

SCHEDULE 2 TO COMPLIANCE CERTIFICATE

FINANCIAL COVENANT CALCULATIONS

For the four consecutive fiscal quarters ending _____, 20____

Consolidated EBITDA

1	Consolidated Net Income	\$
	excluding (without duplication)	
(v)	impairment losses incurred on goodwill and other intangible assets or on debt or equity investments computed in accordance with Financial Accounting Standard No. 142 or other GAAP	\$
(w)	gains or losses incurred on the retirement of debt computed in accordance with Financial Accounting Standard No. 145	\$
(x)	gains and losses in connection with asset dispositions whether or not constituting extraordinary gains and losses	\$
(y)	non-cash gains or losses on discontinued operations	\$
(z)	gains and losses with respect to judgments or settlements in connection with litigation matters for such period	\$
2	sum of (v) through (z)	\$
	<u>plus</u> (to the extent, except with respect to line (e) below, deducted in calculating Consolidated Net Income above)	
(a)	Consolidated Interest Expense for such period	\$
(b)	the provision for federal, state, local and foreign income taxes payable by Holdings, the Borrower and its Subsidiaries for such period	\$
(c)	depreciation and amortization expense for such period	\$
(d)	non-cash stock-based compensation expenses for such period, each as determined on a consolidated basis in accordance with GAAP	\$
(e)	the amount of cost savings, operating expense reductions and synergies projected by the Borrower in good faith to be realized as a result of specified actions taken or with respect to which substantial steps have been taken (in the good faith determination of the Borrower) during such period, net of the amount of actual benefits realized during such period from such actions ⁸	\$

⁸ Subject to the following conditions: (A) A duly completed certificate signed by a Responsible Officer of the Borrower shall be delivered to the Administrative Agent certifying that (x) such cost savings, operating expense reductions and synergies are reasonably expected and factually supportable in the good faith judgment of the Borrower and (y) such actions are to be taken within 12 months after the consummation of the Permitted Acquisition, Disposition, restructuring or implementation of an initiative which is expected to result in such cost savings, expense reductions or synergies, (B) no cost savings, operating expense reductions and synergies shall be added to this line (e) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA whether through a pro forma adjustment or otherwise, for such period, (C) the aggregate amount of cost savings, operating expense reductions and synergies added included in this line (e) do not exceed 2.5% of Consolidated EBITDA for any four consecutive fiscal quarter period and (D) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA in this line (e) to the extent occurring more than four full fiscal quarters after the specified action taken in order to realize such projected cost savings, operating expense reductions and synergies.

(f)	extraordinary or non-recurring charges, expenses or losses for such period	\$
(g)	other non-cash charges, expenses or losses for such period	\$
3	sum of (a) through (f)	\$
	<u>minus</u> (to the extent added in calculating Consolidated Net Income above)	
(a)	all non-cash items increasing Consolidated Net Income for such period	
(b)	extraordinary or non-recurring income or gains	
4	sum of (a) through (b)	\$
	Consolidated EBITDA (line 1 <u>minus</u> line 2 <u>plus</u> line 3 <u>minus</u> line 4)	\$

Consolidated Debt Service Coverage Ratio

(a)	Consolidated EBITDA (from above)	\$
(b)	the aggregate amount of all Capital Expenditures (other than an amount of Capital Expenditures made in connection with the Spin-Off after the Closing Date but prior to the second anniversary of the Closing Date in an aggregate amount not to exceed \$25,000,000 over the term of the Credit Agreement)	\$
1	(a) <u>minus</u> (b)	\$
(x)	Consolidated Interest Expense payable in cash	\$
(y)	the aggregate principal amount of all regularly scheduled principal payments of outstanding debt for borrowed money of Holdings, the Borrower and its Subsidiaries, but excluding any such payments to the extent refinanced through the incurrence of additional Indebtedness otherwise expressly permitted under <u>Section 7.03</u> of the Credit Agreement	\$
2	(x) <u>plus</u> (y)	\$
Consolidated Debt Service Coverage Ratio (line 1 <u>divided by</u> line 2)		:1.00
Permitted minimum Consolidated Debt Service Coverage Ratio		1.25:1.00
In Compliance?		Yes / No

Consolidated Leverage Ratio

Without duplication and, in each case to the extent, if any, reflected as a liability on the balance sheet of Holdings, the Borrower and its Subsidiaries on such date in accordance with GAAP

(a)	the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations under the Credit Agreement) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments	\$
(b)	all purchase money Indebtedness	\$
(c)	all drawn amounts owing under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments to the extent not reimbursed	\$
(d)	all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business)	\$
(e)	Attributable Indebtedness in respect of Capital Leases and Synthetic Lease Obligations	\$
(f)	all Indebtedness of the types referred to in (a) through (e) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary	\$
(x)	Consolidated Funded Indebtedness (sum of (a) through (f))	\$
(y)	Designated Cash Balances ⁹ as of the end of such fiscal period	\$
1	(x) <u>minus</u> (y)	\$
2	Consolidated EBITDA (from above)	\$
	Consolidated Leverage Ratio (line 1 <u>divided by</u> line 2)	:1.00
	Permitted maximum Consolidated Leverage Ratio	:1.00
	In Compliance?	Yes / No

⁹ "Designated Cash Balances" means, at any time, (a) \$25,000,000, if at such time Holdings, the Borrower and its Subsidiaries have Unrestricted Cash in an amount in excess of \$50,000,000 or (b) \$0, if at such time Holdings, the Borrower and its Subsidiaries have Unrestricted Cash in an amount less than or equal to \$50,000,000.

[Calculate Excess Cash Flow for fiscal year-end financial statements]

Excess Cash Flow

(a)	Consolidated EBITDA (from above)	\$	
(b)	<i>reductions to noncash working capital of Holdings, the Borrower and its Subsidiaries for such fiscal year (i.e., the decrease, if any, in Current Assets minus Current Liabilities from the beginning to the end of such fiscal year)</i> ¹⁰	\$	11
1	without duplication, sum of (a) through (b)	\$	
	Reductions (without duplication):		
(i)	The amount of any Taxes payable in cash by Holdings, the Borrower and its Subsidiaries with respect to such fiscal year	\$	
(ii)	Consolidated Interest Expenses for such fiscal year paid in cash	\$	
(iii)	Capital Expenditures and Permitted Acquisitions made in cash during such fiscal year, except to the extent financed with the proceeds of the issuance or incurrence of Indebtedness, equity issuances, the Net Cash Proceeds of Recovery Events or other proceeds that would not be included in Consolidated EBITDA	\$	
(iv)	Permanent repayments of Indebtedness (other than mandatory prepayments of Loans under <u>Section 2.05</u> of the Credit Agreement) made in cash by Holdings, the Borrower and its Subsidiaries during such fiscal year, but only to the extent that the Indebtedness so prepaid by its terms cannot be reborrowed or redrawn and such prepayments do not occur in connection with a refinancing of all or any portion of such Indebtedness	\$	
(v)	<i>additions to noncash working capital for such fiscal year (i.e., the increase, if any, in Current Assets minus Current Liabilities from the beginning to the end of such fiscal year)</i> ⁶	\$	7
2	without duplication, sum of (i) through (v)	\$	
	Excess Cash Flow (line 1 <u>minus</u> line 2)	\$	

¹⁰ “Current Assets” shall mean, at any time, the consolidated current assets (other than cash and Cash Equivalents) of Holdings, the Borrower and its Subsidiaries at such time, calculated in accordance with GAAP.

“Current Liabilities” shall mean, at any time, the consolidated current liabilities of Holdings, the Borrower and its Subsidiaries at such time, calculated in accordance with GAAP, but excluding, without duplication, (a) the current portion of any long-term Indebtedness and (b) outstanding Revolving Credit Loans and Swing Line Loans.

¹¹ Only one of line (b) and line (v) should be filled.

SCHEDULE 3 TO COMPLIANCE CERTIFICATE
PERFECTION QUESTIONNAIRE SUPPLEMENT

See attached.

SCHEDULE 4 TO COMPLIANCE CERTIFICATE
NEW MATERIAL GOVERNMENT CONTRACTS

SCHEDULE 5 TO COMPLIANCE CERTIFICATE

AVAILABLE BASKET AMOUNT

[Use the following only for the Compliance Certificate delivered with audited financial statements for the fiscal year ending December 31, 2012]

As of the Closing Date, the Available Basket Amount was \$0. As of the date hereof, the Available Basket Amount is increased by an amount equal to 25% of Consolidated Net Income for the Reported Fiscal Year (or, in the case where such Consolidated Net Income for such Reported Fiscal Year is a deficit, reduced by 100% of such deficit) (with respect to the fiscal year ending on December 31, 2012, the amount described in this sentence shall be determined based on the portion of such fiscal year commencing on July 1, 2012 and ending on December 31, 2012). As of the date hereof, the Available Basket Amount is \$.

[Use the following for each Compliance Certificate delivered with audited financial statements for the fiscal year ending December 31, 2013 and each fiscal year thereafter]

As of the date of the delivery of most recently delivered Compliance Certificate accompanying financial statements delivered pursuant to Section 6.01(a)(i) of the Credit Agreement, the Available Basket Amount was \$. From the date of the delivery of most recently delivered Compliance Certificate accompanying financial statements delivered pursuant to Section 6.01(a)(i) of the Credit Agreement to the date hereof, the usage of the Available Basket Amount pursuant to clause (b) of the definition thereof set forth in the Credit Agreement was \$. As of the date hereof, the Available Basket Amount is increased by an amount equal to 25% of Consolidated Net Income for the Reported Fiscal Year (or, in the case where such Consolidated Net Income for such Reported Fiscal Year is a deficit, reduced by 100% of such deficit). As of the date hereof, the Available Basket Amount is \$.

EXHIBIT E

**FORM OF
ASSIGNMENT AND ASSUMPTION**

This Assignment and Assumption (this “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each]² Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors] [the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the credit facility identified below (including, in the case of an assignment with respect to the Revolving Credit Facility, the Letters of Credit and the Swing Line Loans included therein) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]: _____

[for each Assignee, indicate [A ffiliate][Approved Fund] of [*identify Lender*]]

3. Borrower: Engility Corporation, a Delaware corporation.

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement.

5. Credit Agreement: Credit Agreement, dated as of July 17, 2012 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, Engility Holdings, Inc., a Delaware corporation ("Holdings"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, L/C Issuer, and Swing Line Lender.

6. Assigned Interest[s]:

<u>Assignor[s]</u> ⁵	<u>Assignee[s]</u> ⁶	<u>Facility Assigned</u> ⁷	Aggregate	Amount of	Percentage
			Commitment/Loans	Commitment/Loans	Assigned of
			for all Lenders ⁸	Assigned	Commitment/Loans ⁹
		_____	\$ _____	\$ _____	____%
		_____	\$ _____	\$ _____	____%
		_____	\$ _____	\$ _____	____%

[7. Trade Date: _____]¹⁰

⁵ List each Assignor, as appropriate.

⁶ List each Assignee, as appropriate.

⁷ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment", "Term Loan Commitment", etc.).

⁸ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

¹⁰ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.