

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

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This is an alternate index to all of the Q&As which appear in the Supplemental Q&A filed with the SEC. This index organizes the questions and answers by the topics most frequently asked and accessed by employees. For reference, it includes the question number from the Supplemental Q&A. Please note that several of the Supplemental Q&A questions appear more than once because the answer pertains to more than one topic area.

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### **1a. Deal with stock trade imbalance**

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- [Q59. Why do we plan to cancel the limited market trade scheduled for December?](#)
- [Q61. How will the merger and the IPO impact pending offers to receive options matched to shares purchased in the limited market?](#)
- [Q62. When was the deadline for requesting authorization to purchase more than \\$20,000 in the October limited market trade?](#)
- [Q71. Where can I find a summary of how the merger and the IPO impact some important employee benefits and stockholder rights?](#)
- [Q120. How can SAIC employees buy stock before the proposed IPO? Added 23 Sep 2005](#)
- [Q121. Will our employees, senior executives or directors be given an opportunity to buy more of our stock in the IPO? Added 23 Sep 2005](#)
- [Q122. What do I need to do to purchase stock in the October limited market trade? Added 23 Sep 2005](#)
- [Q123. Why didn't the company extend the deadline for requests to purchase more than \\$20,000 of stock in the October limited market trade? Added 23 Sep 2005](#)
- [Q124. Will any employees, senior executives or directors who knew of the proposed IPO be permitted to purchase more than \\$20,000 of stock in the limited market trade rescheduled for October? Added 23 Sep 2005](#)
- [Q125. What is the First Time Buyers Program? Will this program still be available for the October limited market trade? Added 23 Sep 2005](#)
- [Q126. What is the 2004 ESPP? Will this program continue to be available until the proposed IPO? Added 23 Sep 2005](#)
- [Q167. What do I need to do to sell my shares through a broker after the merger and the IPO? Added 23 Sep 2005](#)

### **8a. Upcoming Trade**

- [Q49. Can I buy or sell shares in the limited market before the completion of the IPO?](#)
- [Q55. When will the next limited market trade take place? Did we change any of our normal stock trade procedures](#)
- [Q57. Will we conduct a limited market trade in December? Do we plan to conduct any more limited market trades before the IPO?](#)
- [Q58. Why did we decide to delay the limited market trade scheduled for September?](#)
- [Q59. Why do we plan to cancel the limited market trade scheduled for December?](#)
- [Q60. I planned to use funds from selling stock in the September limited market trade for an extraordinary financial commitment. What should I do if I can't wait until the October limited market trade for the funds?](#)
- [Q62. When was the deadline for requesting authorization to purchase more than \\$20,000 in the October limited market trade?](#)
- [Q71. Where can I find a summary of how the merger and the IPO impact some important employee benefits and stockholder rights?](#)
- [Q120. How can SAIC employees buy stock before the proposed IPO? Added 23 Sep 2005](#)
- [Q122. What do I need to do to purchase stock in the October limited market trade? Added 23 Sep 2005](#)
- [Q123. Why didn't the company extend the deadline for requests to purchase more than \\$20,000 of stock in the October limited market trade? Added 23 Sep 2005](#)
- [Q124. Will any employees, senior executives or directors who knew of the proposed IPO be permitted to purchase more than \\$20,000 of stock in the limited market trade rescheduled for October? Added 23 Sep 2005](#)
- [Q125. What is the First Time Buyers Program? Will this program still be available for the October limited market trade? Added 23 Sep 2005](#)
- [Q126. What is the 2004 ESPP? Will this program continue to be available until the proposed IPO? Added 23 Sep 2005](#)
- [Q169. If we do not complete the merger and the IPO, will we establish additional limited market trades? If so, when? Added 23 Sep 2005](#)

### **8b. Right of Repurchase**

- [Q41. What will happen to our right of first refusal and right to repurchase your stock?](#)
- [Q42. What will happen to the new class A preferred stock that I will own if my affiliation terminates or I retire?](#)

- Q43. What if I am no longer affiliated with SAIC and hold shares subject to a special arrangement (e.g., the alumni program, former employee program or other agreement extending Old SAIC's right of repurchase)?
- Q91. If I have taken a distribution of shares from the ESRP and those shares are eligible for the "put" option under the ESRP (i.e., the right to require us to repurchase those shares), will we repurchase these shares?
- Q105. If my affiliation with SAIC terminated earlier this year, and you've repurchased some but not all of my shares, will you repurchase my remaining shares?
- Q106. If my affiliation with SAIC has terminated or is terminating, how will I know if you will repurchase my stock?

### **8c. Financial Hardships (Direct Stock and Retirement Plans)**

- Q60. I planned to use funds from selling stock in the September limited market trade for an extraordinary financial commitment. What should I do if I can't wait until the October limited market trade for the funds?
- Q81. Will the transfer restrictions prevent SAIC from continuing its Financial Hardship Policy?
- Q92. Can I still request loans, hardship withdrawals or distributions from the ESRP before the merger and the IPO?
- Q97. Can I still request loans, hardship withdrawals or distributions from the SAIC 401(k) plan before the merger and the IPO? What about during the transfer restriction periods?
- Q102. Can I still request loans, hardship withdrawals or distributions from the AMSEC 401(k) plan before the merger and the IPO? What about during the transfer restrictions on the new class A preferred stock?



## 8d. ESPP

- [Q74. After the IPO, how will we determine the price for the new class A preferred stock?](#)
- [Q83. How will the merger and the IPO impact the 2004 ESPP?](#)
- [Q84. What will happen to funds accumulated in the 2004 ESPP after the last purchase under the plan?](#)
- [Q85. What will be the purchase price of the new class A preferred stock under the 2006 ESPP?](#)
- [Q120. How can SAIC employees buy stock before the proposed IPO? Added 23 Sep 2005](#)
- [Q126. What is the 2004 ESPP? Will this program continue to be available until the proposed IPO? Added 23 Sep 2005](#)
- [Q165. How often will participants be able to buy stock through the proposed 2006 ESPP? Added 23 Sep 2005](#)
- [Q171. If I withdraw from the 2004 ESPP, will I be able to re-enroll in the proposed 2006 ESPP? Added 23 Sep 2005](#)

## 8e. FTBP

- [Q61. How will the merger and the IPO impact pending offers to receive options matched to shares purchased in the limited market?](#)
- [Q67. Will we continue to offer matching option programs after the merger and the IPO?](#)
- [Q125. What is the First Time Buyers Program? Will this program still be available for the October limited market trade? Added 23 Sep 2005](#)

## 8f. Lock-up Period

- [Q44. Will I be able to sell or transfer my new class A preferred stock immediately?](#)
- [Q46. Why will the sale of my stock be restricted?](#)
- [Q80. What transfer restrictions will apply to the new class A preferred stock I acquire if I exercise my stock options after the merger and the IPO?](#)
- [Q88. Will transfer restrictions on the new class A preferred stock prohibit me from diversifying my ESRP account after the merger and the IPO?](#)
- [Q90. Can I still take an in-kind distribution from the ESRP? Will the distribution be in new class A preferred stock?](#)
- [Q95. Will the transfer restrictions on the new class A preferred stock prohibit me from reallocating investments in my SAIC 401\(k\) plan account after the merger and the IPO?](#)
- [Q97. Can I still request loans, hardship withdrawals or distributions from the SAIC 401\(k\) plan before the merger and the IPO? What about during the transfer restriction periods?](#)
- [Q100. Will the transfer restrictions on the new class A preferred stock prohibit me from exchanging funds in my AMSEC 401\(k\) Exchangeable Company Stock Fund after the IPO?](#)

- [Q102. Can I still request loans, hardship withdrawals or distributions from the AMSEC 401\(k\) plan before the merger and the IPO? What about during the transfer restrictions on the new class A preferred stock?](#)
- [Q141. After the merger and the IPO, will the transfer restrictions on the new class A preferred stock impact my ability to use stock to exercise my stock options and to pay withholding taxes on any gains? Added 23 Sep 2005](#)
- [Q143. What class of stock will I receive if I exercise my stock options after the merger? Added 23 Sep 2005](#)
- [Q158. What are the scheduled dates for private transactions between SAIC and our retirement plans during 2006? Added 23 Sep 2005](#)

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## 9. Options & Vesting Stock

- [Q63. Will the merger or the IPO impact vesting schedules for my outstanding stock and options?](#)
- [Q64. Will the special dividend be paid on unvested shares? Updated 14 Oct 2005](#)
- [Q65. Will we continue to award bonus shares under the 1984 Bonus Compensation Plan?](#)
- [Q70. After the merger, can I use my new class A preferred stock to pay the exercise price and tax withholding due when I exercise my stock options?](#)
- [Q71. Where can I find a summary of how the merger and the IPO impact some important employee benefits and stockholder rights?](#)
- [Q76. How will the special dividend affect my outstanding stock options? How will the merger affect my outstanding stock options? Updated 14 Oct 2005](#)
- [Q77. What will happen to my unexercised stock options if my employment or affiliation terminates?](#)
- [Q78. Will the merger or the IPO change how I exercise my stock options?](#)
- [Q79. How will I know the stock price of the class A common stock if I decide to exercise my options before the merger and the IPO?](#)
- [Q82. Now that I've been advised of the merger and the IPO, can I change my mind and unwind a previous option exercise? Can I cancel a current option exercise transaction if it hasn't been processed yet?](#)
- [Q118. Will you need to sign replacement stock option or stock restriction agreements as a result of the merger and the IPO?](#)
- [Q125. What is the First Time Buyers Program? Will this program still be available for the October limited market trade? Added 23 Sep 2005](#)
- [Q132. Which securities are entitled to receive dividends and which securities are not? Added 23 Sep 2005](#)
- [Q135. Will I lose the benefit of the special dividend if I don't exercise my stock options before the record date for the special dividend? Added 23 Sep 2005](#)
- [Q136. Will the merger or the IPO impact the vesting schedule or expiration date of my outstanding stock options? Will I lose them if I don't exercise them before the merger or the IPO? Added 23 Sep 2005](#)
- [Q137. Is there an early deadline this year for transfers specifically required to facilitate stock-for-stock option exercises? Added 23 Sep 2005](#)
- [Q138. Will the merger or the IPO affect when I may exercise my outstanding stock options? Added 23 Sep 2005](#)
- [Q139. Will the merger or the IPO affect the process I use to exercise stock options? Added 23 Sep 2005](#)
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- [Q142. Will the merger or the IPO impact the six-month holding period for stock acquired upon exercise of stock options and used to pay the exercise price for other stock options? Added 23 Sep 2005](#)
- [Q143. What class of stock will I receive if I exercise my stock options after the merger? Added 23 Sep 2005](#)
- [Q149. Will the special dividend paid on vested, directly held stock be taxed differently than the special dividend paid on unvested stock or stock held in deferred compensation accounts? Added 23 Sep 2005](#)
- [Q150. Can I make a "section 83\(b\) election" now to minimize taxes on dividends paid on unvested stock? Added 23 Sep 2005](#)
- [Q151. Will the proposed IPO impact how gains upon exercise of stock options are taxed? Added 23 Sep 2005](#)
- [Q170. Will stock options be transferable after the merger and the IPO? Added 23 Sep 2005](#)
- [Q173. After the merger and the IPO, will options granted to employees be options to purchase new common stock with one vote per share or options to purchase new class A preferred stock with 10 votes per share? Added 23 Sep 2005](#)

## 9a. Bonus Program

- [Q65. Will we continue to award bonus shares under the 1984 Bonus Compensation Plan?](#)
- [Q66. Will we continue to grant options under the 1999 Stock Incentive Plan?](#)
- [Q67. Will we continue to offer matching option programs after the merger and the IPO?](#)
- [Q69. After the merger, can I use my new class A preferred stock to pay the tax withholding related to any stock bonus I receive?](#)
- [Q71. Where can I find a summary of how the merger and the IPO impact some important employee benefits and stockholder rights?](#)
- [Q74. After the IPO, how will we determine the price for the new class A preferred stock?](#)
- [Q118. Will you need to sign replacement stock option or stock restriction agreements as a result of the merger and the IPO?](#)
- [Q172. After the merger and the IPO, will stock awards granted to employees be for new common stock with one vote per share or new class A preferred stock with 10 votes per share? \*\*Added 23 Sep 2005\*\*](#)

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## 10. Retirement Programs

- [Q56. When will the next retirement plans transactions take place? Did we change any of our normal procedures for retirement plans transactions?](#)
- [Q68. Can our retirement plans buy or sell stock before the IPO?](#)
- [Q71. Where can I find a summary of how the merger and the IPO impact some important employee benefits and stockholder rights?](#)
- [Q72. When and how will we determine the price for the class A common stock for the October limited market trade?](#)
- [Q73. When and how will we determine the price for the class A common stock for pre-IPO transactions with SAIC retirement plans in December?](#)
- [Q74. After the IPO, how will we determine the price for the new class A preferred stock?](#)
- [Q120. How can SAIC employees buy stock before the proposed IPO? \*\*Added 23 Sep 2005\*\*](#)
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- [Q133. When will we receive the IRS guidance referenced in Questions 87 and 94 of the Supplemental Q&A? When will we know whether we can elect to receive cash proceeds from the special dividend paid with respect to new class A preferred stock held in the ESRP and the SAIC 401\(k\) plan? \*\*Updated 14 Oct 2005\*\*](#)
- [Q153. What is the difference between units in the SAIC stock funds and shares of SAIC stock? \*\*Added 23 Sep 2005\*\*](#)
- [Q154. How do I determine the number of shares I hold through my accounts in the SAIC retirement plans? \*\*Added 23 Sep 2005\*\*](#)
- [Q155. Can I vote the shares held in the SAIC Exchangeable Stock Fund and the SAIC Non-Exchangeable Stock Fund, or does the trustee vote the shares? \*\*Added 23 Sep 2005\*\*](#)
- [Q156. After the merger and the IPO, will the stock held in the ESRP, the SAIC 401\(k\) plan and the AMSEC 401\(k\) plan be subject to transfer restrictions? If so, how will SAIC facilitate exchanges and diversification transactions? \*\*Added 23 Sep 2005\*\*](#)
- [Q158. What are the scheduled dates for private transactions between SAIC and our retirement plans during 2006? \*\*Added 23 Sep 2005\*\*](#)

## 10a. 401(k)

- [Q93. Will we continue matching and profit sharing contributions to the SAIC 401\(k\) plan?](#)
- [Q94. How will the SAIC 401\(k\) plan treat the special dividend? Updated 14 Oct 2005](#)
- [Q95. Will the transfer restrictions on the new class A preferred stock prohibit me from reallocating investments in my SAIC 401\(k\) plan account after the merger and the IPO?](#)
- [Q96. As a result of the merger and the IPO, will we consider any changes to our policies concerning the exchangeability of SAIC stock held in the Non-exchangeable Company Stock Fund?](#)
- [Q120. How can SAIC employees buy stock before the proposed IPO? Added 23 Sep 2005](#)
- [Q133. When will we receive the IRS guidance referenced in Questions 87 and 94 of the Supplemental Q&A? When will we know whether we can elect to receive cash proceeds from the special dividend paid with respect to new class A preferred stock held in the ESRP and the SAIC 401\(k\) plan? Updated 14 Oct 2005](#)
- [Q152. What are the SAIC stock funds? Added 23 Sep 2005](#)
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- [Q157. Will SAIC reconsider allowing ESRP and 401\(k\) plan participants to exchange out of the Non-Exchangeable Company Stock Fund? Added 23 Sep 2005](#)
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- [Q163. When is the last day before the merger and the IPO to roll over money into the SAIC Exchangeable Stock Fund within the retirement plans? Added 23 Sep 2005](#)

## 10b. ESRP

- [Q86. Will we continue to make annual contributions to the ESRP after the merger and the IPO?](#)
- [Q87. How will the special dividend be treated under the ESRP? Updated 14 Oct 2005](#)
- [Q88. Will transfer restrictions on the new class A preferred stock prohibit me from diversifying my ESRP account after the merger and the IPO?](#)
- [Q89. When can you diversify non-exchangeable stock in the ESRP? As a result of the merger and the IPO, are we considering any changes to our policies concerning the exchangeability of SAIC stock held in the Non-Exchangeable Company Stock Fund?](#)
- [Q90. Can I still take an in-kind distribution from the ESRP? Will the distribution be in new class A preferred stock?](#)
- [Q91. If I have taken a distribution of shares from the ESRP and those shares are eligible for the “put” option under the ESRP \(i.e., the right to require us to repurchase those shares\), will we repurchase these shares?](#)
- [Q92. Can I still request loans, hardship withdrawals or distributions from the ESRP before the merger and the IPO?](#)
- [Q133. When will we receive the IRS guidance referenced in Questions 87 and 94 of the Supplemental Q&A? When will we know whether we can elect to receive cash proceeds from the special dividend paid with respect to new class A preferred stock held in the ESRP and the SAIC 401\(k\) plan? Updated 14 Oct 2005](#)
- [Q152. What are the SAIC stock funds? Added 23 Sep 2005](#)
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- [Q157. Will SAIC reconsider allowing ESRP and 401\(k\) plan participants to exchange out of the Non-Exchangeable Company Stock Fund? Added 23 Sep 2005](#)

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- [Q134. How will the special dividend be paid on stock held in “rabbi trusts”?](#) **Updated 14 Oct 2005**
- [Q149. Will the special dividend paid on vested, directly held stock be taxed differently than the special dividend paid on unvested stock or stock held in deferred compensation accounts?](#) **Added 23 Sep 2005**

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- [Q103. How will the special dividend impact the Telcordia 401\(k\) plan?](#)

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- [Q100. Will the transfer restrictions on the new class A preferred stock prohibit me from exchanging funds in my AMSEC 401\(k\) Exchangeable Company Stock Fund after the IPO?](#)
- [Q101. As a result of the merger and the IPO, will we consider any changes to our policies concerning the exchangeability of SAIC stock held in the Non-exchangeable Company Stock Fund?](#)
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- [Q156. After the merger and the IPO, will the stock held in the ESRP, the SAIC 401\(k\) plan and the AMSEC 401\(k\) plan be subject to transfer restrictions? If so, how will SAIC facilitate exchanges and diversification transactions?](#) **Added 23 Sep 2005**
- [Q160. What are the rules regarding how much I can accumulate in the SAIC stock funds within the AMSEC 401\(k\) plan?](#) **Added 23 Sep 2005**
- [Q162. What are the rules regarding how much I can contribute to the SAIC stock funds when rolling funds over from another qualified retirement plan into the AMSEC 401\(k\) plan?](#) **Added 23 Sep 2005**

### Forward-looking Statements

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**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).

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