

# SAIC Employee Stock Purchase Plan (ESPP)

Frequently Asked Questions (FAQ's) for legacy Engility Employees

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## INTRODUCTION

Through the SAIC Employee Stock Purchase Plan (ESPP), you have the opportunity to purchase common shares of SAIC. After each purchase, you decide the best use for the stock you acquire through the ESPP.

You can sell it after the one-year holding requirement, hold for future use, or transfer to your personal brokerage account after the expiration of the 21-month transfer restrictions period.

When you participate in the ESPP you can:

- Purchase SAIC stock at a 5% discount
- Contribute easily with automatic payroll deductions
- Save with no brokerage fees on share purchases and dividend reinvestments

The ESPP is administered by Computershare Trust Company, N.A. (Computershare), which will make share purchases on your behalf. Be sure to review these Frequently Asked Questions as they provide helpful answers to questions you may have about the ESPP.

Participation in the ESPP is voluntary and both the opportunities and the potential risks of investing through the ESPP should be carefully considered. SAIC does not guarantee its stock price performance.

## GENERAL

### What is the SAIC Employee Stock Purchase Plan?

The Company's Employee Stock Purchase Plan (ESPP) is a program offered to you by SAIC that gives you a convenient and easy way to become a shareholder of the Company. Participation in the ESPP allows you to purchase shares of common stock of the Company (referred to as *Company shares*) through automatic payroll deductions.

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## Where is SAIC stock traded?

The stock is traded on the New York Stock Exchange (NYSE).

## Who services our ESPP?

The ESPP is administered by Computershare Trust Company, N.A. (Computershare).

## What services does Computershare provide?

Computershare processes the enrollments, terminations, purchases and sale transactions under the ESPP. Computershare makes it easy for you to manage your investments with the Computershare Employee Online website. They provide around-the-clock account management, accessible participant service representatives, quarterly statements that show the current market value of your account, and annual tax forms detailing reportable tax information.

## Should I participate in the ESPP?

Participation in the ESPP is voluntary. Each employee needs to weigh the potential benefits against the potential risks involved in the buying and selling of company shares. SAIC does not guarantee its stock price performance.

## Does the 5% discount guarantee that I will earn at least 5% return on my investment?

No, you are electing to invest in the company's common stock, 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. SAIC does not guarantee its stock price performance and there is no assurance that your investment will yield a return.

## Where do I get more information?

For more information on the ESPP including official plan documentation, please visit <http://www.saic.com/eglbenefits/espp>. You may contact Computershare, the ESPP administrator, toll-free at 855-679-7242 or 732-645-4074. Representatives are available Monday–Friday, 3:00am–9:00pm ET in accordance with the New York Stock Exchange business calendar.

## HOW THE ESPP WORKS

### How does an ESPP work?

You elect to have a certain amount deducted from your paycheck on an after-tax basis. These contributions are collected during a timeframe known as the offering period. At the end of the offering period, your contributions are used to purchase Company shares on what is known as the purchase date. Once purchased, the shares are subject to the one-year holding requirement and the 21-month transfer restrictions period, after which you have the option to hold the shares with Computershare, transfer them to a brokerage account, or sell them.

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## What is the offering period?

The offering period is the period of time when employee contributions are collected through automatic payroll deductions on an after-tax basis. SAIC has four offering periods: January 1–March 31, April 1–June 30, July 1–September 30, and October 1–December 31.

## What is the purchase date?

The purchase date is the last business day or trading day of the offering period. On this day, all contributions collected throughout the offering period are used to purchase company shares.

## What is the Purchase Price?

Per the terms of SAIC's ESPP plan, the purchase price is determined by the closing market price of the company stock on the day preceding the purchase date. The SAIC ESPP offers a 5% discount on the purchase price. This means the actual purchase price is 95% of the fair market value price on the purchase date.

## What is a fair market value price?

Per the terms of SAIC's ESPP plan, the fair market value is the closing market price of the company stock on the day preceding the purchase date. This is the price used to determine the initial purchase price on the purchase date prior to applying any discount.

## ELIGIBILITY AND ENROLLMENT

### Who is eligible to participate in the Plan?

*Eligible Employee* means any individual who is an employee of the legacy Engility except (i) casual employees, (ii) on-call employees, (iii) interns, and (iv) employees who are citizens or residents of a foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens), unless on United States-based payroll.

### If I was previously enrolled in the Engility ESPP, will my Fidelity election continue with the SAIC ESPP plan?

No, your previous Fidelity election will not continue and you must make a new Computershare election to participate. The prior Engility ESPP election through Fidelity does not transfer.

### When may I enroll?

The Company's ESPP program has an ongoing enrollment period. Please visit <http://www.saic.com/eglbenefits/espp> for the offering period calendar.

### How do I enroll?

To access your Computershare account, you will be receiving two separate letters from Computershare that will be sent to your home address on file. The letters will contain your Global ID and temporary PIN to activate your Computershare Employee Online account at [www.computershare.com/saicaccess](http://www.computershare.com/saicaccess).

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To enroll online:

- Go to [www.computershare.com/saicaccess](http://www.computershare.com/saicaccess).
- Click on **Employee Login**.
- Click on **Activate Account**.
- Enter the Global ID and Temporary PIN that were mailed to you, characters shown in image, and select **Continue**.
- Then follow the prompts to set up your account.
- See ESPP Account Setup and Enrollment Presentation for more step-by-step details.

During the online enrollment process, you will be asked if you are subject to backup withholding for federal income taxes; most employees are not. Only those employees who have been notified specifically by the Internal Revenue Service are subject to this provision.

A small number of legacy Engility employees were issued SAIC account credentials. If you are one of those employees, and have activated your account credentials, please visit <https://stock.saic.com> to enroll in the ESPP.

You can also enroll through Computershare Call Center representatives by calling the toll-free number at 855-679-7242 or 732-645-4074. Representatives are available Monday–Friday, 3:00am–9:00pm ET, excluding NYSE holidays. Please have your **Global ID**, which was mailed to your home address, ready for the representatives to locate your account. If you do not have your Global ID readily accessible, Computershare representatives will ask you to provide your **Social Security Number (SSN)** to access your account.

### **After I enroll, am I automatically enrolled in the ESPP for future purchase periods?**

Yes, your contributions will continue unless you change your election to zero or withdraw from the Plan.

### **Will my payroll deductions earn interest while being accumulated?**

No, your deductions will be held in a non-interest bearing account until they are used to purchase Company shares.

### **How much may I invest?**

For each pay period, you may elect to contribute anywhere from 1-10% of your after-tax paycheck. In addition, on a calendar year basis, your total contribution cannot exceed \$25,000. Also, on a calendar year basis, the total shares you purchase through the ESPP cannot exceed 2,500 shares.

### **How do I change my elections?**

You can change your contribution percentage election at any time. Simply follow the same instructions under “How do I enroll?” to access your Computershare account and change

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your election. Your request to change your level of contribution will be effective for future pay periods as soon as administratively possible following receipt of your request.

### How do I cancel my elections?

During an offering period, you may elect to withdraw from the ESPP and receive a refund for the accumulated deductions not used to purchase Company shares in your pay check. Simply follow the same instructions under “How do I enroll?” to access your account and cancel your election. Please refer to the ESPP calendar for the withdrawal deadline applicable to each offering period. Your request to cancel your contributions will be effective for future pay periods as soon as administratively possible following receipt of your request.

## PURCHASE OF SHARES

### Are all of my accumulated contributions used to purchase shares?

Based on the ESPP provisions, all of your contributions will be used to purchase company shares, which may include fractional shares.

### When my payroll deductions are used to purchase shares, will I receive a stock certificate?

No, certificates are not sent. The Company shares purchased through the ESPP will be deposited into an ESPP account in your name that is maintained by Computershare.

## SELLING SHARES

### When may I sell my purchased shares?

You may sell your shares after meeting the one-year holding requirement for the common stock purchased through the SAIC ESPP program.

### How do I sell my shares?

You can sell your Company shares by accessing your account in one of two ways:

- **Online** – access [www.computershare.com/saicaccess](http://www.computershare.com/saicaccess) and login with your credentials. Click on the “Transact” tab and follow the steps to complete your sales request.
- **Participant Service Representative** – dial 855-679-7242 toll-free or 732-645-4074 and then opt out for assistance. Representatives are available Monday–Friday, 3:00am–9:00pm ET excluding NYSE holidays.

### How will my Company shares be sold?

Unless specifically requested, your Company shares will be sold at market on a first-in, first-out basis (your oldest shares will be sold first). For any transaction submitted outside of the NYSE trading schedule of 9:30am–4:00pm ET, your shares will be sold when the stock exchange opens. You may also set a limit order where you may select a price at which you

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would like your shares to be sold. When that price is reached on the open market, your shares will automatically be sold.

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## TAXES

Tax consequences of participating in the ESPP may differ for each participant in the ESPP. Tax rates and rules are subject to change at any time. Certain U.S. federal income tax consequences are summarized below. However, we do not attempt to deal with any of the special provisions that could apply to your particular situation. In addition, income taxation under state, local and foreign tax law may differ substantially from the U.S. federal income tax consequences we describe here. Neither SAIC nor Computershare assumes any responsibility in connection with the income tax liability of any individual who participates in the ESPP (or his or her beneficiary). Accordingly, you are urged to consult your own tax advisor to determine the specific U.S. federal, state, local and foreign tax consequences applicable to you.

### **What are the tax consequences of selling my shares purchased through the ESPP?**

When you sell your shares, if the share price has gone up from the purchase price, you are responsible for paying tax on this gain.

## PLAN ACCOUNT MANAGEMENT

### **How do I access my account online?**

A small number of legacy Engility employees were issued SAIC account credentials. If you are one of those employees, and have activated your account credentials, you can visit <https://stock.saic.com> to access your account.

To access your Computershare account outside of the SAIC Network, you will need your Global ID and a temporary personal identification number ("PIN"), which will be mailed to your home address on file in two separate envelopes. The first time you access your account, you will be required to create a unique username and you will be prompted to change your temporary PIN.

**Step 1:** Go to [www.computershare.com/saicaccess](http://www.computershare.com/saicaccess).

**Step 2:** Click on **Employee Login**.

**Step 3:** To create your account, click the **Activate Account** button and follow the prompts.

You will be prompted to enter your login credentials, create a personal site seal and select your security questions. After you have successfully activated your account and agreed to the website's terms, you can manage your account including making new ESPP elections, changing or cancelling your elections, viewing your account balance and selling shares.

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## TERMINATION FROM THE ESPP

### What happens to my ESPP shares if I leave the Company?

Your contributions will automatically end and any contributions you have made for the current offering period will be refunded to you. If you have shares in your ESPP account when your employment ends and these shares met the one-year holding requirement and 21-month restriction period, you can do any of the following with your shares:

- Continue holding your shares in your Computershare account
- Have Computershare sell your shares
- Transfer your shares to your personal brokerage account

## MISCELLANEOUS

### Will I receive dividends on my ESPP Company shares?

Yes. The shares purchased through the ESPP are common shares and as such work the same as Company shares purchased on the open market. By default you will receive your dividend payment via a check issued by Computershare. You may also choose to enroll into the dividends reinvestment program so that the dividend payments are automatically reinvested into additional SAIC shares.

### Why do I need to complete an IRS Form W-9?

To prevent backup withholding with respect to any Company shares sold under the ESPP, each ESPP participant is required to complete an IRS Form W-9, which certifies that such participant's social security number is correct and that such participant is exempt from backup withholding.

### Are my rights to purchase Company shares under the ESPP assignable?

No, purchase rights granted under the ESPP are not assignable or transferable.

### Can the ESPP provisions be amended or can the ESPP be cancelled in the future?

Generally, the Board of Directors may from time to time alter, amend, suspend or terminate the ESPP or alter or amend any and all rights to purchase Company shares under the ESPP or terminate any offering (or future offerings), unless stockholder approval is necessary for such action to comply with relevant tax or regulatory requirements. All participants will be given notice of any action that affects an ongoing offering. Upon termination of the ESPP for any reason, any of your accumulated but unused payroll deductions will be returned to you promptly.

### As an ESPP participant, will I have voting rights?

Once you purchase Company shares under the ESPP, you will be entitled to voting rights with respect to those shares. You will have the right to attend and vote at any Company stockholder meetings and other stockholder meetings that may be held. Each Company share you hold entitles you to one vote on each matter submitted for a vote.