March 23, 2023

Parsons

Employee Stock Ownership Plan

Summary Plan Description

PARSONS

2023 Edition

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INTRODUCTION

Parsons Corporation ("Parsons") established the Parsons Employee Stock Ownership Plan (the "Plan") for the benefit of its eligible employees. The Plan is an employee stock ownership plan that is financed by the contributions of Parsons and certain related employers that have adopted the Plan for the benefit of their eligible employees (together, the "Companies").

This summary plan description (the "SPD") is intended to explain the major provisions of the Plan, as amended and restated effective May 8, 2019, and subsequently amended effective May 18, 2019, January 1, 2020,January 1, 2021, and May 16, 2022. This SPD does not take place of the actual Plan and trust documents which govern at all times, so if there is a conflict between the information contained in this SPD and the provisions of the actual Plan document, the Plan document will govern. Parsons reserves the right to amend the Plan, subject to legal requirements.

If you have specific questions about the Plan or this SPD, please contact USI Retirement Services (the Recordkeeper) or HR Central.

1. What is the Plan?

The Plan is a tax-qualified retirement plan, and its purpose is to recognize the contributions that the Companies' eligible employees make to the success of Parsons. The Plan is designed to enable eligible employees of the Companies to obtain an ownership interest in Parsons. Parsons believes that its growth and prosperity are directly affected by the efforts, attitudes and enthusiasm of its employees and that participation in the Plan will create an extra sense of commitment and responsibility.

2. Who can participate in the Plan?

To participate in the Plan, you must satisfy these three eligibility requirements:

- You are a full-time or part-time Company employee who is not on a leave of absence;
- You have completed a "Year of Eligibility Service"; and
- You are not an Excluded Employee, which is any of the following:
    - A person employed on casual basis (which means on as-needed, hourly basis, or at irregular intervals);
    - A person whose employment is covered by a collective bargaining agreement with the Company if there is evidence that retirement benefits were the subject of good faith bargaining;
    - Employees of certain foreign and U.S. entities or certain divisions of the Company ("Non-Member Companies").
    - certain non-resident aliens who have no earned income from sources within the United States;
    - reclassified employees (a worker who was previously not treated as a Company employee but is later reclassified as an employee); and
    - leased employees.

3. What is a "Year of Eligibility Service"?

A "Year of Eligibility Service" is the twelve consecutive month period in which you are credited with at least 1,000 Hours of Service. Your initial twelve-month period begins on the date you first perform an Hour of Service. However, if you do not complete 1,000 Hours of Service during those first twelve months, then your twelve consecutive month period switches to the calendar year. The first time it switches, it will be the calendar year that includes the anniversary of the date on which you first performed an Hour of Service.

In general, each hour for which you are paid or entitled to payment by a Company or certain affiliates constitutes an "Hour of Service" under the Plan, including back pay and including time during which you are on paid leave from the Company or its affiliates. However, no more than 501 Hours of Service will be credited to you for time during which you are on leave from the Company or its affiliate due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence for which you are paid or entitled to payment.

Once you satisfy the eligibility requirements, you will start participating in the Plan on the January 1st of the year in which or immediately preceding the date you are credited with a Year of Eligibility Service.

Example: Adrian was hired on February 1, 2018. Because he was only credited with 800 Hours of Service during his initial twelve-month (February 1, 2018 to January 31, 2019), he did not earn a Year of Eligibility Service. However, during his next twelve-month period, (January 1, 2019 to December 31, 2019), he was credited with at least 1,000 Hours of Service, so earns a Year of Eligibility Service. Adrian becomes a Plan participant on January 1, 2019.

The Committee has the discretion to grant credit for eligibility service for time you are employed by an entity that is acquired by the Company.

4. What happens if I previously participated in the Plan but am no longer an Eligible Employee? What happens if I am rehired as or transferred to a position as an Eligible Employee?

If you cease to meet any of the eligibility requirements, you will no longer be eligible for additional benefits under the Plan. However, you can continue to vest in your Plan account, as described in Section 17. In addition, your Plan account will continue to be held and invested pursuant to the terms of the Plan. So long as you are a participant and distribution of your account has not commenced, your account will be subject to all of the rules of the ESOP including the right to share in the allocation of investment gains (or losses) on the Parsons shares or other assets held and allocated to your account.

Example: Chris was hired on January 1, 2014 and has been a participant in the Plan since 2014. On January 1, 2017, Chris transferred to a Non-Member Company. Chris's account will continue to be invested pursuant to the terms of the Plan, and he will continue to vest in his account for each Year of Vesting Service he earns. However, he will not receive any contributions for any Plan Years after the 2016 Plan Year until he transfers to a member Company .

If you cease to be an Eligible Employee but become one (through rehire or transfer), then you will re-enter the Plan as a participant on the date of your reemployment.

In order to preserve the tax-qualified status of the ESOP, Parsons has restrictions on rehiring employees who have received an ESOP distribution. Specifically, each employee must have a *bona fide* termination of employment with *all* Companies (as defined in the ESOP) prior to receiving an ESOP distribution. This generally means that, at the time of termination, neither Parsons nor the employee had any intention of the employee returning to work for any Company. Rehire of a terminated employee who has received a Plan distribution (lump sum or installments) or who will receive future installments, is only permitted after the employee has been separated for at least six months and where an unforeseen change of circumstances necessitates rehiring that employee.

PLAN CONTRIBUTIONS

5. How much will the Companies contribute to the Plan each year?

Although it is the intention of the Companies to make recurring contributions to the Plan, Parsons' board of directors has the sole discretion to determine whether a Plan contribution will be made, and, if so, the form and amount of such contribution.

6. What do the Companies contribute to the Plan?

If a contribution is declared, then the Companies will fund it by contributing cash or shares of Parsons' common stock ("Parsons Stock") to the Plan, subject to certain legal requirements and limitations. Contributions may be made in one or more installments, without interest, during a Plan Year. Parsons Stock is currently traded on the New York Stock Exchange.

7. Who is eligible for a share of any Plan contribution?

You will receive a share of any Plan contributions if, during the applicable Plan Year, you are a Participant in the Plan and employed by the Companies (other than as an Excluded Employee) ("Eligible Participant").

Additionally, some or all of the Plan contributions may, as the Policy and Advisory Committee directs, be used to repay any loans obtained by the Plan to acquire Parsons Stock, although there are no such loans currently outstanding.

8. How is the Plan contribution allocated?

Any Plan contribution is allocated among Eligible Participants based on the ratio of their Eligible Compensation for the Plan Year as compared to the total Eligible Compensation earned by all Eligible Participants for such Plan Year. Any Plan contribution is allocated each year as of December 31st of the relevant year.

For Plan purposes, Eligible Compensation generally means your compensation from the Companies that is subject to withholding under the Federal Insurance Contributions Act (FICA), which are also known as social security and Medicare taxes. Generally Eligible Compensation includes salary, wages, base pay, overtime, assignment premiums, vacation, holiday and sick pay, as well as most of your pre-tax contributions to other Company plans. However, Eligible Compensation excludes bonuses, auto allowances, equity-related compensation, relocation expenses and most other reimbursements, and any amounts over the annual IRS limit (which is $330,000 in 2023).

<u>Example</u>: Assume that the Companies contribute $8,000 to the Plan for the 2023 Plan Year, and that Emily, Farah and Hari are the only Eligible Participants that year. Their Eligible Compensation for that Plan Year is as follows:

Emily:	$ 75,000
Hari:	$160,000
Farah:	$355,000 (which is capped at $330,000)
Total:	**$565,000**

Their shares of the Company contribution will be based on the ratio of each person's Eligible Compensation to the total Eligible Compensation of all three Eligible Participants, as follows:

Emily:	(75,000 /565,000) times $8,000 =	**$1,062**
Hari:	(160,000/565,000) times $8,000 =	**$2,265**
Farah:	(330,000/565,000) times $8,000 =	**<u>$4,673</u>**
Total:		**$8,000**

9. Are there limits on my share of Plan contributions?

Yes, the total contributions that can be made annually on your behalf to both this Plan and the Parsons Corporation Retirement Savings Plan is capped at the <u>lesser</u> of:

(a) $66,000 for 2023, which limit is adjusted by the IRS for cost of living increases, and

(b) 100% of your annual compensation (including certain compensation not currently taxable to you).

You will be notified if this limit applies to you.

10. Am I required to contribute to the Plan?

No, the Plan is funded entirely by the Companies. You cannot make voluntary contributions or rollover contributions to the Plan.

<u>INVESTMENT OF THE PLAN'S TRUST</u>

11. Where are my Plan contributions held?

All Plan contributions are held in trust with the Trustee, Newport Trust Company.

Because the Plan is a defined contribution plan, each participant has an individual account that reflects his or her share of Parsons Stock.

12. How is the Plan's trust invested?

Plan assets are invested primarily in Parsons Stock, except that a certain amount of cash is maintained to defray certain administrative expenses.

13. How do changes in the value of Parsons Stock affect my account?

Your account balances will be adjusted (up or down) to reflect the current values of Parsons Stock and other investments. In connection with each valuation, the Recordkeeper adjusts all participant accounts to reflect net income, gain or loss since the close of the last valuation day.

If you are eligible for a distribution of all or a portion of your vested balance and submit an application to the Recordkeeper in good order, your vested balances will be valued as of the trading day immediately preceding the date on which the Recordkeeper received and scanned your application into its system.

Upon your death, your vested balance will be valued as of the trading day immediately before the date of the distribution to your spouse, beneficiaries, estate or heirs, as the case may be.

14. Will I receive a statement showing my account value?

Yes, you will receive an annual written statement showing the balance in each of your account as of the end of the previous plan year, the amount of Company contributions and forfeitures allocated to your account, adjustments to your account to reflect your share of any dividends and income or loss of the ESOP Trust, and the new balance in your account including the number of shares of Parsons Stock allocated to your account. You may also view your account balances at any time at www.RetirementFocus.com

15. Do I have any voting rights with respect to the Parsons Stock in my account?

You may direct the Trustee how to vote the shares of Parsons Stock held in your account with respect to any major corporate events, such as the approval or disapproval of a corporate merger or consolidation, recapitalization, reclassification, liquidation, or dissolution. The Trustee will solicit your vote in advance of the shareholder meeting. The Trustee will vote your shares in its sole discretion if you do not provide a valid voting direction.

All voting rights of Parsons Stock will be voted by the trustee in accordance with the following rules:

- Any Parsons Stock not yet allocated to participants' accounts, will be voted as the Trustee directs in its absolute discretion;

- With respect to any corporate matter which involves the voting of stock, such as the approval or disapproval of any corporate merger, consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transactions, all shares allocated to participants' accounts shall be voted in accordance with the written directions of participants as given to the Trustee. The Trustee shall then formulate its voting instructions to reflect the participants' instructions with respect to the allocated shares. Shares as to which no directions are provided from the participant will be voted by the Trustee in its discretion. This provision will also apply with the same force and effect to fractional shares allocated to participants' accounts. The Trustee may, to the extent practicable, aggregate voting directions received from individual participants and issue a single combined voting instruction reflecting the aggregate voting directions of the fractional shares.

- All participants entitled to direct the voting of the Trustee will be notified by the Company or the Trustee on each occasion for the exercise of their voting rights within a reasonable time before the votes are required. The notification will include all information that is required to be distributed to stockholders by the company regarding the exercise of their voting rights. Beneficiaries of deceased participants have the same notification and voting rights as participants.

16. May I change how my Plan account is invested?

In general, you do not have control over how your account is invested. However, certain participants have the following diversification rights (the right to sell Parsons shares and invest in something else).

Who Has Diversification Rights: Once you are at least age 50 and have participated in the Plan for at least 3 years, you have diversification rights for a 11 year eligibility period.

Diversification Election Period: Your diversification election period starts in the year after each year of your eligibility period. As a result, no one can make a diversification election in the first year of their eligibility period. The election period begins January 1 and extends for 150 days, until May 30th or May 31st (depending on the year).

EXAMPLE: If a participant attains age 50 and 3 years of participation in 2019, then her *eligibility period* is the years 2021-2031. However, her *diversification election period* is the first 150 days after each of year in the eligibility period, as follows:

Eligibility Period	***Diversification Election Period***
2021	January 1 - May 30, 2022
2022	January 1 - May 31, 2023
2023	January 1 - May 31, 2024
2024	January 1 - May 30, 2025
2025	January 1 - May 31, 2026
2026	January 1 - May 31, 2027
2027	January 1 – May 31, 2028
2028	January 1 – May 31, 2029
2029	January 1 – May 30, 2030
2030	January 1 – May 31, 2031
2031	January 1 – May 31, 2032

How Much Can I Diversify: For each of the 11 Plan Years in which you are eligible, you may elect to diversify 50% of the total number of shares of Parsons Stock that have ever been allocated to your ESOP account on or before the most recent Plan allocation date (minus the number of Parsons Stock that you previously elected to diversify).

What Are the Election Options: You may elect to have the portion of your ESOP account that you choose to diversify either:

(a) distributed to you in a taxable lump sum distribution, consisting of shares of Parsons Stock, and cash for only the fractional shares, or

(b) directly rolled over to an eligible retirement plan that will accept them. (Please note that the Parsons Corporation Retirement Savings Plan will not accept direct rollovers of or investments in Parsons Stock.)

The diversification distributions will generally take place by June 30th of the Plan Year.

VESTING

17. Do I own my account?

If your employment with the Companies and all affiliates ends, you are entitled to retain the vested balance of your account. The vested portion of your account is non-forfeitable, which means that you cannot lose your entitlement to that portion of your account.

Cash Dividends: You are, at all times, fully vested in any cash dividends on Parsons Stock in your ESOP account.

ESOP Account: Your ESOP account (excluding cash dividends) will vest according to the following schedule:

Years of Cumulative Service	Vested Percentage of Employee's Account
Less than 1 year	0
1 year, but less than 2	33.33
2 years, but less than 3	66.67
3 years or more	100

If you performed at least one hour of service on or after January 1, 2007, but do not perform at least one hour of service on or after January 1, 2020, the below vesting schedule applies to you:

Years of Vesting Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

If you do not perform at least one hour of service on or after January 1, 2007, your vested percentage is determined under the vesting schedule in effect before January 1, 2007.

Additionally, you will become fully vested in your ESOP account (excluding amounts attributable to cash dividends) upon the earliest to occur of:

- the first day of the month in which you become 65 if you are then employed by(or on an approved leave of absence) Parsons or certain affiliates;

- your death while employed by (or on an approved leave of absence with) Parsons or certain affiliates, or while you are on certain military leave;

- the date of your termination of employment with Parsons and all affiliates under circumstances entitling you to a Plan benefit on account of permanent disability; or

- upon a partial or complete Plan termination.

18. What is a "Year of Vesting Service"?

You will earn a Year of Vesting Service for each calendar year in which you are credited with at least 1,000 Hours of Service for Parsons and certain affiliates.

Notwithstanding that, for those of you hired before 1994, you will get credit for a Year of Vesting Service in your year of hire if you commenced employment before September 1. Also, for participants with at least 3 Years of Vesting Service as of January 1, 1994, you get credit for a Year of Vesting Service in the year you terminated employment if you terminated employment after April 30 of such year.

Consistent with the foregoing, if you had earned at least 3 Years of Vesting Service as of January 1, 1994, you incur a break in service in the calendar year in which your employment terminates if such termination occurs prior to March 1 of such year and you do not return to employment with Parsons or an affiliate prior to November 1 of such year. You also incur a break in service in each calendar year following the calendar year in which your employment terminates, except for a calendar year in which you return to employment with Parsons or an affiliate prior to November 1 of such year. Regardless of your hire date, you do not have a break in service in any year that you perform at least 501 hours of service.

19. What happens if I terminate employment with the Company before becoming 100% vested?

If you terminate employment with all Companies and affiliates before your account is 100% vested, you will keep the vested portion of your account.

However, the non-vested portion of your account will be forfeited upon the earlier of (a) your receipt of the distribution of the vested amount in your account or (b) your completion of five consecutive Break in Service years

You will have a Break in Service year for any Plan Year in which you are credited with 500 or fewer Hours of Service.

20. How will forfeitures be used?

Forfeitures may be used (i) to reduce the Companies' contribution for the Plan Year in question, and (ii) to pay any reasonable administrative expenses of the Plan.

IN-SERVICE PLAN DISTRIBUTIONS

21. May I ever withdraw amounts from my account while I am still employed?

You may in no event withdraw any amounts in your ESOP account while still employed, except to the extent described in Question 16.

22. Can I borrow from my Plan account?

No, Plan loans are not available.

23. What happens if dividends are declared on Parsons Stock in my account?

In general, dividends received on Parsons Stock held in your Plan account will be allocated to your Plan account. However, dividends may also be used to pay fees and expenses of the Plan, restore forfeited account balances or allocated to eligible participants' accounts.

24. What happens if dividends are declared on Parsons Stock that are not allocated to any participants?

Dividends on shares of unallocated stock, such as stock held in a suspense account because it was acquired with the proceeds of a loan, will either be applied to pay off the loan or held in the Plan.

DISTRIBUTION OF PLAN ACCOUNTS

25. May I receive amounts from my vested account while I am still employed?

Yes, but only to the extent that you qualify for diversification as described in Question 16.

26. When and how can I take a distribution of my vested account balance?

Generally, you may apply for a retirement distribution of your vested account balances following your termination of employment and after you attain normal retirement age (65) or early retirement age (62 and 100% vested at termination) under the ESOP.

Notwithstanding the foregoing, with respect to that portion of your vested interest in your account consisting of stock acquired by the ESOP after December 31, 1986, if you so elect, distribution will commence not later than one year after the close of the plan year which is the fifth plan year following the plan year in which you terminate your employment for reasons other than normal retirement age, permanent disability, or death unless you are reemployed by the Company before distribution is required (i.e. before the date that is one year after the end of the fifth year following the year in which you terminate employment) (also referred to herein as five-year vested termination distributions). Please note that no shares were contributed to the ESOP for this purpose between 1987 and 2010. Five-year vested termination distributions shall be in 5 annual installments, and in the case of a Participant with Post-1986 Amounts in excess of $500,000, installments shall be made in 5 annual installments plus 1 additional annual installment (but not more than 5 additional annual installments) for each $100,000 or fraction thereof by which such amount exceeds $500,000. The dollar amounts specified above shall be adjusted at the same time and in the same manner by the Secretary of the Treasury as under Section 415(d) of the Code.

For each distribution, there is a nominal processing fee. Before payment is made, your distribution will be reduced to cover the processing fee.

Distributions following termination of employment will commence generally as soon as practicable after attaining normal retirement age, or, if applicable, early retirement age, but no later than the 60th day after the close of the plan year in which your normal retirement age, or, if applicable, early retirement age occurs.

27. How long can I wait to start distributions?

You have the option to delay payment to a future date. However, you must receive or begin to receive your vested account balances by the April 1 following the calendar year in which you attain age 72 (or attained age 70.5 on or before December 31, 2019). If you decide to keep your vested account balance in the Plan after you have terminated employment with the Companies and all affiliates, it is your responsibility to keep the Recordkeeper updated with your contact information.

28. When and how will I receive my vested account balance?

As set forth in the table below, when and how you receive your vested account balance depends on its value:

Effective May 16, 2022 distributions of vested Account balances shall be made in one lump sum consisting of whole shares of Parsons stock and cash for only the fractional shares. Please note annual distributions of post-1986 shares as diversification elections and five-year vested termination distributions will still occur annually and over installments as outlined in the ESOP Plan and in the answers to Questions 16 and 26, above.

Participants who began receiving installments prior to May 16, 2022 and have one or more installments remaining, will receive an additional distribution in June 2022 to align with new installment thresholds unless they opt out in writing before May 31, 2022.

29. How are installments determined?

If a distribution is made in installments, the value of an installment will be determined as of the trading day immediately preceding the date on which the Recordkeeper received and scanned your application into its system, provided such application is determined to be in good order by the Recordkeeper within a reasonable period of time following the date such application is originally scanned as received and entered into the Recordkeeper's system by the Recordkeeper or its agent. Any remaining balance will continue to share in net ESOP Trust income including appreciation or depreciation in the value of Parsons Stock. **The format for installment payments will be described in the Answer to Question 28**

The first installment in a series shall be a payment equal in value to the vested account balance multiplied by a fraction the numerator of which is one and the denominator of which is the number of scheduled installments in the series. The next installment is the remaining vested account balance for the year multiplied by a fraction the numerator of which is one and the denominator of which is the denominator for the previous year reduced by one. Successive installments in a series, if any, are determined the same way.

For example, in a five installment distribution the first installment equals 1/5 of the vested account balance at the time distribution commences; the second equals 1/4 of the vested account balance value at the time of the second installment; the third equals 1/3 of the vested account balance value at the time of the third installment, the fourth equals 1/2 of the vested account balance value at the time of the fourth installment, and the fifth (and final) installment equals 1/1 or the entire remaining vested balance. Because each installment's value is based on the account balance at the time of the installment, remaining account balances share in additional trust earnings (or losses) *including* appreciation (or depreciation) in the value of Parsons Stock.

Notwithstanding the foregoing, different rules will apply with respect to that portion of your account consisting of stock acquired by the ESOP after December 31, 1986 (such shares referred to herein as "Diversification Rule Shares"). No shares were contributed to the ESOP for this purpose between 1987 and 2010. Unless you elect a less rapid distribution period, your Diversification Rule Shares will generally be distributed in equal annual installments over a period of up to eleven years. Note: See when these shares are available in Question 16.

30. What happens if I become disabled?

If you become permanently disabled while employed or on an approved leave of absence, you will be entitled to a distribution of your account balances, as though you had retired. You must have a Social Security determination that you are disabled. You will receive a distribution as soon as practicable after the Recordkeeper has received your application for benefits, including a Social Security determination that you are disabled, and determined your application to be in good order.

31. What happens if I have a conflict of interest after I terminate?

ESOP participants can typically only receive ESOP distributions when they have attained early or normal retirement age or become eligible for diversification. However, if you have terminated employment with all Companies and your ownership of Parsons Stock through the ESOP presents a conflict of interest, as determined by the ESOP Policy & Advisory Committee (or its delegate) (the "Committee") you can receive a lump sum distribution of your entire vested account.

The Committee will review your application and determine, in its sole discretion, whether a conflict of interest exists based on the following:

1. Who your current employer is;
2. What the relationship is between Parsons and your employer (competitor, joint venture partner, subcontractor, prime contractor, client, etc.);
3. What control you have over work performed by, or payments made to, Parsons; and
4. What decision-making authority you have to award work to Parsons.
5. In the past, the Committee has not considered teaming arrangements, potential future arrangements or situations in which Parsons is not currently bidding or interested in bidding on work for the other employer to create a conflict of interest.

32. What happens if I have a financial hardship?

In the event that you terminate employment prior to your normal or early Retirement

Date and you suffer a genuine financial hardship, the Policy and Advisory Committee may, in its discretion, distribute to you the vested portion of your account balances before your normal or early retirement date.

The Policy and Advisory Committee will make the determination as to whether a genuine financial hardship exists in its own discretion but in so doing shall not find a genuine financial hardship to exist unless there is clear and convincing evidence of severe want or deprivation which cannot reasonably be expected to be relieved by other resources available to you.

The Policy and Advisory Committee shall in every case find that resources reasonably available to you for relief of a hardship include business ventures and other investments or property that are reasonably liquid and susceptible to reasonably rapid sale, including any IRA's or 401(k) accounts. In no event, however, shall the Policy and Advisory Committee find that resources reasonably available to relieve a hardship include your primary residence.

If approved, your vested account balance will be distributed to you in one, two, or three installments as described in Question 28. You may halt such distributions by written notice to the Recordkeeper at least 30 days in advance of the distribution of your next installment payment.

33. How are Plan distributions taxed?

The tax information in this SPD is for your general information only and does not constitute tax advice. You are responsible for consulting your own tax advisor regarding Plan distributions.

Generally, Plan distributions will ultimately be taxed as ordinary income. In some cases, you can delay taxes on Plan distributions by rolling them over to another plan or IRA.

If your distribution is paid as an "eligible rollover distribution," you may defer payment of income tax on the distribution by electing a direct rollover of all or a part of your distribution to your IRA or to a tax-qualified plan that has agreed to accept your direct rollover. For this purpose, all taxable payments to you from the ESOP are "eligible rollover distributions" except installment payments over ten or more years.

In general, distributions consist of shares of Parsons Stock and cash for only the fractional shares. If your distribution under the ESOP is paid in cash (and not shares of Parsons Stock) and you fail to elect a direct rollover of an "eligible rollover distribution," that cash distribution will be subject to mandatory 20% withholding for federal income tax. More information on rollovers and the taxation of your distribution, including the additional income tax on "early distributions," will be provided before distribution is made from the ESOP.

34. Will taxes be withheld from my distribution?

The Plan is required to withhold income tax on all distributions of $200 or more that are not directly rolled over to the extent that there is *cash available.* Therefore, to the extent that a Plan distribution consists of Parsons Stock and cash, the tax withholding will only be made from the cash. This may mean that you owe taxes on the rest of the distribution. Please contact the Recordkeeper if you have questions concerning these taxes and penalties.

35. What is a direct rollover?

A direct rollover is the payment of your Plan distribution from the Plan directly to another eligible retirement plan, IRA or certain other arrangements that accept rollover distributions. No taxes are withheld from any direct rollover.

Because Plan distributions after November 5, 2019 consist primarily of Parsons Stock, please confirm that the eligible retirement plan or IRA receiving your rollover contribution will accept Parsons Stock. The Parsons Corporation Retirement Savings Plan will not accept Parsons Stock in a rollover.

36. If I receive a distribution of Parsons Stock, may I sell those shares?

Yes, subject to Parsons' insider trading policies, you can sell your shares of Parsons Stock on the public market once they are distributed to you.

However, if Parsons Stock ceases to be publicly traded or trading becomes restricted, then you, your beneficiary or certain other persons receiving a distribution of Parsons Stock from the Plan may exercise a "put option." The amount payable to a Participant pursuant to the repurchase right set forth in the preceding sentence shall be paid by the Company either (1) in a single lump sum within 30 days following the date of the distribution made in Parsons Stock or (2) in substantially equal periodic payments (not less frequently than annually) over a period beginning not later than 30 days following the date of the distribution made in Company Stock and not exceeding 5 years; provided, that the Company provides adequate security and pays reasonable interest on any unpaid amounts following the commencement of such payments. If the put option is exercised, Parsons must purchase the shares of Parsons Stock at fair market value as of the most recent valuation date.

37. How do I make a claim for benefits?

Contact the Recordkeeper at 1-855-539-8695 or www.RetirementFocus.com and request the required distribution documentation. Note that you will want to request the documentation in a timely manner in order to permit mailing time to you, documentation completion, and mailing time for the return of completed paperwork. Participants are required to have terminated their employment prior to submitting the distribution documentation.

BENEFITS UPON DEATH

38. What happens if I die before I receive my vested account balance?

If you die while employed or after your employment terminates but prior to the commencement of the distribution of your account balances, your entire vested interest will be distributed to a beneficiary that you designate. The distribution will be made in lump sum form commencing at any time designated by the Policy and Advisory Committee but must be completed within five years of your death.

The amount distributed will be based on the value of your vested interest in your account as of the valuation date coinciding with or immediately preceding the date distribution commences. If you are married at the time of your death, your surviving spouse will automatically be your beneficiary unless you designate another beneficiary and your spouse consents in writing to the other designation and the consent is witnessed by a Plan representative or a Notary Public.

If you die before receiving full payment of your vested account, your designated beneficiary will receive such amounts in the form of a lump sum distribution or as a Direct Rollover distribution consisting of shares of Parsons Stock, and cash for only the fractional shares.

Your beneficiary will receive your vested account balance within five years of your death. However, if you had already begun receiving installments from your account, the remaining portion will be paid to your beneficiary at least as rapidly as under the method you had been using to receive your distributions.

39. May I designate a beneficiary to receive my vested account balance?

Yes. However, there are different rules depending on whether or not you are married. Because your marital status affects your beneficiary designation, please notify the Recordkeeper if at any time your marital status changes.

Unmarried Participants. If you are unmarried, you may designate one or more primary or contingent beneficiaries to receive your vested account balance after your death. Contingent beneficiaries are persons entitled to receive your account if your primary beneficiary dies before you do.

You may change beneficiaries at any time by filing a new beneficiary designation form, as required by the Administrator.

Married Participants. If you are married, the Plan generally requires that your spouse be your sole primary beneficiary to receive your vested account balance in the event of your death. To name a person other than (or in addition to) your spouse as the primary beneficiary, your spouse must consent in writing in front of by a notary public or Plan representative. That consent must acknowledge both the effect of the consent and the identity of the non-spouse beneficiary.

Contingent beneficiaries are persons entitled to receive your account if your spouse or other primary beneficiary dies before you do.

40. How do I designate my beneficiary?

You designate your beneficiary or beneficiaries by completing the beneficiary designation form provided by the Administrator when you become a participant in the Plan. You may change your beneficiary designations at any time (with your spouse's consent, if applicable). Any new beneficiary designation will revoke any prior designations you have made.

41. What happens if I do not have a valid beneficiary designation on file?

If you do not name a beneficiary (or if your named beneficiary dies before you), distribution upon your death will be made in the following order: (i) your surviving spouse, (ii) your estate, (iii) your issue, per stirpes, or (iv) your surviving parents, in equal shares.

PROTECTION OF YOUR ACCOUNT

42. Where are the Plan's assets held?

All Plan assets are held in a trust that is maintained for the exclusive benefit of providing participant benefits and paying reasonable administrative expenses. Newport Trust Company is the trustee.

43. Are benefits under the ESOP guaranteed?

Because the ESOP is a defined contribution plan, its benefits are not guaranteed by any federal agency. Neither the Company nor the Policy and Advisory Committee assumes any responsibility for the adequacy of Trust assets. The Companies, the Trustee and the Administrator in no way guarantee the trust fund from loss or depreciation, nor do they guarantee the payment of any money which may become due to any person from the trust fund.

44. Can my interest in the ESOP be attached, pledged or alienated?

No. Your interest in the ESOP is not transferable or assignable, cannot be alienated and cannot be pledged as collateral for a loan. However, pursuant to a qualified domestic relations order (QDRO), a domestic relations court may require the division of a participant's retirement benefit with a divorced spouse. The plan will pay benefits to a divorced spouse if so directed by a court order; to the extent such order is consistent with the terms of the ESOP. In the event that participant is involved in a domestic relations proceeding, participants and beneficiaries can obtain from the Recordkeeper, without charge, a copy of the procedures governing QDROs.

In general, your interest in your vested account is not transferable or assignable and cannot be pledged as collateral for a loan. However, the Administrator will comply with a qualified domestic relations order ("QDRO") and make a distribution from your Plan account to your former spouse or other alternate payee in accordance with the provisions of the QDRO and the Plan.

45. Are there any conditions under which my benefits can decrease?

Yes. The value of your account can decrease if the trust fund's investments drop in value. Also, if you resign from the Companies or are discharged, any portion of your account that is not vested will be forfeited, as discussed in Question 19. In addition, the Administrator may charge your individual account for any reasonable administrative fee or expense that is specifically attributable to you – such as expenses relating to the review and administration of a qualified domestic relations order for your alternate payee.

46. What happens to my vested account balance if I cannot be located?

There are times when participants leave employment with the Companies without providing an updated address. The Administrator will take all reasonable actions to locate missing participants and beneficiaries. However, if the Administrator fails to find you or, if applicable, your beneficiary within five years after your termination of employment, the Administrator may treat your account as forfeited. If you or your beneficiary later make a claim for benefits, the forfeited amount shall be restored to your account.

If you leave employment with the Companies, please keep HR Central or the Recordkeeper updated with your current address. This is important because your Plan account could be credited with Company contributions many months after you have terminated employment.

47. Are my benefits insured by the Pension Benefit Guaranty Corporation?

No. Federal insurance is not available for defined contribution plans like the Plan. The Plan is funded by contributions of the Companies, which are allocated among participants' accounts and by the earnings and gains of the trust fund.

ADDITIONAL INFORMATION

48. Can the ESOP be amended or terminated?

The Board of Directors reserves the right to amend the ESOP at any time although it may not do so to reduce your accrued benefits. While Parsons and its participating affiliates expect that the ESOP will be continued indefinitely, it is possible that, for business reasons, the ESOP may have to be curtailed or even terminated.

In no event will the Plan be amended to cause amounts in your account to be returned to the Companies.

In addition, Parsons reserves the right to declare the Plan completely terminated (as to all Companies) or partially terminated (as to a particular entity, division, facility, or operational unit thereof). The Plan will also terminate completely upon the dissolution or merger of, unless the successor entity chooses to continue this Plan.

Upon a complete discontinuance of contributions to the Plan, a complete termination of the Plan, or a partial termination which effectively terminates your participation in the Plan, your account will become 100% vested. If the Plan is completely terminated, the Administrator will direct the Trustee to distribute the balance of your account to you in a lump sum or, if you so elect, directly roll over the balance of your account to an eligible retirement plan.

49. How is the ESOP administered?

The ESOP shall be administered by a Policy and Advisory Committee consisting of four (4) or more individuals who are appointed by the Chief Executive Officer of Parsons. In appointing Members of the Committee, the Chief Executive Officer shall give due consideration to the appointee's knowledge and experience in matters materially bearing on the administration of the Plan in such fields as finance, human relations or employee benefits.

The members of the Policy and Advisory Committee will be the named fiduciaries of the ESOP for purposes of the Employee Retirement Income Security Act of 1974 ("ERISA"). While Parsons will be the administrator of the ESOP, essentially all of the management and control of the ESOP will be handled by the Policy and Advisory Committee, although the Policy and Advisory Committee may designate other persons to carry out certain aspects of the day to day administration of the ESOP.

The Administrator is charged with the administration of the Plan in accordance with the Plan provisions and applicable law. The Administrator has full discretionary power and authority to, among other things, interpret the Plan, make findings of fact, determine the eligibility and vesting of participants, determine the value of a participant's account balance, and determine entitlement to allocations of contributions and forfeitures and distributions under the Plan. To the extent an error in administration is made, the Administrator also has the power to correct such errors.

50. How does my military service affect my benefits under the Plan?

If you leave employment with a Company to perform certain military service and are subsequently reemployed by a Company, you may be entitled to be credited with additional service with respect to your leave for eligibility and vesting purposes under the Plan. You may also be entitled to a share of a Company contribution. In addition, your account will be fully vested if you die while performing such military service. For more information, please contact the Recordkeeper.

51. Who pays the Plan's expenses?

Plan administrative expenses will be paid by either the Company or the Plan itself, or a combination. If the Plan pays expenses, then you may be charged a fee.

However, you are responsible for paying fees in connection with any Plan distributions.

CLAIMS PROCEDURES

52. What is the Plan's claims procedure?

If you believe an error has been made in the calculation or distribution of your vested account balance, you or your authorized representative should promptly file a written claim with the Administrator. The following questions and answers describe the procedures that the Administrator (or its delegate) will use in making determinations about your claim.

53. What happens after I file a claim?

Within 90 days after the receipt of your claim, the Administrator (or its delegate) will provide you with written notice of its decision on the claim, unless special circumstances require an extension of the 90-day period. If an extension is required, the Administrator (or its delegate) will provide you with a written notice of the extension before the end of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

Benefits will be paid under the Plan only if the Administrator (or its delegate) decides, in its discretion, that you are entitled to them. The Administrator (or its delegate) makes factual determinations and decisions regarding the interpretation or application of Plan provisions, and determines all questions as to the rights, benefits or eligibility of employees, participants and beneficiaries. The Administrator (or its delegate) has full authority to act in its discretion when carrying out the provisions of the Plan.

54. What if my claim is denied?

If your claim is wholly or partially denied, the written notice of the decision will be written clearly in plain English and will inform you of:

- the specific reasons for the denial;
- the specific provisions of the Plan upon which the denial is based;
- any additional material or information necessary to perfect the claim and reasons why such material or information is necessary; and
- an explanation of the Plan's claim review procedure and the time limits applicable to such procedures, including a statement of your right to bring a civil

action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following a denial on appeal.

Within 60 days after the receipt of written notice of a denial of all or a portion of a claim, you or your authorized representative may appeal the claim denial by filing a written notice with the Administrator (or its delegate). Written comments, documents, records, and other information relating to the claim may be submitted to the Administrator (or its delegate) along with the appeal request. During the 60-day period following notice of the denial, you or your authorized representative will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim.

Upon receipt of an appeal of a claim denial, the Administrator (or its delegate) shall undertake a full and fair review of the claim denial that takes into account all comments, documents, records, and other information submitted by you relating to your claim, regardless of whether such information was submitted or considered in the initial benefit determination.

The Administrator (or its delegate) will provide you with written notice of its decision within 60 days after receipt of the review request, unless special circumstances require an extension of the 60-day period. If an extension is required, the Administrator (or its delegate) will provide you with a written notice of the extension before the end of the initial 60-day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review.

55. What happens if my appeal is denied, too?

If your appeal is denied, the written notice of the decision will, in a manner calculated to be understood by you, set forth:

- the specific reasons for the denial;
- the specific provisions of the Plan upon which the denial is based;
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974.

The decision of the Administrator (or its delegate) on review of the claim denial will be conclusive, final and binding on all parties. You may not commence a suit in a court of law or equity for benefits under the Plan until the Plan's claim process and appeal rights have been exhausted and the Plan benefits requested in that appeal have been denied in whole or in part. If you wish to file a legal claim against the Plan, you must do so by the earliest of:

- 90 days following your receipt of the final decision regarding your claim appeal,
- 3 years after the Participant or other claimant started payment of the Plan benefits at issue in the judicial proceeding, or

- ♦ the statutory deadline for filing a lawsuit with respect to the Plan benefits at issue, as determined by applying the most analogous statute of limitations under New York law.

- ▪ You may request that your application be given a full review by the Policy and Advisory Committee and you may review all pertinent documents and submit the issues and comments in writing in connection with the appeal;

- ▪ The Policy and Advisory Committee will then make its decision promptly, but not later than sixty (60) days after the receipt of the appeal unless special circumstances require an extension of time for processing. However, the Policy and Advisory Committee must make its final decision within one hundred twenty (120) days after the receipt of the appeal; and

- ▪ The decision of the Policy and Advisory Committee will be in writing and will provide specific reasons for the decision with specific reference to pertinent plan provisions on which the decision is based.

56. What are my rights under ERISA?

A participant in the ESOP is entitled to certain rights and protections under ERISA. ERISA provides that all participants shall be entitled to:

- ▪ Examine, without charge, at the Committee's office and at other specified locations, such as work sites, the text of plan and trust agreements and all documents, including copies of all documents filed by the ESOP with the U.S. Department of Labor, such as detailed annual reports. You may also obtain copies of all Plan documents and other Plan information, by filing a written request with the Policy and Advisory Committee. Additionally, the Plan document and the related trust and custodial agreement are available for your inspection in the library at Parsons' World Headquarters in Pasadena, California and the employee benefit departments located in the offices of participating affiliates.

- ▪ The Policy and Advisory Committee may make a reasonable charge for the copies.

- ▪ Receive a summary of the ESOP's annual financial report. The Policy and Advisory Committee is required by law to furnish each participant with a copy of these summary financial reports.

- ▪ Obtain a statement telling the participant what his account balance under the ESOP is. This statement must be requested in writing and is not required to be given more than once a year. The Policy and Advisory Committee must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of an employee benefit plan. The people who operate the Plan, called "fiduciaries," have a duty to do so prudently and in the interest of all Plan participants and beneficiaries. No one, including the employer of the participants, or any other person, may fire a participant or otherwise discriminate against a participant in any way to prevent him from obtaining a benefit under the Plan or exercising rights under ERISA. If a participant's claim for a benefit is denied in whole or in part, he must receive a written explanation of the reason for the denial. A participant has the right to have the Policy and Advisory Committee review and reconsider a claim.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Policy and Advisory Committee and you do not receive them within thirty (30) days, you may file a suit in a federal court. In such a case, the court may require the Policy and Advisory Committee to provide the materials and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Policy and Advisory Committee. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that fiduciaries misuse the ESOP's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person whom you sued to pay the costs and fees. If you should lose, the court may order you to pay these costs and fees; for example, if it finds the claim is frivolous.

If you have any questions about the Plan, you should contact the Policy and Advisory Committee. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

GENERAL PLAN INFORMATION

Plan Name	Parsons Corporation Employee Stock Ownership Plan
Type of Plan	Employee Stock Ownership Plan (ESOP) Defined contribution plan
Plan Number	105
Plan Sponsor	Parsons Corporation 100 West Walnut Street Pasadena, CA 91124 EIN: 95- 3232481
Plan Administrator	Policy & Advisory Committee Parsons Corporation 100 West Walnut Street Pasadena, CA 91124 (626) 440-2000
Plan Trustee	Newport Trust Company 515 South Figueroa Street, Suite 1750 Los Angeles, CA 90071
Plan Year	Calendar year (January 1 – December 31)
Service of Legal Process	Policy & Advisory Committee, c/o Parsons Corporation, 100 West Walnut Street, Pasadena, CA 91124. Service of process may also be made upon the Plan Trustee.
Recordkeeper	USI P.O. Box 1886, Brentwood, TN 37027-1886, 1-855-539-8695