility when the stock is purchased?

A: As an employee, you will receive a 10% discount on the stock that is purchased for you based on the average of the closing market price on the last five (5) business days of the offering period.

Q: Does the 10% discount guarantee that I will earn at least 10% return on my investment?

A: No, you are electing to invest in a common stock of the company, which is similar to any common equity investment. There is opportunity for your investment to increase in value over time and a risk your investment will decrease over time. There is no guarantee that your investment will yield a return.

Q: Where does my stock go once purchased?

A: Shares of stock purchased as part of the plan will be reflected in an individual brokerage account established for you. You can log on to www.NetBenefits.com after your stock is purchased and manage your account.

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Q: Are there any restrictions on when I can sell my Engility stock?

A: Yes, you are required to hold the Engility stock for a 6-(six) month period following each purchase date. Once the 6-(six) month period is complete you may sell the Engility stock, continue to hold it and sell it at a future date or transfer it to a personal investment account.

Q: What is the tax advantage of holding the Engility stock rather than immediately selling upon the 6 month hold?

A: If you hold your Engility stock for more than a year, you may pay tax at a lower (capital gains) rate. If you have any questions regarding your specific tax situation, please consult your tax advisor.

Q: What is capital gains tax?

A: Capital Gains are the profits that an investor realizes when they sell the capital asset for a price that is higher than the purchase price. Capital Gains Tax is the tax imposed on those profits. If you have any questions regarding your specific tax situation, please consult your tax advisor.

Q: When will I pay the tax on the Employer discount and the shares themselves?

A: Employees are required per the IRS to pay the federal withholding taxes on the Employer discount on the purchase date. This tax will be withheld on your Engility pay check. You would later pay tax on any market gain you might have when you sell or transfer the stock.

Q: What happens to my stock if I leave Engility prior to 6-(six) months? After 6-(six) months?

A: If your employment with Engility were to terminate for any reason during an offering period you will be withdrawn from the program and your contributions refunded (without interest). If you terminate after purchasing stock you are not subject to the restrictions on resale.

Q: Does the ESPP plan impact my 401(k) plan?

A: No, the ESPP and the 401(k) plan are two separate plans and you may be eligible for one but not the other depending on your eligibility. The two plans have no impact to each other.

Q: Where can I review the Engility Employee Stock Purchase Plan documents?

A: You can review the Engility Employee Stock Purchase Plan by logging into www.netbenefits.com and going to the Plan Information Tab or on the Engility Benefits website.

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Q: If I still have questions, who do I contact?

A: Please contact Fidelity at 1-800-544-9354 (5pm Sunday and midnight Friday Eastern time, excluding holidays of the New York Stock Exchange), log on to NetBenefits.com, or email Engility.Benefits@Engility.com.

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