

**SAIC Capital Restructuring & Initial Public Offering (IPO)**

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## Pre-IPO and Post-IPO Comparison of Stockholder Rights and Employee Benefits

The following summary is qualified in its entirety by the specific provisions of our employee benefit plans and retirement plans, our stock programs policies and procedures, our certificate of incorporation and our other governing instruments. In addition, we are reviewing many of our employee benefit plans and retirement programs to take into account the merger and the IPO. We intend to make such changes as we deem appropriate to assist with our transformation to a company with a publicly traded security.

<b>Stock Programs and Provisions</b>	<b>Before Merger and IPO</b>	<b>After Merger and IPO</b>	<b>Description of Change</b>
<b>Stock Bonus Awards</b>	Awards of class A common stock (1 vote per share) issued pursuant to 1984 Bonus Compensation Plan	Awards of new class A preferred stock (10 votes per share) issued pursuant to 2006 Equity Incentive Plan	No significant change, except post-IPO bonus award shares carry 10 votes per share.
<b>Stock Options</b>	Options to purchase class A common stock granted under 1999 Equity Incentive Plan	Options to purchase new common stock granted under 2006 Equity Incentive Plan	All unexercised options adjusted to reflect value of special dividend
<b>Option Exercise Process</b>	“Stock for Stock” exchange to pay exercise price and “Stock for Tax” to pay tax withholding on options granted under 1999 Equity Incentive Plan	<ul style="list-style-type: none"> <li>• “Stock for Stock” exchange to pay exercise price and “Stock for Tax” to pay tax withholding under 1999 Equity Incentive Plan</li> <li>• “Net Exercise” feature for options issued under 2006 Equity Incentive Plan</li> </ul>	New flexibility for options issued under 2006 Equity Incentive Plan

<b>Vesting Schedule for Stock and Option Awards</b>	20%, 20%, 20%, 40% over four years	20%, 20%, 20%, 40% over four years	No change
<b>Valuation</b>	<b>Before Merger and IPO</b>	<b>After Merger and IPO</b>	<b>Description of Change</b>
<b>Pricing for Stock Trades</b>	Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	Public market price for sales upon conversion of new class A preferred into shares of new common stock	Market price for common stock instead of periodic valuations
<b>Pricing for Plan Transactions</b> (e.g., exchanges to and from SAIC Stock Funds in retirement plans; SAIC purchases from retirement plans in private transactions; ESPP purchases)	Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	The board of directors will be responsible for establishing a valuation for the new class A preferred stock, which is expected to be the public market price for the new common stock	Valuation based on public market price rather than on appraised value
<b>Valuation for Exercise of Options and Vesting of Stock Bonus Awards</b>	Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	The board of directors will be responsible for establishing a valuation for the new class A preferred stock, which is expected to be the public market price for the new common stock.	Valuation based on public market price rather than on appraised value

<b>Liquidity Features</b>	<b>Before Merger and IPO</b>	<b>After Merger and IPO</b>	<b>Description of Change</b>
<b>Transfer Restrictions</b>	SAIC has right of repurchase and right of first refusal on class A common stock	Transfer restrictions expire periodically after the IPO: <ul style="list-style-type: none"> <li>• 4/1/06 (series A-1 preferred stock)</li> <li>• 180 days (series A-2 preferred stock)</li> <li>• 270 days (series A-3 preferred stock)</li> <li>• 360 days (series A-4 preferred)</li> </ul>	Shares of new class A preferred stock may be converted to new common stock and sold in public market after transfer restrictions expire
<b>Exceptions to Right of Repurchase and Right of First Refusal</b>	<ul style="list-style-type: none"> <li>• Former employee program</li> <li>• Alumni program</li> <li>• Telcordia divestiture program</li> </ul>	Not applicable	Stockholders may hold shares indefinitely after affiliation with SAIC terminates
<b>Stock Trading</b>	Limited market trades facilitated by Bull, Inc. four times annually	Public market for new common stock	Greater liquidity upon expiration of transfer restrictions
<b>Employee Purchase Incentives</b>	<ul style="list-style-type: none"> <li>• First time buyers program</li> <li>• Various matching option programs</li> <li>• ESPP</li> </ul>	• ESPP	Employees may purchase shares in public market
<b>Permitted Transfers</b>	Transfers permitted to family members, trusts, charities, etc, all subject to SAIC's rights and restrictions	<ul style="list-style-type: none"> <li>• During transfer restriction periods, transfers only to parties permitted by certificate of incorporation</li> <li>• After expiration of transfer restriction periods, shares freely transferable</li> </ul>	All restrictions lapse after 360 days and shares become freely transferable

Employee Stock Retirement Plan	Before Merger and IPO	After Merger and IPO	Description of Change
<b>Contributions</b>	Discretionary contributions determined by SAIC board of directors and invested in Non-Exchangeable Company Stock Fund holding class A common stock	<ul style="list-style-type: none"> <li>• Discretionary contributions determined by SAIC board of directors and invested in Non-Exchangeable Company Stock Fund</li> <li>• Special dividend either reinvested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash</li> </ul>	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value
<b>Diversification of Non-Exchangeable Company Stock Fund</b>	At age 55 and after 10 or more years of service, sales from Non-Exchangeable Company Stock Fund to SAIC concurrent with limited market trades	At age 55 and after 10 or more years of service, either: <ul style="list-style-type: none"> <li>• through periodic private sales to SAIC; or</li> <li>• through public market sales after expiration of transfer restriction periods.</li> </ul>	No practical change, except greater liquidity after transfer restrictions lapse
<b>In-Kind Distributions</b>	<ul style="list-style-type: none"> <li>• In kind distributions of class A common stock available to terminated participants at age 59.5</li> <li>• In service in-kind distributions of class A common stock available on or after age 62</li> </ul>	<ul style="list-style-type: none"> <li>• In kind distributions of common stock available to terminated participants at age 59.5</li> <li>• In service in-kind distributions of new common stock available on or after age 62</li> </ul>	No practical change

<b>Put Option</b>	Participant who takes in-kind distributions can require SAIC to repurchase class A common stock during two 60 day windows	Participant who takes in-kind distributions will either maintain pre-IPO “put option” or sell into the public market	No practical change
<b>SAIC 401(k) Plan</b>	<b>Before Merger and IPO</b>	<b>After Merger and IPO</b>	<b>Description of Change</b>
<b>Matching Contributions</b>	SAIC matches 50% of the first 6% of employee deferrals: <ul style="list-style-type: none"> <li>• 50% of matching contribution invested in Non-Exchangeable Company Stock Fund</li> <li>• 50% of matching contribution invested according to employee deferral elections</li> </ul>	SAIC matches 50% of the first 6% of employee deferrals: <ul style="list-style-type: none"> <li>• 50% of matching contribution invested in Non-Exchangeable Company Stock Fund</li> <li>• 50% of matching contribution invested according to employee deferral election</li> <li>• Special dividend either re-invested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash</li> </ul>	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value

<b>Profit Sharing Contributions</b> (Discretionary-determined by SAIC board of directors)	Invested according to participant deferral elections	<ul style="list-style-type: none"> <li>• Invested according to participant deferral elections</li> <li>• Special dividend either re-invested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash</li> </ul>	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value
<b>Reallocation of Non-Exchangeable Company Stock Fund</b>	No reallocation of stock in Non-Exchangeable Company Stock Fund	No reallocation of stock in Non-Exchangeable Company Stock Fund	No change
<b>Reallocation of Exchangeable Company Stock Fund</b>	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures concurrent with limited market trades	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures at regularly scheduled times	No practical change

AMSEC 401(k) Plan	Before Merger and IPO	After Merger and IPO	Description of Change
<b>Matching Contributions</b>	<ul style="list-style-type: none"> <li>• 50% of matching contribution invested in Non-Exchangeable Company Stock Fund</li> <li>• 50% of matching contribution invested according to employee deferral elections</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of matching contribution invested in Non-Exchangeable Company Stock Fund</li> <li>• 50% or matching contribution invested according to employee deferral election</li> <li>• Special dividend either re-invested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash</li> </ul>	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value
<b>Reallocation of Non-Exchangeable Company Stock Fund</b>	No reallocation of stock in Non-Exchangeable Company Stock Fund	No reallocation of stock in Non-Exchangeable Company Stock Fund	No change
<b>Reallocation of Exchangeable Company Stock Fund</b>	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures concurrent with limited market trades	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures at regularly scheduled times	No change

<b>Non-Qualified Deferral Plans</b>	<b>Before Merger and IPO</b>	<b>After Merger and IPO</b>	<b>Description of Change</b>
<b>Management Stock Compensation Plan (MSCP)</b> (a/k/a “rabbi trust” plan)	SAIC stock unit-based plan for key executives funded by the “rabbi trust”	<ul style="list-style-type: none"> <li>• SAIC stock unit-based plan for key executives funded by the “rabbi trust”</li> <li>• Participants will receive the special dividend in cash</li> </ul>	No practical change, except participants will receive special dividend in cash
<b>Stock Compensation Plan (SCP)</b> (a/k/a “rabbi trust” plan)	SAIC stock unit-based plan for high potential employees funded by the “rabbi trust”	<ul style="list-style-type: none"> <li>• SAIC stock unit-based plan for high potential employees funded by the “rabbi trust”</li> <li>• Participants will receive the special dividend in cash</li> </ul>	No practical change, except participants will receive special dividend in cash
<b>Key Executive Stock Deferral Plan (KESDP)</b>	Deferred compensation plans for key executives funded by “rabbi trust”	<ul style="list-style-type: none"> <li>• Deferred compensation plans for key executives funded by the “rabbi trust”</li> <li>• Participants will receive the special dividend in cash</li> </ul>	No practical change, except participants will receive special dividend in cash

#### **Forward-looking Statements**

This communication may contain forward-looking statements that are based on our management’s belief and assumptions and on information currently available to our management. Any such forward-looking statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, achievements or benefits to be materially different from any future results, levels of activity, performance, achievements or benefits expressed or implied by such forward-looking statements. As a result of these risks, uncertainties and other factors, readers are cautioned not to place undue reliance on any forward-looking statements included in this communication. These risks, uncertainties and factors are discussed in the filings of Science Applications International Corporation and SAIC, Inc. with the SEC, which are available without charge at the SEC’s internet site at <http://www.sec.gov>. The forward-looking statements speak only as of the date made. Neither Science Applications International Corporation nor SAIC, Inc. assume any obligation to update any forward-looking statements to reflect events or circumstances arising after the date as of which they are made or to conform such statements to actual results.

#### **Additional Information and Where to Find It**

More detailed information pertaining to the merger and related proposals of Science Applications International Corporation will be set forth in appropriate filings that have been and will be made with the SEC, including the proxy statement/prospectus contained in the registration statement on Form S-4 filed by SAIC, Inc. concerning the proposed merger and related proposals. **We urge stockholders to read such documents that are or may be filed with the SEC when they are available because they will contain important information about the proposed merger and related proposals.** Stockholders will be able to obtain a free copy of any filings, containing information about Science Applications International Corporation or SAIC, Inc., without charge, at the SEC’s internet site at <http://www.sec.gov>. Copies of any filings by Science Applications International Corporation or SAIC, Inc. can also be obtained, without charge, by directing a request in writing to Science Applications International Corporation, 10260 Campus Point Drive, M/S F-3, San Diego, California 92121, Attention: General Counsel or by email to [SECfilings@saic.com](mailto:SECfilings@saic.com).

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.



**Participants in the Solicitation**

Science Applications International Corporation, SAIC, Inc. and their respective directors and executive officers may be deemed, under the SEC's rules, to be participants in the solicitation of proxies from the stockholders of Science Applications International Corporation in connection with the proposed merger and related proposals. The names of the directors and executive officers of Science Applications International Corporation and SAIC, Inc. and their interests, direct or indirect, by security holdings or otherwise, in the proposed merger and related proposals are contained in the proxy statement/prospectus contained in a registration statement on Form S-4 filed by SAIC, Inc., which may be obtained without charge at the SEC's internet site at <http://www.sec.gov>, or by directing a request in writing to Science Applications International Corporation, 10260 Campus Point Drive, M/S F-3, San Diego, California 92121, Attention: General Counsel or by email to [SECfilings@saic.com](mailto:SECfilings@saic.com).