

**IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

IN RE KBR, INC. SECURITIES LITIGATION

Case No. 4:14-CV-01287  
Judge Lee H. Rosenthal

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT,  
AND MOTION FOR ATTORNEYS' FEES AND EXPENSES**

**If you purchased or otherwise acquired the publicly traded common stock of KBR, Inc. during the period from September 11, 2013 through July 30, 2014, inclusive (the "Class Period") and were damaged thereby, you may be entitled to a payment from a class action settlement.**

*A Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

- The purpose of this Notice is to inform you of: (i) the pendency of the above-captioned securities class action (the "Action"); (ii) the proposed settlement of the Action (the "Settlement") on the terms and conditions provided for in the Stipulation and Agreement of Settlement, dated as of April 5, 2017 (the "Stipulation");<sup>1</sup> and (iii) the hearing to be held by the Court (the "Settlement Hearing"). At the Settlement Hearing, the Court will consider: (i) whether the Settlement should be approved; (ii) whether the proposed plan for allocating the net proceeds of the Settlement to eligible members of the Class (the "Plan of Allocation") should be approved; (iii) Class Counsel's application for attorneys' fees and expenses; and (iv) certain other matters. Please read this Notice carefully. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Class.<sup>2</sup>
- If approved by the Court, the Settlement will create a \$10.5 million cash fund, plus any interest earned thereon, for the benefit of eligible Class Members, less any attorneys' fees and expenses awarded by the Court, Notice and Administration Expenses, and Taxes.
- The Settlement resolves claims by Court-appointed Lead Plaintiffs and Class Representatives Arkansas Public Employees Retirement System ("APERS") and the IBEW Local No. 58 / SMC NECA Funds ("IBEW Local No. 58") (collectively, "Class Representatives" or "Lead Plaintiffs") that have been asserted on behalf of the Class against KBR, Inc. ("KBR" or the "Company") and William P. Utt, Susan K. Carter, Dennis S. Baldwin, and Brian K. Ferraioli (collectively, "Defendants"); avoids the costs and risks of continuing the litigation; pays money to eligible Class Members; and releases the Released Defendant Parties (defined below) from liability.

**If you are a Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

<sup>1</sup> The Stipulation can be viewed at [www.KBRSecuritiesLitigation.com](http://www.KBRSecuritiesLitigation.com).

<sup>2</sup> All capitalized terms not otherwise defined in this Notice have the same meanings as defined in the Stipulation.

## YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p><b>SUBMIT A CLAIM FORM POSTMARKED OR RECEIVED NO LATER THAN AUGUST 19, 2017</b></p>	<p>The <u>only</u> way to be eligible to receive a payment from the Net Settlement Fund.</p>
<p><b>EXCLUDE YOURSELF BY SUBMITTING A WRITTEN REQUEST SO THAT IT IS RECEIVED NO LATER THAN JULY 4, 2017</b></p>	<p>If you exclude yourself from the Class, you will not be eligible to receive any payment from the Net Settlement Fund. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against Defendants and/or the other Released Defendant Parties concerning the Released Plaintiffs' Claims. <i>See</i> Question 13 below for details.</p>
<p><b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JULY 4, 2017</b></p>	<p>Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you object, you will still be a member of the Class. <i>See</i> Question 18 below for details.</p>
<p><b>GO TO A HEARING ON JULY 25, 2017 AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 4, 2017</b></p>	<p>Ask to speak in Court about the Settlement. If you submit an objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak in Court about your objection. <i>See</i> Questions 20-22 below for details.</p>
<p><b>DO NOTHING</b></p>	<p>You will not be eligible to receive a payment from the Net Settlement Fund, you will give up rights, and you will still be bound by the Settlement.</p>

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to all Class Members who timely submit valid Claim Forms, if the Court approves the Settlement and after any appeals are resolved. Please be patient.

### SUMMARY OF THE NOTICE

#### **Statement of the Class's Recovery**

1. Class Representatives have entered into the proposed Settlement with Defendants which, if approved by the Court, will resolve this Action in its entirety. Subject to Court approval, Class Representatives, on behalf of the Class, have agreed to settle the Action in exchange for a payment of \$10,500,000 in cash (the "Settlement Amount") to be deposited into an interest-bearing escrow account (the "Settlement Fund"). The Net Settlement Fund (as defined below) will be distributed to Class Members according to a Court-approved plan of allocation. The proposed Plan of Allocation is set forth on pages 12-14 below.

#### **Estimate of Average Amount of Recovery Per Share**

2. Based on Class Representatives' damages expert's estimate of the number of shares of KBR common stock eligible to participate in the Settlement, and assuming that all investors eligible to participate in the Settlement do so, Class Representatives estimate that the average recovery, before deduction of any Court-approved fees and expenses, such as attorneys' fees, litigation expenses, Taxes, and Notice and Administration Expenses, would be approximately \$0.22 per allegedly damaged share.<sup>3</sup> If the Court approves the attorneys' fees and litigation expenses requested by Class Counsel (discussed below), the average recovery would be approximately \$0.14 per allegedly damaged share. **Class Members should note, however, that the foregoing average recovery amounts are only estimates and Class Members may recover more or less than these estimated amounts.** A Class Member's actual recovery will

<sup>3</sup> An allegedly damaged share might have been traded, and potentially damaged, more than once during the Class Period, and the average recovery indicated above represents the estimated average recovery for each share that allegedly incurred damages.

be a portion of the Net Settlement Fund, determined by comparing the Class Member's "Recognized Claim" to the total Recognized Claims of all Class Members who timely submit valid Claim Forms, as described more fully below. An individual Class Member's actual recovery will depend on, for example: (i) the total number of claims submitted; (ii) the amount of the Net Settlement Fund; (iii) when the Class Member purchased or acquired KBR common stock during the Class Period; and (iv) whether and when the Class Member sold KBR common stock. See the Plan of Allocation beginning on page 12 for information on the calculation of your Recognized Claim.

### **Statement of Potential Outcome of Case**

3. The Parties disagree about both liability and damages and do not agree on the damages that would be recoverable if Class Representatives were to prevail on each claim asserted against Defendants. The issues on which the Parties disagree include, for example: (i) whether Defendants made any statements or omitted any facts that were materially false or misleading, or otherwise actionable under the federal securities laws; (ii) whether any such allegedly materially false or misleading statements or omissions were made with the requisite level of intent or recklessness; (iii) the amounts by which the prices of KBR common stock were allegedly artificially inflated, if at all, during the Class Period; and (iv) the extent to which external factors, such as general market, economic and industry conditions, influenced the trading prices of KBR common stock at various times during the Class Period.

4. Defendants have denied and continue to deny any wrongdoing, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Class Representatives and the Class have suffered any loss attributable to Defendants' actions. While Class Representatives believe they have meritorious claims, they recognize that there are significant obstacles in the way to recovery.

### **Statement of Attorneys' Fees and Expenses Sought**

5. Class Counsel, on behalf of all Plaintiffs' Counsel, will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 25% of the Settlement Fund, which includes any accrued interest. Class Counsel will also apply for payment of litigation expenses incurred by Plaintiffs' Counsel in prosecuting the Action in an amount not to exceed \$995,000, plus accrued interest, which may include an application pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") for the reasonable costs and expenses (including lost wages) of Class Representatives directly related to their representation of the Class. If the Court approves the Fee and Expense Application in full, the average amount of fees and expenses, assuming claims are filed for all shares eligible to participate in the Settlement, will be approximately \$0.08 per allegedly damaged share of KBR common stock.

### **Reasons for the Settlement**

6. For Class Representatives, the principal reason for the Settlement is the guaranteed cash benefit to the Class. This benefit must be compared to the uncertainty of being able to prove the allegations in the Complaint; the risk that the Court may grant some or all of the anticipated motions to be filed by Defendants; the uncertainty inherent in the Parties' competing theories of liability and damages; the risks of litigation, especially in complex actions like this; as well as the difficulties and delays inherent in such litigation (including any trial and appeals).

7. For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any Class Members were damaged, the principal reasons for entering into the Settlement are to end the burden, expense, uncertainty, and risk of further litigation.

### **Identification of Attorneys' Representatives**

8. Class Representatives and the Class are represented by Class Counsel: Louis Gottlieb, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, (888) 219-6877, [www.labaton.com](http://www.labaton.com), [settlementquestions@labaton.com](mailto:settlementquestions@labaton.com), and John Rizio-Hamilton, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44<sup>th</sup> Floor, New York, New York 10020, (800) 380-8496, [blbg@blbglaw.com](mailto:blbg@blbglaw.com).

9. Further information regarding this Action, the Settlement, and this Notice may be obtained by contacting the Claims Administrator: [info@KBRSecuritiesLitigation.com](mailto:info@KBRSecuritiesLitigation.com), (844) 685-5620, [www.KBRSecuritiesLitigation.com](http://www.KBRSecuritiesLitigation.com); or Class Counsel.

**Please Do Not Call the Court with Questions About the Settlement.**

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## BASIC INFORMATION

### 1. Why did I get this Notice?

10. The Court authorized that this Notice be sent to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired the publicly traded common stock of KBR during the period from September 11, 2013 through July 30, 2014, inclusive. **Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and wish to be eligible for a payment, you are required to submit the Claim Form that is being distributed with this Notice and supporting documents, as explained in the Claim Form. See Question 10 below.**

11. This Notice is to inform you of the existence of this Action, that it has been certified as a class action by the Court, and of how you might be affected. It is also being sent to inform you of the terms of the proposed Settlement and of the Settlement Hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the Plan of Allocation and Class Counsel's Fee and Expense Application. The Court directed that this Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, including whether or not to object or exclude themselves from the Class, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

12. The Court in charge of the Action is the United States District Court for the Southern District of Texas, and the case is known as *In re KBR, Inc. Securities Litigation*, Case No. 14-cv-01287-LHR. The Action is assigned to the Honorable Lee H. Rosenthal United States District Judge.

13. This Notice explains the Action, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

### 2. What is this case about?

14. This Action stems principally from KBR's restatement of its financial statements for the year ended December 31, 2013 and the approximately \$156 million in losses on certain of KBR's contracts for pipe fabrication and module assembly in Canada disclosed in the restatement, and the failure of certain internal controls related to those contracts.<sup>4</sup>

15. In May of 2014, an initial securities class action complaint was filed in the United States District Court for the Southern District of Texas (the "Court") on behalf of investors in KBR. On September 9, 2014, the Court entered an Order appointing APERS and IBEW Local No. 58 as Lead Plaintiffs pursuant to the PSLRA and consolidating related securities class actions into the litigation, *In re KBR, Inc. Securities Litigation*, Case No. 14-cv-01287-LHR. By the same Order, the Court approved Lead Plaintiffs' selection of Labaton Sucharow LLP and Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the Class.

16. On October 20, 2014, Lead Plaintiffs filed the Consolidated Class Action Complaint (the "Complaint"), asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. In general, the Complaint alleged that Defendants violated the federal securities laws by making materially false and misleading statements and omissions concerning the Contracts, KBR's financial results, and the lack of internal controls related to the Contracts. The Complaint further alleged that the price of KBR's publicly traded common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements, and declined when the truth was revealed.

17. On December 5, 2014, Defendants filed a motion to dismiss the Complaint, which Lead Plaintiffs opposed on January 23, 2015. On February 6, 2015, Defendants filed a reply brief in further support of their motion to dismiss. Oral argument on the motion was held before the Honorable Lee H. Rosenthal on March 5, 2015, and on September 3, 2015, the Court issued a Memorandum Opinion and Order denying Defendants' motion to dismiss.

18. On October 19, 2015, Defendants answered the Complaint, denying Lead Plaintiffs' claims and asserting various affirmative defenses.

<sup>4</sup> The contracts at issue are the seven pipe fabrication and module assembly contracts performed by KBR in Edmonton, Alberta from 2012-2015: Air Liquide (F501), CNRL (F428), Shell MRM (306007), Shell Quest (F391), Suncor (F114), Syncrude (F272), and Tecnicas Reunidas (F437) (collectively, the "Contracts").

19. On February 19, 2016, Lead Plaintiffs filed their motion for class certification, which Defendants opposed on April 29, 2016. Lead Plaintiffs filed their reply brief on June 10, 2016.

20. On June 23, 2016, the Parties participated in a full-day mediation session before Judge Daniel Weinstein (Ret.) and Jed Melnick. In advance of the mediation session, the Parties provided detailed mediation statements and exhibits to the Mediator, which addressed the issues of both liability and damages. The mediation session did not result in an agreement to settle the Action.

21. The Court heard oral argument on Lead Plaintiffs' class certification motion on July 8, 2016 and granted Lead Plaintiffs' motion that same day, certifying the Class, appointing Lead Plaintiffs as Class Representatives, and appointing Lead Counsel as Class Counsel.

22. Over the course of the next several months, the Mediator conducted further discussions with the Parties in an effort to assist the Parties in coming to a resolution of the Action. After numerous communications, on December 15, 2016, the Mediator issued a Mediator's proposal that the Action be settled for \$10.5 million, which the Parties accepted on December 20, 2016. A Settlement Term Sheet memorializing the agreement in principle was executed by the Parties on January 23, 2017. The Parties subsequently negotiated the Stipulation, which sets forth the final terms and conditions of the Settlement, including, among other things, a release of all claims asserted against Defendants in the Action in return for a cash payment by or on behalf of Defendants of \$10,500,000 for the benefit of the Class.

23. Class Representatives, through Class Counsel, have conducted a thorough investigation of the claims, defenses, and underlying events and transactions that are the subject of the Action. This process included reviewing and analyzing: (i) documents filed publicly by the Company with the U.S. Securities and Exchange Commission ("SEC"), including the Company's May 30, 2014 restatement of its financial results for the third and fourth quarters of 2013 and the full year 2013; (ii) KPMG LLP's audit reports concerning KBR's internal controls dated February 27, 2014 and May 30, 2014; (iii) publicly available information, including public reports and news articles, concerning the SEC's ongoing investigation of KBR relating to the alleged wrongful conduct; (iv) research reports issued by financial analysts concerning the Company; (v) economic analyses of securities movement and pricing data; and (vi) transcripts of investor calls with KBR senior management. Class Counsel also analyzed witness interviews from former KBR employees and others. The Parties also engaged in comprehensive fact discovery. Class Representatives reviewed and analyzed: (i) approximately 1.3 million pages of documents produced by Defendants; and (ii) approximately 78,000 pages of documents produced by third-parties. Class Representatives took seven depositions of KBR representatives in connection with fact discovery. Class Representatives consulted with experts on damages and loss causation issues, and also with industry experts on issues pertaining to pipe fabrication and modular assembly.

24. On April 10, 2017, the Court entered the Preliminary Approval Order and Class Action Settlement Scheduling Order, authorizing that this Notice be sent to potential Class Members and scheduling the Settlement Hearing to consider whether to grant final approval to the Settlement, among other things.

### **3. Why is this a class action?**

25. In a class action, one or more persons or entities (in this case, Class Representatives), sue on behalf of people and entities who have similar claims. Together, these people and entities are a "class," and each is a "class member." Bringing a case, such as this one, as a class action allows the adjudication of many individuals' similar claims that might be too small to bring economically as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class. In this Action, the Court has appointed APERS and IBEW Local No. 58 to serve as Class Representatives and has appointed Labaton Sucharow LLP and Bernstein Litowitz Berger & Grossmann LLP to serve as Class Counsel.

### **4. What are the reasons for the Settlement?**

26. The Court did not finally decide in favor of Class Representatives or Defendants. Instead, both sides agreed to a settlement.

27. Class Representatives and Class Counsel believe that the claims asserted in the Action have merit. Class Representatives and Class Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims in the Action through trial and appeals, as well as the difficulties in establishing liability. Class Representatives and Class Counsel have considered the uncertain outcome and the risk of any litigation, especially in complex lawsuits like this one, as well as the difficulties and delays inherent in litigation. For example, Defendants have raised a number of arguments and defenses (which they would raise at summary judgment and trial) that they did not make false and misleading statements in violation of the federal securities laws and that Class Representatives would not be able to establish that Defendants acted with the requisite intent, arguing that, among other things,

the Individual Defendants were not involved in the management of the Contracts and did not have information to know that cost estimates used in computing revenue for the Contracts were inaccurate. Even assuming Class Representatives could establish liability, the amount of damages that could be attributed to the allegedly false statements would be hotly contested. In the absence of a settlement, the Parties would present factual and expert testimony on each of these issues, and there is a risk that the Court or jury would resolve these issues unfavorably against Class Representatives and the Class. In light of the Settlement and the guaranteed cash recovery to the Class, Class Representatives and Class Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class.

28. Defendants have denied and continue to deny any wrongdoing and deny that they have committed any act or omission giving rise to any liability or violation of law. Defendants deny the allegations that they knowingly, or otherwise, made any material misstatements or omissions; that any member of the Class has suffered damages; that the prices of KBR common stock were artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; or that members of the Class were harmed by the conduct alleged in the Complaint. Nonetheless, Defendants have concluded that continuation of the Action would be protracted, time-consuming and expensive, and have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this Action, and believe that the Settlement is in the best interests of Defendants.

### WHO IS IN THE SETTLEMENT

29. To be eligible for a payment from the proceeds of the Settlement, you must be a Class Member.

#### 5. How do I know if I am part of the Class?

30. The Court has certified the following Class, subject to certain exceptions identified below:

*All persons and entities who purchased or otherwise acquired the publicly traded common stock of KBR during the period from September 11, 2013 through July 30, 2014, inclusive (“Class Period”), and who were damaged thereby.*

31. Everyone who fits the description of the Class above is a Class Member and subject to the Settlement, unless they are excluded by definition (*see* Question 6 below) or take steps to exclude themselves (*see* Question 13 below).

32. If one of your mutual funds purchased KBR common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you individually purchased or otherwise acquired KBR common stock during the Class Period. Check your investment records or contact your broker to see if you have any eligible purchases or acquisitions.

#### 6. Are there exceptions to being included?

33. Yes. There are some individuals and entities who are excluded from the Class by definition. Excluded from the Class are: Defendants KBR, William P. Utt, Susan K. Carter, Dennis S. Baldwin, and Brian K. Ferraioli; the officers and directors of KBR during the Class Period; members of the Immediate Family of the Individual Defendants and of the excluded officers and directors; any entity in which any Defendant, any excluded officer or director, or any member of their Immediate Family has or had a controlling interest; and the legal representatives, heirs, agents, affiliates, successors or assigns of any of the foregoing excluded persons or entities, in their capacities as such. For the avoidance of doubt, “affiliates” are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the Defendants, and include any employee benefit plan organized for the benefit of KBR’s employees and their beneficiaries. Also excluded from the Class is anyone who timely and validly seeks exclusion from the Class in accordance with the procedures described in Question 13 below.

#### 7. What if I am still not sure if I am included?

34. If you are still not sure whether you are included in the Class, you can ask for free help. You can call the Claims Administrator toll-free at (844) 685-5620, send an e-mail to the Claims Administrator at [info@KBRSecuritiesLitigation.com](mailto:info@KBRSecuritiesLitigation.com), or write to the Claims Administrator at *KBR Securities Litigation*, P.O. Box 4290, Portland, OR 97208-4290. Or you can fill out and return the Claim Form described in Question 10, to see if you qualify. You may also want to contact your broker to see if you purchased and/or acquired shares of KBR common stock eligible to participate in the Settlement.

## THE SETTLEMENT BENEFITS — WHAT YOU GET

### 8. What does the Settlement provide?

35. In exchange for the Settlement and the release of the Released Plaintiffs' Claims against the Released Defendant Parties, Defendants have agreed to fund a \$10.5 million cash payment that, along with any interest earned on this amount, will be distributed after deduction of Court-awarded attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court (the "Net Settlement Fund"), among all Class Members who submit valid Claim Forms and are found by the Court to be eligible to receive a distribution from the Net Settlement Fund ("Authorized Claimants").

### 9. How much will my payment be?

36. If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement Fund will depend on several things, including, among other things, how many Class Members timely send in valid Claim Forms; the amount of KBR common stock you purchased or otherwise acquired during the Class Period; the prices and dates of those purchases or acquisitions; and the prices and dates of any sales you made of KBR common stock.

37. You can calculate your Recognized Claim in accordance with the formulas shown below in the Plan of Allocation. It is unlikely that you will receive a payment for all of your Recognized Claim. See the Plan of Allocation of Net Settlement Fund on pages 12-14 for more information on your Recognized Claim.

### HOW TO RECEIVE A PAYMENT: SUBMITTING A PROOF OF CLAIM FORM

### 10. How can I receive a payment?

38. To qualify for a payment from the Net Settlement Fund, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. If you did not receive a Claim Form, you can obtain one from the website dedicated to the Settlement: [www.KBRSecuritiesLitigation.com](http://www.KBRSecuritiesLitigation.com), or from Class Counsel's websites: [www.labaton.com](http://www.labaton.com) and [www.blbglaw.com](http://www.blbglaw.com). You can also request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at (844) 685-5620.

39. Please read the instructions contained in the Claim Form carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it to the Claims Administrator so that it is **postmarked or received no later than August 19, 2017**.

### 11. When will I receive my payment?

40. The Court will hold a Settlement Hearing on **July 25, 2017** to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Claim Forms to be accurately reviewed and processed. Please be patient.

### 12. What am I giving up to receive a payment or stay in the Class?

41. If you are a Class Member and do not timely and validly exclude yourself from the Class, you will remain in the Class and that means that, upon the "Effective Date" of the Settlement, you will release all "Released Plaintiffs' Claims" against the "Released Defendant Parties."

(a) "**Released Plaintiffs' Claims**" means any and all claims, liabilities, demands, causes of action, or lawsuits of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, common, or foreign law, whether legal, statutory, equitable, or of any other type or form, and whether brought in a representative or individual capacity, that (i) were at issue in the Action; or (ii) could have been asserted by Class Representatives or any other Class Member in the Action that are based upon, arise out of, or relate to the purchase, sale, or ownership of KBR common stock during the Class Period, including but not limited to any claims related to the Restatement, the Contracts, or any of the disclosures made by KBR relating to the Restatement or Contracts. Released Plaintiffs' Claims do not include claims relating to the enforcement of the Settlement or claims alleged in *Butorin v. Blount, et al.*, No. 15-cv-00283 (D. Del.).

(b) **“Released Defendant Parties”** means Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries, parents, affiliates, principals, successors, predecessors, assigns, officers, directors, trustees, partners, partnerships, employees, attorneys, accountants, and insurers; the members of the Immediate Families, representatives, executors, administrators, and heirs of the Individual Defendants, as well as any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant’s Immediate Family members; and any firm, trust, corporation, or other entity in which any Defendant has a controlling interest, in their capacities as such.

(c) **“Unknown Claims”** means any and all Released Plaintiffs’ Claims that Class Representatives or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims against the Released Defendant Parties, and any and all Released Defendants’ Claims that any Defendant does not know or suspect to exist in his favor at the time of the release of such claims against the Released Plaintiff Parties, which is known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Class. With respect to any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Class Representatives and Defendants shall expressly, and each other Class Member shall be deemed to have, and by operation of the Judgment or Alternate Judgment, if applicable, shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Class Representatives, other Class Members, or Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Plaintiffs’ Claims and the Released Defendants’ Claims, but Class Representatives and Defendants shall expressly, fully, finally, and forever settle and release, and each other Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternate Judgment, if applicable, shall have settled and released, fully, finally, and forever, any and all Released Plaintiffs’ Claims and Released Defendants’ Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Class Representatives and Defendants acknowledge, and other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Plaintiffs’ Claims and Released Defendants’ Claims was separately bargained for and was a material element of the Settlement.

42. The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes Final and not subject to appeal. If you remain a member of the Class, all of the Court’s orders, whether favorable or unfavorable, will apply to you and legally bind you.

43. Upon the “Effective Date,” Defendants will also provide a release of any claims against Class Representatives and the Class arising out of or related to the institution, prosecution, or settlement of the claims in the Action. The full terms of the release that Defendants will provide to Class Representatives and the Class are set forth in the Stipulation.

### **EXCLUDING YOURSELF FROM THE CLASS**

44. If you do not want to be eligible to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties on your own concerning the Released Plaintiffs’ Claims, then you must take steps to remove yourself from the Class. This is called excluding yourself or “opting out.” **Please note:** If you decide to exclude yourself from the Class, there is a risk that any lawsuit you may file to pursue claims alleged in the Action may be dismissed, including because the suit is not filed within the applicable time periods required for filing suit. Defendants will have the right to assert any and all defenses they may have to any claims you seek to assert. Also, Defendants may terminate the Settlement if Class Members who purchased or acquired in excess of a certain number of eligible shares of KBR common stock seek exclusion from the Class.



### 13. How do I exclude myself from the Class?

45. To exclude yourself from the Class, you must mail a signed letter stating that you “request to be excluded from the Class in *In re KBR, Inc. Securities Litigation*, Case No. 14-cv-01287-LHR.” You cannot exclude yourself by telephone or e-mail. Each request for exclusion must also state: (i) the name, address, e-mail, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person for the entity; (ii) the number of shares of KBR common stock purchased, acquired, and/or sold during the Class Period, as well as the date, number of shares and price per share of each such purchase, acquisition, and/or sale; and (iii) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion must be submitted so that it is **received no later than July 4, 2017** to:

*KBR Securities Litigation*  
c/o Epiq  
P.O. Box 4290  
Portland, OR 97208-4290

46. Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. Also, you cannot object to the Settlement because you will not be a Class Member. However, if you submit a valid exclusion request, you will not be legally bound by anything that happens in this Action, and you may be able to sue (or continue to sue) Defendants and the other Released Defendant Parties in the future.

### 14. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?

47. No. Unless you properly exclude yourself, you will remain in the Class and you will give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Plaintiffs’ Claims. If you have a pending lawsuit against any of the Released Defendant Parties, **speak to your lawyer in that case immediately**. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is **July 4, 2017**.

### 15. If I exclude myself, can I get money from the proposed Settlement?

48. No. If you exclude yourself, do not send in a Claim Form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Defendant Parties.

## THE LAWYERS REPRESENTING YOU

### 16. Do I have a lawyer in this case?

49. The Court appointed the law firms of Labaton Sucharow LLP and Bernstein Litowitz Berger & Grossmann LLP to represent all Class Members. These lawyers are called “Class Counsel.” You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs’ Counsel’s fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 17. How will the lawyers be paid?

50. Plaintiffs’ Counsel have been prosecuting the Action on a contingent basis and have not been paid for any of their work. Class Counsel will ask the Court to award Plaintiffs’ Counsel attorneys’ fees of no more than 25% of the Settlement Fund, which will include any accrued interest. Class Counsel will also seek payment of litigation expenses incurred by Plaintiffs’ Counsel in the prosecution of this Action of no more than \$995,000, plus accrued interest, which may include an application in accordance with the PSLRA for the reasonable costs and expenses (including lost wages) of Class Representatives directly related to their representation of the Class. As explained above, any attorneys’ fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, OR  
THE FEE AND EXPENSE APPLICATION**

**18. How do I tell the Court that I do not like something about the proposed Settlement?**

51. If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation of the Net Settlement Fund, and/or the Fee and Expense Application. You may give reasons why you think the Court should not approve any or all of the Settlement terms or related relief. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

52. To object, you must send a signed letter stating that you object to the proposed Settlement in “*In re KBR, Inc. Securities Litigation*, Case No. 14-cv-01287-LHR.” The objection must: (i) state the name, address, telephone number, and e-mail address of the person or entity objecting and must be signed by the objector; (ii) contain a statement of the Class Member’s objection or objections and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention; and (iii) include documents sufficient to prove membership in the Class, including the number of shares of KBR common stock purchased, acquired, and sold during the Class Period, as well as the date, number of shares, and price per share of each such purchase, acquisition, and sale. Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will be forever foreclosed from making any objection to the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense Application. Your objection must be filed with the Court **no later than July 4, 2017** and mailed or delivered to the following counsel so that it is **received no later than July 4, 2017**:

**Court**  
Clerk of the Court  
United States District Court  
Southern District of Texas  
United States Courthouse  
515 Rusk Avenue  
Houston, TX 77002

**Class Counsel**  
**Labaton Sucharow LLP**  
Louis Gottlieb, Esq.  
140 Broadway  
New York, NY 10005

**Defendants’ Counsel**  
**Vinson & Elkins**  
Michael C. Holmes, Esq.  
1001 Fannin Street, Suite 2500  
Houston, TX 77002

**Bernstein Litowitz Berger  
& Grossmann LLP**  
John Rizio-Hamilton, Esq.  
1251 Avenue of the Americas, 44<sup>th</sup> Floor  
New York, NY 10020

53. You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Class Member who has not submitted a request for exclusion and who has complied with the procedures described in this Question 18 and below in Question 22 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court, about their objection. An objector may appear in person or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

**19. What is the difference between objecting and seeking exclusion?**

54. Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover money from the Settlement. You can object *only* if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself from the Class, you have no basis to object because the Settlement and the Action no longer affect you.

**THE SETTLEMENT HEARING**

**20. When and where will the Court decide whether to approve the proposed Settlement?**

55. The Court will hold the Settlement Hearing on **July 25, 2017 at 2:00 p.m.**, in Courtroom 11-B at the United States Courthouse, 515 Rusk Avenue, Houston, TX 77002.

56. At this hearing, the Court will consider whether: (i) the Settlement is fair, reasonable, adequate, and should be finally approved; (ii) the Plan of Allocation is fair and reasonable, and should be approved; and (iii) the application of Class Counsel for an award of attorneys' fees and payment of litigation expenses, including those of Class Representatives, is reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 18 above. We do not know how long it will take the Court to make these decisions.

57. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Class Counsel or visit the settlement website, [www.KBRSecuritiesLitigation.com](http://www.KBRSecuritiesLitigation.com), beforehand to be sure that the hearing date and/or time has not changed.

## **21. Do I have to come to the Settlement Hearing?**

58. No. Class Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, the Court will consider it and you do not have to come to Court to discuss it. You may have your own lawyer attend (at your own expense), but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 22 below **no later than July 4, 2017**.

## **22. May I speak at the Settlement Hearing?**

59. If you object to the Settlement or any aspect of it, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 18), **no later than July 4, 2017**, a statement that you, or your attorney, intend to appear in "*In re KBR, Inc. Securities Litigation*, Case No. 14-cv-01287-LHR." Persons who intend to object to the Settlement, the Plan of Allocation, and/or the Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 18 above) the identities of any witnesses they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself from the Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in this Question 22 and Question 18 above.

### **IF YOU DO NOTHING**

## **23. What happens if I do nothing at all?**

60. If you do nothing and you are a member of the Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Plaintiffs' Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 10 above). To start, continue, or be a part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Plaintiffs' Claims, you must exclude yourself from the Class (*see* Question 13 above).

### **GETTING MORE INFORMATION**

## **24. Are there more details about the Settlement?**

61. This Notice summarizes the proposed Settlement. More details are contained in the Stipulation. You may review the Stipulation filed with the Court or other documents in the case during business hours at the Office of the Clerk of the United States District Court, Southern District of Texas, United States Courthouse, 515 Rusk Avenue, Houston, TX 77002. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

62. You can also get a copy of the Stipulation and other documents related to the Settlement, as well as additional information about the Settlement, by visiting the website dedicated to the Settlement, [www.KBRSecuritiesLitigation.com](http://www.KBRSecuritiesLitigation.com), where you will find answers to common questions about the Settlement, can download copies of the Stipulation or Claim Form, and can locate other information about the Settlement. You may also call the Claims Administrator toll-free at (844) 685-5620 or write to the Claims Administrator at *KBR Securities Litigation*, P.O. Box 4290, Portland, OR 97208-4290. **Please do not call the Court with questions about the Settlement.**

## PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

### 25. How will my claim be calculated?

63. As discussed above, the Settlement provides \$10.5 million in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitute the “Settlement Fund.” The Settlement Fund, after deduction of Court-approved attorneys’ fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court, is the “Net Settlement Fund.” If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants – *i.e.*, members of the Class who timely submit valid Claim Forms that are accepted for payment by the Court – in accordance with this proposed Plan of Allocation or such other plan of allocation as the Court may approve. Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan of Allocation will be posted on the settlement website, [www.KBRSecuritiesLitigation.com](http://www.KBRSecuritiesLitigation.com).

64. The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation is not a formal damage analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purpose of making pro rata allocations of the Net Settlement Fund.

65. The Plan of Allocation was developed in consultation with Class Representatives’ damages expert. In developing the Plan of Allocation, Class Representatives’ damages expert calculated the estimated amount of alleged artificial inflation in the per share prices of KBR common stock that was allegedly proximately caused by Defendants’ alleged materially false and misleading statements and omissions. In calculating the estimated artificial inflation allegedly caused by those misrepresentations and omissions, Class Representatives’ damages expert considered price changes in KBR common stock in reaction to public disclosures that allegedly corrected the respective alleged misrepresentations and omissions, adjusting those price changes for factors that were attributable to market or industry forces, and for non-fraud related KBR-specific information.

66. In order to have recoverable damages under the federal securities laws, disclosure of the alleged misrepresentation and/or omission must be the cause of the decline in the price of the security. In this Action, Class Representatives allege that corrective information allegedly impacting the price of KBR common stock (referred to as a “corrective disclosure”) was released to the market on: February 27, 2014 (after the market close), May 5, 2014 (prior to the market open), June 19, 2014 (prior to the market open), and July 31, 2014 (prior to the market open). In order to have a “Recognized Loss Amount” under the Plan of Allocation, shares of KBR publicly traded common stock must have been purchased or otherwise acquired during the Class Period and held through the issuance of at least one corrective disclosure.

### CALCULATION OF RECOGNIZED LOSS AMOUNTS

67. Based on the formulas stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of KBR publicly traded common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

68. For each share of KBR publicly traded common stock purchased or otherwise acquired from September 11, 2013 through and including the close of trading on July 30, 2014, and:

- (a) Sold prior to the close of trading on February 27, 2014, the Recognized Loss Amount will be \$0.00;

- (b) Sold during the period from February 28, 2014 through and including the close of trading on July 30, 2014, the Recognized Loss Amount will be ***the lesser of***: (i) the amount of alleged artificial inflation per share as stated in Table A on the date of purchase minus the amount of alleged artificial inflation per share as stated in Table A on the date of sale; or (ii) the purchase price minus the sale price;
- (c) Sold from July 31, 2014 through and including the close of trading on October 28, 2014, the Recognized Loss Amount will be ***the least of***: (i) the amount of alleged artificial inflation per share as stated in Table A on the date of purchase; (ii) the purchase price minus the sale price; or (iii) the purchase price minus the average closing price between July 31, 2014 and the date of sale as stated in Table B at the end of this Notice; or
- (d) Held as of the close of trading on October 28, 2014, the Recognized Loss Amount will be ***the lesser of***: (i) the amount of alleged artificial inflation per share as stated in Table A on the date of purchase; or (ii) the purchase price minus \$20.16, the average closing price for KBR common stock between July 31, 2014 and October 28, 2014 (the last entry on Table B).<sup>5</sup>

### ADDITIONAL PROVISIONS

69. Given the costs of distribution, the Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 72 below) is \$10.00 or greater.

70. If a claimant has more than one purchase or sale of KBR publicly traded common stock, purchases and sales will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

71. A claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

72. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

73. Purchases, acquisitions, and sales of KBR publicly traded common stock will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of KBR common stock during the Class Period will not be deemed a purchase, acquisition, or sale of KBR common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of KBR common stock unless: (i) the donor or decedent purchased or otherwise acquired the shares during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

74. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the KBR common stock. The date of a “short sale” is deemed to be the date of sale of KBR common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a claimant has an opening short position in KBR common stock, his, her, or its earliest Class Period purchases or acquisitions of KBR common stock will be matched against the opening short position, and not be entitled to a recovery, until that short position is fully covered.

75. Option contracts are not securities eligible to participate in the Settlement. With respect to shares of KBR publicly traded common stock purchased or sold through the exercise of an option, the purchase/sale date of the KBR common stock is the exercise date of the option and the purchase/sale price of the KBR common stock is the exercise price of the option.

<sup>5</sup> Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of KBR common stock during the 90-day look-back period. The mean (average) closing price for KBR common stock during this 90-day look-back period was \$20.16.

76. If a claimant had a market gain with respect to his, her, or its overall transactions in KBR publicly traded common stock during the Class Period, the value of the claimant's Recognized Claim will be zero. If a claimant suffered an overall market loss with respect to his, her, or its overall transactions in KBR publicly traded common stock during the Class Period but that market loss was less than the claimant's total Recognized Claim calculated above, then the claimant's Recognized Claim will be limited to the amount of the actual market loss. For purposes of determining whether a claimant had a market gain with respect to his, her, or its overall transactions in KBR common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between: (i) the Total Purchase Amount<sup>6</sup> and (ii) the sum of the Total Sales Proceeds<sup>7</sup> and Holding Value.<sup>8</sup> This difference will be deemed a claimant's market gain or loss with respect to his, her, or its overall transactions in KBR common stock during the Class Period.

77. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Class Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks may occur thereafter if Class Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective.

78. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Class Representatives, Plaintiffs' Counsel, Class Representatives' damages expert, Defendants, Defendants' Counsel, any of the other Released Plaintiff Parties or Released Defendant Parties, or the Claims Administrator or other agent designated by Class Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Class Representatives, Defendants and their respective counsel, and all other Released Defendant Parties, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

79. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Class Member or claimant.

80. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

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<sup>6</sup> The "Total Purchase Amount" is the total amount the claimant paid (excluding commissions and other charges) for KBR common stock purchased or acquired during the Class Period.

<sup>7</sup> The Claims Administrator will match any sales of KBR common stock during the Class Period first against the claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of KBR common stock sold during the Class Period will be the "Total Sales Proceeds".

<sup>8</sup> The Claims Administrator will ascribe a value of \$20.66 per share for KBR common stock purchased or acquired during the Class Period and still held as of the close of trading on July 30, 2014 (the "Holding Value").

**SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

81. If you purchased or otherwise acquired publicly traded KBR common stock (CUSIP: 48242W106) during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator the name and last known address of each person or entity for whom or which you purchased or otherwise acquired KBR common stock during the Class Period; or (b) request additional copies of this Notice and the Claim Form from the Claims Administrator, which will be provided to you free of charge, and **WITHIN SEVEN (7) DAYS** of receipt, mail the Notice and Claim Form directly to all the beneficial owners of those securities. If you choose to follow procedure (b), the Court has also directed that, upon making that mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed and keep a record of the names and mailing addresses used. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation and timely compliance with the above directives. All communications concerning the foregoing should be addressed to the Claims Administrator:

*KBR Securities Litigation*  
c/o Epiq  
P.O. Box 4290  
Portland, OR 97208-4290

Dated: April 21, 2017

BY ORDER OF THE UNITED STATES  
DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS

**TABLE A**

**Estimated Artificial Inflation from September 11, 2013  
through and including July 30, 2014**

<b>Transaction Date</b>	<b>Inflation Per Share</b>
September 11, 2013 – February 27, 2014	\$3.81
February 28, 2014 – May 4, 2014	\$2.92
May 5, 2014 – June 18, 2014	\$1.63
June 19, 2014 – July 30, 2014	\$0.67

**TABLE B****KBR Closing Price and Average Closing Price  
July 31, 2014 – October 28, 2014**

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price Between July 31, 2014 and Date Shown</b>	<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price Between July 31, 2014 and Date Shown</b>
7/31/2014	\$20.66	\$20.66	9/16/2014	\$20.65	\$21.36
8/1/2014	\$20.55	\$20.61	9/17/2014	\$20.58	\$21.33
8/4/2014	\$20.81	\$20.67	9/18/2014	\$20.62	\$21.31
8/5/2014	\$20.97	\$20.75	9/19/2014	\$20.34	\$21.29
8/6/2014	\$20.84	\$20.77	9/22/2014	\$20.10	\$21.25
8/7/2014	\$20.55	\$20.73	9/23/2014	\$20.02	\$21.22
8/8/2014	\$20.92	\$20.76	9/24/2014	\$19.85	\$21.19
8/11/2014	\$21.31	\$20.83	9/25/2014	\$19.13	\$21.14
8/12/2014	\$20.78	\$20.82	9/26/2014	\$19.16	\$21.09
8/13/2014	\$20.81	\$20.82	9/29/2014	\$19.11	\$21.04
8/14/2014	\$21.05	\$20.84	9/30/2014	\$18.83	\$20.99
8/15/2014	\$20.86	\$20.84	10/1/2014	\$18.42	\$20.93
8/18/2014	\$21.20	\$20.87	10/2/2014	\$18.66	\$20.88
8/19/2014	\$21.44	\$20.91	10/3/2014	\$19.04	\$20.84
8/20/2014	\$21.67	\$20.96	10/6/2014	\$18.78	\$20.80
8/21/2014	\$21.74	\$21.01	10/7/2014	\$18.42	\$20.75
8/22/2014	\$21.89	\$21.06	10/8/2014	\$18.56	\$20.70
8/25/2014	\$22.10	\$21.12	10/9/2014	\$18.07	\$20.65
8/26/2014	\$22.50	\$21.19	10/10/2014	\$17.70	\$20.59
8/27/2014	\$22.30	\$21.25	10/13/2014	\$17.55	\$20.53
8/28/2014	\$22.24	\$21.29	10/14/2014	\$17.57	\$20.48
8/29/2014	\$22.02	\$21.33	10/15/2014	\$17.72	\$20.43
9/2/2014	\$21.95	\$21.35	10/16/2014	\$17.74	\$20.38
9/3/2014	\$22.07	\$21.38	10/17/2014	\$18.08	\$20.34
9/4/2014	\$21.73	\$21.40	10/20/2014	\$18.10	\$20.30
9/5/2014	\$21.75	\$21.41	10/21/2014	\$18.56	\$20.27
9/8/2014	\$21.62	\$21.42	10/22/2014	\$18.73	\$20.24
9/9/2014	\$21.38	\$21.42	10/23/2014	\$19.03	\$20.22
9/10/2014	\$21.28	\$21.41	10/24/2014	\$18.93	\$20.20
9/11/2014	\$21.24	\$21.41	10/27/2014	\$18.60	\$20.17
9/12/2014	\$21.03	\$21.40	10/28/2014	\$19.31	\$20.16
9/15/2014	\$20.85	\$21.38			