
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**Pre-effective Amendment No. 1 to
FORM S-3
REGISTRATION STATEMENT**
UNDER
THE SECURITIES ACT OF 1933

DLH HOLDINGS CORP.

(Exact name of Registrant as specified in its charter)

New Jersey
(State or other jurisdiction of
incorporation or organization)

22-1899798
(I.R.S. Employer
Identification No.)

3565 Piedmont Road, NE
Building 3, Suite 700
Atlanta, Georgia 30305
(866) 952-1647

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Kathryn M. JohnBull
Chief Financial Officer
3565 Piedmont Road, NE
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(866) 952-1647

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of the registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Accelerated filer
Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered (1)	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.001 per share	710,455	\$3.73	\$2,650,000 (2)	\$ 266.85 (4)*
Subscription Rights to purchase Common Stock	(3)	N/A	N/A	\$ 0 (5)

- (1) This registration statement relates to (a) the subscription rights to purchase our common stock, par value \$0.001 per share and (b) shares of our common stock deliverable upon the exercise of the subscription rights.
(2) Represents the gross proceeds from the sale of shares of our common stock assuming the exercise of all subscription rights to be distributed and additional over-subscriptions up to the maximum amount contemplated in this registration statement.
(3) Evidencing the rights to subscribe for 710,455 shares of common stock, par value \$0.001 per share.
(4) Registration fee calculated pursuant to Rule 457(o).
(5) The rights are being issued for no consideration. Pursuant to Rule 457(g) under the Securities Act of 1933, as amended, no separate registration fee is payable.

* Registration fee previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold nor may offers to buy these securities be accepted prior to the time the registration statement filed with the Securities and Exchange Commission becomes effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 10, 2016

PROSPECTUS

DLH HOLDINGS CORP.

Up to 710,455 Shares of Common Stock Issuable Upon Exercise of Rights to Subscribe for Such Shares at \$3.73 per Share

We are distributing, at no charge, to holders of our common stock non-transferable subscription rights to purchase up to 710,455 shares of our common stock. We refer to this offering as the “rights offering.” In this rights offering, you will receive one subscription right for every share of common stock owned at 5:00 p.m., New York time, on August 19, 2016, the record date. If all of the rights are exercised, the total purchase price of the shares purchased in the rights offering would be approximately \$2,650,000.

Each subscription right will entitle you to purchase 0.06827 shares of our common stock at a subscription price of \$3.73 per whole share, which we refer to as the “basic subscription privilege.” You will need to exercise 14.64 subscription rights to purchase one whole share of our common stock at the subscription price of \$3.73 per whole share. The per share subscription price was determined by our board of directors. We will not issue fractional shares of common stock in the rights offering, and holders will only be entitled to purchase a whole number of shares of common stock, rounded down to the nearest whole number a holder would otherwise be entitled to purchase.

Shares of our common stock are traded on the NASDAQ Capital Market (“Nasdaq”) under the symbol “DLHC.” On August 9, 2016, the trading day prior to the filing of the registration statement of which this prospectus forms a part, the closing sales price for our common stock was \$5.00 per share. We anticipate that the shares of common stock issued in the rights offering will also be listed on Nasdaq under the same symbol. We urge you to obtain a current market price for the shares of our common stock before making any determination with respect to the exercise of your rights.

If you fully exercise your basic subscription privilege and other stockholders do not fully exercise their basic subscription privileges, you will be entitled to exercise an “over-subscription privilege” to purchase a portion of the unsubscribed shares of our common stock at the same subscription price of \$3.73 per share, subject to proration and subject, further, to reduction by us under certain circumstances. To the extent you properly exercise your over-subscription privilege for an amount of shares that exceeds the number of the unsubscribed shares and, if applicable, over-allotment shares available to you, any excess subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable.

On May 2, 2016, we entered into a note purchase agreement with funds affiliated with Wynnefield Capital, Inc., which is our largest shareholder (collectively referred to throughout this prospectus as Wynnefield Capital), pursuant to which we received \$2.5 million in additional financing through the sale of subordinated notes to the Wynnefield Capital entities. Wynnefield Capital owns approximately 42% of our outstanding shares of common stock on the record date (excluding warrants held by Wynnefield Capital). Under the note purchase agreement, we agreed to commence a rights offering for at least \$2.5 million, the proceeds of which will be used to retire the subordinated notes held by Wynnefield Capital. Further, in the note purchase agreement, we agreed with Wynnefield Capital that although the exercise price of the subscription rights to be distributed to shareholders in the rights offering will be fixed at the time of the offering and will be subject to market conditions, that the exercise price will not exceed \$3.73 without its consent.

We have negotiated with Wynnefield Capital the principle terms of a standby purchase agreement pursuant to which Wynnefield Capital (or one or more affiliated assignees) will agree to purchase shares of common stock

not otherwise purchased by shareholders in the rights offering pursuant to their basic subscription right and over-subscription privilege, up to a maximum amount of \$2.5 million (or 670,241 shares). The standby purchase agreement will provide that the standby purchaser will purchase such shares from us at the same subscription price and upon the same terms as all our other shareholders. We intend to execute the standby purchase agreement with Wynnefield Capital at the time of effectiveness of the registration statement of which this prospectus forms a part and upon the satisfaction of other usual and customary closing conditions. We are not paying Wynnefield Capital any commitment or underwriting fee, or other discount in connection with the rights offering and Wynnefield Capital is not providing any services to us in connection with the rights offering. Pursuant to the standby purchase agreement, we agreed to reimburse Wynnefield Capital for its expenses related to the standby agreement for its legal and due diligence efforts related to the rights offering. To the extent that Wynnefield Capital makes purchases under the standby agreement, the purchase price for exercising the subscription rights will be paid by offsetting against and reducing the principal amount of the subordinated notes held by Wynnefield Capital.

We have also negotiated in principle a registration rights agreement with Wynnefield Capital whereby we have agreed, at our cost and expense, to register for resale under the Securities Act of 1933, as amended (the "Securities Act"), all of the shares of common stock purchased by Wynnefield Capital in the rights offering and which may be acquired upon exercise of the warrants issue to Wynnefield Capital pursuant to the note purchase agreement. We will agree to file a registration statement with the SEC within 90 days of closing of the rights offering.

The subscription rights will expire and will be void and worthless if they are not exercised by 5:00 p.m., New York time, on _____, 2016, unless we extend the rights offering period. However, our board of directors reserves the right to cancel the rights offering at any time, for any reason. If the rights offering is cancelled, all subscription payments received by the subscription agent will be returned promptly.

You should carefully consider whether to exercise your subscription rights before the expiration of the rights offering. All exercises of subscription rights are irrevocable. Our board of directors is making no recommendation regarding your exercise of the subscription rights. The subscription rights may not be sold, transferred or assigned and will not be listed for trading on the NASDAQ Capital Market or any other stock exchange or market. This is not an underwritten offering. The shares of common stock are being offered directly by us without the services of an underwriter or selling agent. As a result of the terms of this rights offering, stockholders who do not fully exercise their rights will own, upon completion of this rights offering, a smaller proportional interest in us than otherwise would be the case had they fully exercised their rights. See "Risk Factors—When the rights offering is completed, your ownership interest will be diluted if you do not exercise your subscription rights" in this prospectus for more information.

As of July 31, 2016, the aggregate market value of our outstanding common stock held by non-affiliates was approximately \$28,432,454, which was calculated based on 5,077,224 shares of outstanding common stock held by non-affiliates and a price per share of \$5.60, the closing price of our common stock on July 20, 2016. In no event will we sell our securities under General Instruction I.B.6. of Form S-3 in a public primary offering with a value exceeding more than one-third of our market value held by non-affiliates in any 12-month period so long as our market value remains below \$75.0 million. We have not offered any securities pursuant to General Instruction I.B.6 of Form S-3 during the 12 calendar months prior to and including the date of this prospectus.

Exercising the rights and investing in our common stock involves a high degree of risk. We urge you to carefully read the section entitled "Risk Factors" beginning on page 14 of this prospectus, the sections entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2015 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 and all other information included or incorporated by reference in this prospectus in its entirety before you decide whether to exercise your rights.

	<u>Per Share</u>	<u>Aggregate</u>
Subscription Price	\$3.73	\$ 2,650,000 (1)
Estimated Expenses.....	\$0.21	\$ 150,000
Net Proceeds to Us.....	\$3.52	\$ 2,500,000

(1) Assumes the rights offering is fully subscribed.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2016

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ABOUT THIS PROSPECTUS

Unless otherwise stated or the context otherwise requires, the terms “we,” “us,” “our,” “DLH” and the “Company” refer to DLH Holdings Corp. and its subsidiaries.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different, or inconsistent information, you should not rely on it. You should assume that the information in this prospectus is accurate only as of the date on the front cover of this prospectus, and any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, in each case, regardless of the time of delivery of this prospectus or any exercise of the rights. Our business, financial condition, results of operations, and prospects may have changed since that date. No assurance can be given that the actual future results will not differ materially from the forward-looking statements that we make for a number of reasons including those described above and in the “Risk Factors” section of this prospectus beginning on page 14, in our Annual Report on Form 10-K for the year ended September 30, 2015, and in any future filings we may make that may be incorporated by reference herein. You should not consider this prospectus to be an offer or solicitation relating to the securities in any jurisdiction in which such an offer or solicitation relating to the securities is not authorized. Furthermore, you should not consider this prospectus to be an offer or solicitation relating to the securities if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING

The following are examples of what we anticipate will be common questions about the rights offering. The answers are based on selected information from this prospectus and the documents incorporated by reference herein. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the rights offering. This prospectus and the documents incorporated by reference herein contain more detailed descriptions of the terms and conditions of the rights offering and provide additional information about us and our business, including potential risks related to the rights offering, our common stock, and our business.

Exercising the rights and investing in our common stock involves a high degree of risk. We urge you to carefully read the section entitled "Risk Factors" beginning on page 14 of this prospectus, and all other information included or incorporated herein by reference in this prospectus in its entirety before you decide whether to exercise your rights.

What is a rights offering?

A rights offering is a distribution of subscription rights on a pro rata basis to all stockholders of a company. We are distributing to holders of our common stock as of 5:00 p.m., New York time, on August 19, 2016, the "record date," at no charge, subscription rights to purchase shares of our common stock. You will receive one subscription right for every share of our common stock you owned as of 5:00 p.m., New York time, on the record date. The subscription rights will be evidenced by rights certificates.

What is a right?

Each subscription right gives our stockholders the opportunity to purchase 0.06827 shares of our common stock for \$3.73 per whole share and carries with it a basic subscription privilege and an over-subscription privilege, as described below. You will need to exercise 14.64 subscription rights to purchase one whole share of our common stock at the subscription price of \$3.73 per whole share. We determined the ratio of rights required to purchase one share by dividing \$2,650,000 by the subscription price of \$3.73 to determine the number of shares to be issued in the rights offering and then dividing that number of shares by the number of shares outstanding on the record date.

How many shares may I purchase if I exercise my rights?

Each right entitles you to purchase 0.06827 shares of our common stock for \$3.73 per whole share. We will not issue fractional shares of common stock in the rights offering, and holders will only be entitled to purchase a whole number of shares of common stock, rounded down to the nearest whole number a holder would otherwise be entitled to purchase. Accordingly, you will need to exercise 14.64 subscription rights to purchase one whole share of our common stock at the subscription price of \$3.73 per whole share. For example, if you owned 100 shares of our common stock on the record date, you would be granted 100 subscription rights and you would have the right to purchase six (6) shares of our common stock (6.8 rounded down to the nearest whole number) for \$3.73 per share (or a total payment of \$22.38). You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. If you hold your shares in street name through a broker, bank, or other nominee who uses the services of the Depository Trust Company, or "DTC," then DTC will issue one subscription right to your nominee for every share of our common stock you own at the record date. The basic subscription right can then be used to purchase 0.06827 shares of common stock for \$3.73 per share. As in the example above, if you owned 100 shares of our common stock on the record date, you have the right to purchase six (6) shares of common stock for \$3.73 per share. For more information, see "What should I do if I want to participate in the rights offering, but my shares are held in the name of my broker, dealer, custodian bank or other nominees?" in this section.

Will fractional subscription shares be issued?

No. We will not issue fractional shares of common stock in the rights offering, and holders will only be entitled to purchase a whole number of shares of common stock, rounded down to the nearest whole number a holder would otherwise be entitled to purchase.

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What is the basic subscription privilege?

The basic subscription privilege of each subscription right entitles you to purchase 0.06827 shares of our common stock at the subscription price of \$3.73 per share. Accordingly, you will need to exercise 14.64 subscription rights to purchase one whole share of our common stock at the subscription price of \$3.73 per whole share.

What is the over-subscription privilege?

If you purchase all of the shares of common stock available to you pursuant to your basic subscription privilege, you may also choose to purchase any portion of our shares of common stock that are not purchased by our other stockholders through the exercise of their respective basic subscription privileges. You should indicate on your rights certificate how many additional shares you would like to purchase pursuant to your over-subscription privilege.

If sufficient shares of common stock are available, we will seek to honor your over-subscription request in full. If, however, over-subscription requests exceed the number of shares of common stock available for sale in the rights offering, we will allocate the available shares of common stock pro rata among each person properly exercising the over-subscription privilege in proportion to the number of shares of common stock each person subscribed for under the basic subscription privilege. If this pro rata allocation results in any person receiving a greater number of shares of common stock than the person subscribed for pursuant to the exercise of the over-subscription privilege, then such person will be allocated only that number of shares for which the person over-subscribed, and the remaining shares of common stock will be allocated among all other persons exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all shares of common stock have been allocated or all over-subscription requests have been satisfied, whichever occurs earlier; provided, however, you will be limited in the over-subscription privilege to a number of shares equal to 100% of the number of shares owned by you on the record date.

For example, if (i) there are 100 excess shares available for purchase by five shareholders who have timely and fully exercised their basic subscription rights with respect to all the rights they hold and (ii) record shareholder A requests purchasing 100 shares pursuant to record shareholder A's over-subscription privilege, record shareholder B requests purchasing 50 shares pursuant to record shareholder B's over-subscription privilege, record shareholder C requests purchasing 20 shares pursuant to record shareholder C's over-subscription privilege, record shareholder D requests purchasing 20 shares pursuant to record shareholder D's over-subscription privilege and record shareholder E requests purchasing 10 shares pursuant to record shareholder E's over-subscription privilege, then, assuming the valid exercise of each of these record shareholder's basic subscription rights and receipt of sufficient payment for the shares requested pursuant to the over-subscription request, and that the limitation described below is not applicable, the pro rata allocation would be as follows: record shareholder A would receive 50 shares pursuant to the over-subscription privilege, record shareholder B would receive 25 shares pursuant to the over-subscription privilege, record shareholder C would receive 10 shares pursuant to the over-subscription privilege, record shareholder D would receive 10 shares pursuant to the over-subscription privilege and record shareholder E would receive 5 shares pursuant to the over-subscription privilege. If this pro rata allocation results in any record shareholder receiving a greater number of shares of common stock than such record shareholder subscribed for pursuant to the exercise of the over-subscription privilege, then such record shareholder will be allocated only that number of shares for which the record shareholder over-subscribed.

Notwithstanding any submission by a shareholder for shares in the over subscription, no shareholder will be entitled to purchase a number of shares in the over subscription in excess of the number of shares held by such shareholder on the record date. So, for example, if shareholder A owns 1,000 shares on the record date, he will not be allowed to purchase more than 1,000 shares in the over-subscription even if shares are otherwise available and even if his pro rata share would otherwise allow the purchase of a greater number of shares.

In order to properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the rights offering. Because we will not know the total number of unsubscribed shares prior to the expiration of the rights offering, if you wish to maximize the number of shares you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares of our common stock that may

be available to you (i.e., for the maximum number of shares of our common stock available to you, assuming you exercise all of your basic subscription privilege and are allotted the full amount of your over-subscription as elected by you). For more information, see the section entitled “The Rights Offering — Over-Subscription and Over-Allotment Privilege.”

Fractional common shares resulting from the exercise of the over-subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly.

Are there any limits on the number of shares I may purchase in this rights offering?

Yes. In order to be eligible to purchase shares in the over-subscription privilege, you must fully exercise your basic right. For example, if you hold on the record date 1,000 shares, you must exercise the full basic right to purchase 68 shares. With respect to the over-subscription right, you will be eligible to purchase a limited to a number of shares not to exceed the number of shares of common stock owned by you on the record date. By way of example, if you own 1,000 shares on the record date, you will be eligible to purchase 68 shares in the basic subscription privilege and assuming you do so, not more than 1,000 shares in the over-subscription privilege. You cannot exercise the over-subscription right for more than such additional 1,000 shares which is intended to limit your purchases in the over subscription privilege to a number of shares equal to the number of shares you own as of the record date.

Am I required to exercise all of the rights I receive in the rights offering?

No. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. However, if you choose not to exercise your basic subscription privilege in full, the relative percentage of our shares of common stock that you own will decrease, and your voting and other rights will be diluted. In addition, if you do not exercise your basic subscription privilege in full, you will not be entitled to participate in the over-subscription privilege. For more information, see “How many shares of common stock will be outstanding after the rights offering?” in this section.

Will our officers, directors and significant stockholders be exercising their subscription rights?

Our officers, directors and greater than 5% beneficial stockholders may participate in this offering at the same subscription price per share as all other purchasers, but none of our officers, directors or greater than 5% beneficial stockholders (other than Wynnefield Capital acting as the standby purchaser) are obligated to so participate.

Certain executive officers and outside directors have indicated that they will purchase shares that are subject to their basic subscription privilege, at the same subscription price offered to stockholders, for an aggregate commitment of approximately \$160,000. These officers and directors have not executed agreements to purchase shares and there is no guarantee or commitment that they will subscribe for shares in either the basic subscription offering or the over-subscription offering. Please see “The Rights Offering—Potential Purchases by our Directors and Executive Officers.”

Has our board of directors made a recommendation to our stockholders regarding the exercise of rights under the rights offering?

No. Our board of directors is making no recommendation regarding your exercise of the subscription rights. Stockholders who exercise their subscription rights risk loss on their investment. We cannot assure you that the market price of our common stock will be above the subscription price or that anyone purchasing shares at the subscription price will be able to sell those shares in the future at the same price or a higher price. You are urged to make your decision based on your own assessment of our business and the rights offering. Please see the section entitled “Risk Factors” for a discussion of some of the risks involved in investing in our common stock.

Why are we conducting a rights offering?

A rights offering provides the eligible stockholders the opportunity to participate in a capital raise on a pro rata basis and minimizes the dilution of their ownership interest in our company. Assuming all the shares of common stock offered are sold, we expect that the gross proceeds from the rights offering will be approximately \$2,650,000. Our expenses are estimated to be \$150,000. We are conducting the rights offering to raise capital for the company which will be used to repay the outstanding subordinated notes in the aggregate principal amount of \$2,500,000 held by funds affiliated with Wynnefield Capital, Inc.

How was the subscription price of \$3.73 per share determined?

The subscription price was determined by our board of directors. Our board of directors considered a number of factors in determining the price for the rights offering, including:

- the terms of our note purchase agreement with Wynnefield Capital;
- the price per share at which the standby purchaser is willing to serve as the standby purchaser;
- the price at which our stockholders might be willing to participate in the rights offering;
- historical and current trading prices for our common stock, which is generally thinly traded, including on a volume weighted average share price basis over certain periods; and
- the desire to provide an opportunity to our stockholders to participate in the rights offering on a pro rata basis.

On _____, 2016, the closing price of our common stock was \$ _____ per share. We cannot assure you that the market price for our common stock during the rights offering will be equal to or above the subscription price or that a subscribing owner of rights will be able to sell the shares of common stock purchased in the rights offering at a price equal to or greater than the subscription price.

What agreements do we have with the standby purchasers and will the standby purchasers receive any compensation for its commitment?

Wynnefield Capital beneficially owns approximately 42% (4,377,286 shares) (excluding warrants held by Wynnefield Capital) of our outstanding shares of Common Stock on the record date. In May 2016, we entered into a note purchase agreement with funds affiliated with Wynnefield Capital in connection with our acquisition of Danya International, pursuant to which the affiliated funds purchased from us subordinated notes in the aggregate principal amount of \$2.5 million. The notes issued to the subordinated lenders mature on the earlier of the 66-month anniversary of issuance or our completion of an equity financing transaction, including a rights offering, resulting in at least \$2.5 million of gross proceeds. Under this agreement, we agreed to use our best efforts to effect a rights offering for at least \$2.5 million, in order to generate the proceeds to retire the subordinated notes. Under the terms of the note purchase agreement, we granted the Wynnefield Capital entities the right, subject to certain exceptions, including this rights offering, to purchase a pro rata portion of any new equity securities proposed to be offered or sold by us, for a period expiring on the earlier of the maturity date or the accelerated payment date of the subordinated notes. Under the note purchase agreement, we agreed with the Wynnefield Capital entities that although the exercise price of the subscription rights to be distributed to shareholders in the rights offering will be fixed at the time of the offering and will be subject to market conditions, that the exercise price will not exceed \$3.73 without the consent of the Wynnefield Capital entities.

Pursuant to the note purchase agreement, we have negotiated with Wynnefield Capital the principle terms of a standby purchase agreement pursuant to which Wynnefield Capital (or one or more affiliated assignees) will agree to purchase shares of common stock not otherwise purchased by shareholders in the rights offering pursuant to their basic subscription right and over-subscription privilege, up to a maximum amount of \$2.5 million (or 670,241 shares). The standby purchase agreement will provide that the standby purchaser will purchase such shares from us at the same subscription price and upon the same terms as all our other shareholders. We intend to execute the standby purchase agreement with Wynnefield Capital at the time of effectiveness of the registration statement of which this prospectus forms a part and upon the satisfaction of other usual and customary closing conditions. We are

not paying Wynnefield Capital any commitment or underwriting fee, or other discount in connection with the rights offering and Wynnefield Capital is not providing any services to us in connection with the rights offering. Pursuant to the standby purchase agreement, we agreed to reimburse Wynnefield Capital for its expenses related to the standby agreement for its legal and due diligence efforts related to the rights offering. To the extent that Wynnefield Capital makes purchases under the standby agreement, the purchase price for exercising the subscription rights will be paid by offsetting against and reducing the principal amount of the subordinated notes held by Wynnefield Capital.

We have also negotiated in principle a registration rights agreement with Wynnefield Capital whereby we have agreed, at our cost and expense, to register for resale under the Securities Act, all of the shares of common stock purchased by Wynnefield Capital in the rights offering and which may be acquired upon exercise of the warrants issue to Wynnefield Capital pursuant the note purchase agreement. We will agree to file a registration statement with the SEC within 90 days of closing of the rights offering.

How many shares will the standby purchaser own after the rights offering?

If the entire rights offering is completed and all our shareholders as of the record date purchase their basic subscription right we will issue an additional 710,455 shares of common stock (subject to any adjustment for rounding), the result of which we will have an aggregate of 11,117,002 shares issued and outstanding. In such event, Wynnefield Capital would own an additional 298,837 shares and continue to own approximately 42% of our issued and outstanding common stock (excluding any warrants held by Wynnefield Capital).

If none of our shareholders as of the record date purchase shares under the basic subscription right other than Wynnefield Capital, then Wynnefield Capital would purchase, pursuant to the standby purchase agreement, all of the shares in the rights offering and would own an additional 670,241 shares of our common stock, which would equal approximately an additional 6.0% of our then issued and outstanding shares.

How soon must I act to exercise my rights?

If you received a rights certificate and elect to exercise any or all of your subscription rights, the subscription agent must receive your completed and signed rights certificate and payment prior to the expiration of the rights offering, which is _____, 2016, at 5:00 p.m., New York time. If you hold your shares in the name of a custodian bank, broker, dealer or other nominee, your custodian bank, broker, dealer or other nominee may establish a deadline prior to 5:00 p.m. New York time, on _____, 2016 by which you must provide it with your instructions to exercise your subscription rights and pay for your shares.

Although we will make reasonable attempts to provide this prospectus to holders of subscription rights, the rights offering and all subscription rights will expire at 5:00 p.m., New York time on _____, 2016 (unless extended), whether or not we have been able to locate each person entitled to subscription rights. Although we have the option of extending the expiration of the rights offering, we currently do not intend to do so.

May I transfer my rights?

No. You may not sell or transfer your subscription rights to anyone. The rights are not tradable and will not be listed on the Nasdaq or any other exchange.

Are we requiring a minimum subscription to complete the rights offering?

There is no minimum subscription requirement in the rights offering. However, our board of directors reserves the right to cancel the rights offering for any reason, including if our board of directors believes that there is insufficient participation by our stockholders.

Are there any conditions to completing the rights offering?

No.

Can the board of directors cancel, terminate, amend or extend the rights offering?

Yes. We have the option to extend the rights offering and the period for exercising your subscription rights, although we do not presently intend to do so. Our board of directors may cancel the rights offering at any time for any reason. If the rights offering is cancelled, all subscription payments received by the subscription agent will be returned promptly, without interest or penalty. Our board of directors reserves the right to amend or modify the terms of the rights offering at any time, for any reason.

When will I receive my subscription rights certificate?

Promptly after the date of this prospectus, the subscription agent will send a subscription rights certificate to each registered holder of our common stock as of the close of business on the record date, based on our stockholder registry maintained at the transfer agent for our common stock. If you hold your shares of common stock through a brokerage account, bank, or other nominee, you will not receive an actual subscription rights certificate. Instead, as described in this prospectus, you must instruct your broker, bank or nominee whether or not to exercise rights on your behalf. If you wish to obtain a separate subscription rights certificate, you should promptly contact your broker, bank or other nominee and request a separate subscription rights certificate. It is not necessary to have a physical subscription rights certificate, if you hold your shares of common stock through a brokerage account, bank, or other nominee, to elect to exercise your rights.

What will happen if I choose not to exercise my subscription rights?

If you do not exercise any subscription rights, the number of our shares of common stock you own will not change. Due to the fact that shares may be purchased by other stockholders, your percentage ownership of DLH Holdings will be diluted after the completion of the rights offering, unless you exercise your basic subscription privilege. For more information, see "How many shares of common stock will be outstanding after the rights offering?" in this section.

How do I exercise my subscription rights?

If you wish to participate in the rights offering, you must take the following steps:

- deliver payment to the subscription agent; and
- deliver your properly completed and signed rights certificate, and any other subscription documents, to the subscription agent.

Please follow the payment and delivery instructions accompanying the rights certificate. Do not deliver documents to DLH. You are solely responsible for completing delivery to the subscription agent of your subscription documents, rights certificate and payment. We urge you to allow sufficient time for delivery of your subscription materials to the subscription agent so that they are received by the subscription agent by 5:00 p.m., New York time, on _____, 2016. We are not responsible for subscription materials sent directly to our offices. If you cannot deliver your rights certificate to the subscription agent prior to the expiration of the rights offering, you may follow the guaranteed delivery procedures described under "The Rights Offering — Guaranteed Delivery Procedures."

If you send a payment that is insufficient to purchase the number of shares you requested, or if the number of shares you requested is not specified in the forms, the payment received will be applied to exercise your subscription rights to the fullest extent possible based on the amount of the payment received, subject to the availability of shares under the over-subscription privilege and the elimination of fractional shares. Any excess subscription payments received by the subscription agent will be returned promptly, without interest or penalty, following the expiration of the rights offering.

What should I do if I want to participate in the rights offering, but my shares are held in the name of my broker, dealer, custodian bank or other nominee?

If you hold your shares of common stock in the name of a broker, dealer, custodian bank or other nominee, then your broker, dealer, custodian bank or other nominee is the record holder of the shares you own. You will not receive a rights certificate. The record holder must exercise the subscription rights on your behalf for the shares of common stock you wish to purchase.

If you wish to purchase shares of our common stock through the rights offering, please promptly contact your broker, dealer, custodian bank or other nominee as record holder of your shares. We will ask your record holder to notify you of the rights offering. However, if you are not contacted by your broker, dealer, custodian bank or other nominee, you should promptly initiate contact with that intermediary. Your broker, dealer, custodian bank or other nominee may establish a deadline prior to the 5:00 p.m. New York time on _____, 2016, which we established as the expiration date of the rights offering.

When will I receive my new shares?

If you purchase shares in the rights offering by submitting a rights certificate and payment, we will mail you a share certificate as soon as practicable after the completion of the rights offering. One share certificate will be generated for each rights certificate processed. Until your share certificate is received, you may not be able to sell the shares of our common stock acquired in the rights offering. If your shares as of the record date were held by a custodian bank, broker, dealer or other nominee, and you participate in the rights offering, you will not receive share certificates for your new shares. Your custodian bank, broker, dealer or other nominee will be credited with the shares of common stock you purchase in the rights offering as soon as practicable after the completion of the rights offering.

After I send in my payment and rights certificate, may I change or cancel my exercise of rights?

No. All exercises of subscription rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at a subscription price of \$3.73 per share.

How many shares of common stock will be outstanding after the rights offering?

As of August _____, 2016, the last practicable date before the filing of this prospectus, 10,406,547 shares of our common stock were issued and outstanding. Assuming no other transactions by us involving shares of our common stock, and no options or other convertible securities for shares of our common stock are exercised, prior to the expiration of the rights offering, if the rights offering is fully subscribed through the exercise of the subscription rights, then an additional 710,455 of our shares of common stock will be issued and outstanding after the closing of the rights offering, for a total of 11,117,002 shares of common stock outstanding. As a result of the rights offering, the ownership interests and voting interests of the existing stockholders that do not fully exercise their basic subscription privileges will be diluted.

Are there risks in exercising my subscription rights?

Yes. The exercise of your subscription rights involves risks. Exercising your subscription rights involves the purchase of additional shares of common stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described in the section entitled "Risk Factors" in this prospectus and the documents incorporated by reference in this prospectus.

If the rights offering is not completed, will my subscription payment be refunded to me?

Yes. The subscription agent will hold all funds it receives in a segregated bank account until completion of the rights offering. If the rights offering is not completed, all subscription payments received by the subscription agent will be returned promptly, without interest or penalty. If you own shares in "street name," it may take longer

for you to receive payment because the subscription agent will return payments through the record holder of your shares.

Will the rights be listed on a stock exchange or national market?

No.

How do I exercise my rights if I live outside the United States?

We will not mail this prospectus or the rights certificates to stockholders whose addresses are outside the United States or who have an army post office or foreign post office address. The subscription agent will hold rights certificates for their account. To exercise subscription rights, our foreign stockholders must notify the subscription agent and timely follow other procedures described in the section entitled "The Rights Offering — Foreign Stockholders."

What fees or charges apply if I purchase the shares of common stock?

We are not charging any fee or sales commission to issue subscription rights to you or to issue shares to you if you exercise your subscription rights. If you exercise your subscription rights through your broker, dealer, custodian bank or other nominee, you are responsible for paying any fees your nominee may charge you.

What are the material U.S. federal income tax consequences of exercising my subscription rights?

For U.S. federal income tax purposes, you should not recognize income or loss upon receipt or exercise of subscription rights. You should consult your tax advisor as to your particular tax consequences resulting from the rights offering. For a more detailed discussion, see the section entitled "Material U.S. Federal Income Tax Consequences."

To whom should I send my forms and payment?

If your shares are held in the name of a broker, dealer or other nominee, then you should send your subscription documents, rights certificate, notices of guaranteed delivery and subscription payment to that record holder. If you are the record holder, then you should send your subscription documents, rights certificate, notices of guaranteed delivery and subscription payment by hand delivery, first class mail or courier service to:

Continental Stock Transfer & Trust Company
Attn: Reorganization Department
17 Battery Place – 8th Floor
New York, NY 10004

Your payment of the subscription price must be made in United States dollars for the full number of shares of our common stock for which you are subscribing by cashier's or certified check drawn upon a United States bank payable to the subscription agent at the address set forth above.

You are solely responsible for completing delivery to the subscription agent of your subscription materials. The subscription materials are to be received by the subscription agent on or prior to 5:00 p.m., New York time, on , 2016. We urge you to allow sufficient time for delivery of your subscription materials to the subscription agent.

Whom should I contact if I have other questions?

If you have any questions about the rights offering or wish to request another copy of a document, please contact Continental Stock Transfer & Trust Company, Attn: Corporate Actions Group, the information agent for the rights offering, at (917) 262-2378.

For a more complete description of the rights offering, see "The Rights Offering" beginning on page 29.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference in this prospectus. This summary does not contain all of the information that you should consider before deciding whether or not you should exercise your rights. You should read the entire prospectus carefully, including the section entitled "Risk Factors" beginning on page 14 of this prospectus and all other information included or incorporated by reference in this prospectus in its entirety before you decide whether to exercise your rights.

General

DLH Holdings Corp. is a full-service provider of professional healthcare and social services to government agencies including the Department of Veteran Affairs, Department of Health and Human Services, Department of Defense, Department of Interior, and other government agencies. On May 3, 2016, we acquired Danya International, a provider of technology-enabled program management, consulting, and digital communications solutions. This expands our government services market coverage, with our primary focus on healthcare and social programs delivery and readiness.

DLH Solutions is our legacy business, employing over 1,250 skilled healthcare and support personnel, technicians, logisticians, and engineers at approximately 30 locations around the United States for various U.S. government customers. Our primary focus has been service members and veterans' requirements for telehealth, pharmaceuticals, behavioral healthcare, medication therapy management, health IT commodities, process management, and healthcare delivery.

With Danya now absorbed into our business, we have expanded our market coverage with over 140 skilled human services and healthcare professionals in approximately 29 states. Our capabilities include managing, monitoring, and supporting large-scale healthcare and human services programs for the Department of Health and Human Services (HHS). These new programs we manage ensure that education, health, and social standards are being achieved to ensure school readiness for underprivileged children. Prior to our acquisition, Danya's single largest program was with the Office of Head Start Monitoring Support (OHS) project under HHS.

Acquisition of Danya International and Financing Arrangements

On May 3, 2016, we acquired 100% of the equity interests of Danya International, LLC for a purchase price of \$38.75 million plus transaction expenses. The acquisition was financed through a combination of borrowings of \$30.0 million under our new senior credit facility with Fifth Third Bank, cash on hand of approximately \$5.0 million, shares of common stock issued to the seller with a value of \$2.5 million, and \$2.5 million financed by the sale of subordinated notes to Wynnefield Capital. The acquisition of Danya is consistent with our growth strategy, which calls for expanding our government service offerings both organically and through mergers and acquisitions. The material terms of our debt financing arrangements for this acquisition are set forth in the following table:

Amount (in Millions)	Lender	Arrangement	Interest	Number of Months	Monthly Payments (in thousands)	Maturity Date
\$ 25.0	Fifth Third Bank	Secured term loan (1)	LIBOR + 3.0%	59	\$312,500	5/1/ 2021
\$ 10.0	Fifth Third Bank	Secured revolving line of credit (2)	LIBOR + 3.0%	24	(2)	5/1/ 2018
\$ 2.5	Wynnefield Capital	Subordinated notes (3)	4% per annum	66	N/A	11/2/2021

- (1) The \$25.0 million term loan from Fifth Third Bank was funded at closing and is secured by liens on substantially all of the assets of DLH and Danya.
- (2) The secured revolving line of credit from Fifth Third Bank has a ceiling of up to \$10.0 million, of which \$5.0 million was drawn at closing, and is secured by liens on substantially all of the assets of DLH and Danya. Further borrowings under this credit facility may be made from time to time subject to the terms of our Loan Agreement with Fifth Third Bank.
- (3) Pursuant to the note purchase agreement, we issued subordinated notes in the aggregate principal amount of \$2.5 million with the terms described in the above table. The maturity date will accelerate upon the consummation of an equity financing transaction, including a rights offering, resulting in at least \$2.5 million of gross proceeds. This rights offering is intended to enable the repayment of the subordinated notes. In partial consideration for entering into the note purchase agreement, we issued Wynnefield Capital warrants to purchase 53,619 shares of common stock. The warrants are exercisable for five years at an initial exercise price equal to \$3.73 and the initial exercise price of the warrants is subject to adjustment for certain customary events and includes weighted average anti-dilution protection for future issuances by us, subject to certain exclusions. We have negotiated with Wynnefield Capital the principle terms of a standby purchase agreement pursuant to which it will serve as a standby purchaser in connection with this rights offering. We intend to execute the standby purchase agreement with Wynnefield Capital at the time of effectiveness of the registration statement of which this prospectus forms a part and upon the satisfaction of other usual and customary closing conditions. The terms and condition of the note purchase agreement, are described in greater detail later in this prospectus under the caption "THE RIGHTS OFFERING – Arrangements with Wynnefield Capital".

Corporate History

DLH Holdings Corp., a New Jersey corporation, provides government services both as a prime contractor as well as partnering with other government contractors. We were originally incorporated in 1969 as a payroll staffing company. Through several transactions, we evolved considerably and in early 2010, we divested our commercial temporary staffing business and made the strategic decision to build our company around our wholly-owned government services subsidiary, DLH Solutions, Inc. More recently, on May 3, 2016, we acquired Danya International, LLC, a provider of technology-enabled program management, consulting, and digital communications solutions. Our principal executive offices are located at 3565 Piedmont Road, NE, Building 3- Suite 700, Atlanta, GA 30305. We maintain an Internet site at www.dlheorp.com. The information on our website is not incorporated by reference into this prospectus and you should not consider it to be a part of this prospectus.

The Rights Offering

The following summary describes the principal terms of the rights offering, but is not intended to be complete. See the information in the section entitled "The Rights Offering" in this prospectus for a more detailed description of the terms and conditions of the rights offering.

Total number of shares of common stock available for primary subscription	710,455 shares of common stock.
Securities offered	We are distributing to you, at no charge, one non-transferable subscription right for each share of our common stock that you own as of 5:00 p.m., New York time, on the record date, either as a holder of record or, in the case of shares held of record by brokers, dealers, custodian banks or other nominees on your behalf, as a beneficial owner of such shares.
Basic subscription privilege	The basic subscription privilege of each subscription right will entitle you to purchase 0.06827 shares of our common stock at a subscription price of \$3.73 per whole share. We will not issue fractional shares of common stock in the rights offering, and holders will only be entitled to purchase a whole number of shares of common stock, rounded down to the nearest whole number a holder would otherwise be entitled to purchase. You will need to exercise 14.64 subscription rights to purchase one whole share of our common stock at the subscription price of \$3.73 per whole share.
Subscription price	\$3.73 per whole share. To be effective, any payment related to the exercise of a subscription right must clear prior to the expiration of the rights offering.
Over-subscription privilege	If you purchase all of the shares of common stock available to you pursuant to your basic subscription privilege, you may also choose to subscribe for shares of our common stock that are not purchased by other holders through the exercise of their basic subscription privileges. You may subscribe for shares of our common stock pursuant to your over subscription privilege, subject to proration of available shares. Further, you will not be entitled to purchase a number of shares in the over-subscription privilege in excess of the number of shares owned by you as of the record date.
Standby Purchase Agreement	We have negotiated the principle terms of a standby purchase agreement with Wynnefield Capital whereby Wynnefield Capital (or its affiliates) will agree to acquire from us in the rights offering shares of common stock not otherwise purchased by shareholders from the exercise of their basic subscription rights and over-subscription privilege, up to a maximum of \$2.5 million of our shares (670,241 shares). The subscription price and other terms for the standby purchaser will be the same as for all our other shareholders. We intend to execute the standby purchase agreement with Wynnefield Capital at the time of effectiveness of the registration statement of which this prospectus forms a part and upon the satisfaction of other usual and customary closing conditions.
Record date	5:00 p.m., New York time, on August 19, 2016.

Expiration date	5:00 p.m., New York time, on _____, 2016, unless we extend the rights offering period.
Use of proceeds	<p>Although the actual amount will depend on participation in the rights offer, if the rights offering is fully subscribed for we expect the gross proceeds from the rights offering to be approximately \$2.65 million.</p> <p>We intend to use the proceeds of the rights offering to repay the \$2.5 million of subordinated notes held by Wynnefield Capital. Any additional amounts that we receive in this rights offering will be used to provide for additional liquidity for working capital and general corporate purposes.</p>
Transferability of rights	The subscription rights are not transferable.
No Board Recommendation	Our board of directors makes no recommendation to you about whether you should exercise any rights. You are urged to make an independent investment decision about whether to exercise your rights based on your own assessment of our business and the rights offering. Please see the section of this prospectus entitled "Risk Factors" for a discussion of some of the risks involved in investing in our common stock.
No revocation	Any exercise of subscription rights is irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your rights. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of common stock at a subscription price of \$3.73 per whole share.
Material U.S. federal income tax considerations	For U.S. federal income tax purposes, you should not recognize income or loss upon receipt or exercise of subscription rights. You should consult your own tax advisor as to your particular tax consequences resulting from the rights offering. For a detailed discussion, see "Material U.S. Federal Income Tax Considerations."
Extension, cancellation, and amendment	We have the option to extend the rights offering and the period for exercising your subscription rights, although we do not presently intend to do so. Our board of directors may cancel the rights offering at any time for any reason. In the event that the rights offering is cancelled, all subscription payments received by the subscription agent will be returned promptly, without interest or penalty. We also reserve the right to amend or modify the terms of the rights offering.
Procedure for exercising rights	<p>To exercise your subscription rights, you must take the following steps:</p> <ul style="list-style-type: none"> • If you are a registered holder of our shares of common stock, you may deliver payment and a properly completed rights certificate to the subscription agent before 5:00 p.m., New York time, on _____, 2016. You may deliver the documents and payments by mail or commercial carrier. If regular mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested. • If you are a registered holder of our shares of common stock, you may deliver payment and a properly completed rights certificate to the subscription agent before 5:00 p.m., New York time, on _____, 2016. You may deliver the documents and payments by mail or

commercial carrier. If regular mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested.

- If you are a beneficial owner of shares that are registered in the name of a broker, dealer, custodian bank or other nominee, or if you would rather an institution conduct the transaction on your behalf, you should instruct your broker, dealer, custodian bank or other nominee or to exercise your subscription rights on your behalf and deliver all documents and payments before 5:00 p.m., New York time, on 2016.

- If you cannot deliver your rights certificate to the subscription agent prior to the expiration of the rights offering, you may follow the guaranteed delivery procedures described under "The Rights Offering — Guaranteed Delivery Procedures."

Subscription agent	Continental Stock Transfer & Trust Company.
Information agent	Continental Stock Transfer & Trust Company.
Questions	Questions regarding the rights offering should be directed to Continental Stock Transfer & Trust Company, Attn: Corporate Actions Department at (917) 262-2378
Shares outstanding before the rights offering	10,406,547 shares as of June 30, 2016.
Shares outstanding after completion of the rights offering	Assuming no outstanding options or warrants for our common shares are exercised prior to the expiration of the rights offering and the full \$2,650,000 is subscribed for, we expect 11,117,002 shares of common stock will be outstanding immediately after completion of the rights offering.
Risk factors	Stockholders considering exercising their subscription rights should carefully consider the risk factors described in the section of this prospectus entitled "Risk Factors," beginning on page 14.
Fees and expenses	We will pay the fees and expenses relating to the rights offering.
Nasdaq Capital Market trading symbol	Shares of our common stock are, and we expect that the shares of common stock to be issued in the rights offering will be, traded on the Nasdaq Capital Market under the symbol "DLHC." The last reported sales price of our common stock on Nasdaq Capital Market on August 9, 2016 was \$5.00.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the specific risks described below, the risks described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, our subsequently filed Quarterly Reports on Form 10-Q, and any risks described in our other filings with the Securities and Exchange Commission, pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, before making an investment decision. See the section of this prospectus entitled "Where You Can Find More Information." Any of the risks we describe below or in the information incorporated herein by reference could cause our business, financial condition, results of operations or future prospects to be materially adversely affected. The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events and you could lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, results of operations or future prospects. Some of the statements in this section of the prospectus are forward-looking statements. For more information about forward-looking statements, please see the section of this prospectus entitled "Special Note Regarding Forward-Looking Statements."

Risks Related to the Rights Offering

The price of our common stock is volatile and may decline before or after the subscription rights expire.

The market price of our common stock is subject to fluctuations in response to numerous factors, including factors that have little or nothing to do with us or our performance, and these fluctuations could materially reduce our stock price. These factors include, among other things:

- actual or anticipated variations in our operating results and cash flow;
- the nature and content of our earnings releases, and our competitors' earnings releases;
- changes in financial estimates by securities analysts;
- business conditions in our markets and the general state of the securities markets and the market for similar stocks;
- the number of shares of our common stock outstanding;
- our ability to stay in compliance with credit facility covenants;
- conditions of our competitors and of our current and desired clients;
- the impact of our ability to effectively implement acquisitions, investments, joint ventures and divestitures that we may undertake;
- changes in capital markets that affect the perceived availability of capital to companies in our industry;
- governmental legislation or regulation;
- the impact of litigation, government investigations or customer or other disputes on our operating performance and future prospects; and
- general economic and market conditions, such as recessions.

In addition, the stock market historically has experienced significant price and volume fluctuations. These fluctuations are often unrelated to the operating performance of particular companies. These broad market fluctuations may cause declines in the market price of our common stock.

When the rights offering is completed, your ownership interest will be diluted if you do not exercise your subscription rights.

To the extent that you do not exercise your rights and shares are purchased by other stockholders in the rights offering, your proportionate voting interest will be reduced, and the percentage that your original shares represent of our expanded equity after the rights offering will be diluted.

The subscription price determined for the rights offering is not necessarily an indication of the fair value of our common stock.

The subscription price is \$3.73 per whole share. The subscription price was determined by our board of directors. Factors considered by the board of directors included the price per share at which the standby purchaser is

willing to serve as the standby purchaser, the terms of our note purchase agreement with Wynnefield Capital, the price at which our shareholders might be willing to participate in the rights offering, historical and current trading prices of our common stock and the desire to provide an opportunity to our stockholders to participate in the rights offering on a pro rata basis. We cannot assure you that the market price for our common stock during the rights offering will be equal to or above the subscription price or that a subscribing owner of rights will be able to sell the shares of common stock purchased in the rights offering at a price equal to or greater than the subscription price.

You may not revoke your subscription exercise and you could be committed to buying shares above the prevailing market price.

Once you exercise your subscription rights, you may not revoke the exercise of such rights. The public trading market price of our common stock may decline before the subscription rights expire. If you exercise your subscription rights and, afterwards, the public trading market price of our common stock decreases below the subscription price, you will have committed to buying shares of our common stock at a price above the prevailing market price, in which case you will have an immediate, unrealized loss. We cannot assure that, following the exercise of your rights, you will be able to sell your shares of common stock at a price equal to or greater than the subscription price, and you may lose all or part of your investment in our common stock. Until the shares are delivered to you, you will not be able to sell the shares of our common stock that you purchase in the rights offering. Certificates representing shares of our common stock purchased pursuant to the basic subscription privilege will be delivered promptly after expiration of the rights offering; certificates representing shares of our common stock purchased pursuant to the over-subscription privilege will be delivered promptly after expiration of the rights offering and after all pro rata allocations and adjustments have been completed. We will not pay you interest on funds delivered to the subscription agent pursuant to the exercise of rights.

Our common stock is traded on the Nasdaq Capital Market under the symbol "DLHC," and the last reported sales price of our common stock on Nasdaq on August 9, 2016 was \$5.00. Moreover, you may be unable to sell your shares of common stock at a price equal to or greater than the subscription price you paid for such shares.

If you do not act promptly and follow the subscription instructions, your exercise of subscription rights may be rejected.

Subscription rights holders who desire to purchase shares in the rights offering must act promptly to ensure that all required forms and payments are actually received by the subscription agent before _____, 2016, the expiration date of the rights offering, unless extended. If you are a beneficial owner of shares, but not a record holder, you must act promptly to ensure that your broker, bank, or other nominee acts for you and that all required forms and payments are actually received by the subscription agent before the expiration date of the rights offering. We will not be responsible if your broker, custodian, or nominee fails to ensure that all required forms and payments are actually received by the subscription agent before the expiration date of the rights offering. If you fail to complete and sign the required subscription forms, send an incorrect payment amount or otherwise fail to follow the subscription procedures that apply to your exercise in the rights offering, the subscription agent may, depending on the circumstances, reject your subscription or accept it only to the extent of the payment received. Neither we nor our subscription agent undertakes to contact you concerning an incomplete or incorrect subscription form or payment, nor are we under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise properly follows the subscription procedures.

Significant sales of our common stock, or the perception that significant sales may occur in the future, could adversely affect the market price for the subscription rights and our common stock.

The sale of substantial amounts of the subscription rights and our common stock could adversely affect the price of these securities. Sales of substantial amounts of our subscription rights and our common stock in the public market, and the availability of shares for future sale, including up to 710,455 shares of our common stock to be issued in the rights offering, and as of June 30, 2016 a total of 1,710,167 shares of our common stock issuable upon exercise of: (A) outstanding vested options to acquire shares of our common stock under our stock incentive plans and (B) 20,000 shares of common stock which may be issued upon the exercise of presently exercisable warrants, could adversely affect the prevailing market price of our common stock and the subscription rights and could cause the market price of our common stock to remain low for a substantial amount of time. Additional options and other

equity awards may also be granted under our incentive plans. We cannot foresee the impact of such potential sales on the market, but it is possible that if a significant percentage of such available shares and subscription rights were attempted to be sold within a short period of time, the market for our shares and the subscription rights would be adversely affected. It is also unclear whether or not the market for our common stock (and any market that develops for our subscription rights) could absorb a large number of attempted sales in a short period of time, regardless of the price at which they might be offered. Even if a substantial number of sales do not occur within a short period of time, the mere existence of this "market overhang" could have a negative impact on the market for our common stock and the subscription rights and our ability to raise additional capital.

If the rights offering is not fully subscribed, Wynnefield Capital, Inc. (and its affiliates) may increase its ownership percentage.

On _____, 2016, the last practicable date before the filing of the final prospectus, the various funds and accounts managed by Wynnefield Capital collectively beneficially owned approximately 42% of our outstanding shares (4,377,286 total shares, excluding any warrants owned by Wynnefield Capital). Wynnefield Capital also owns warrants to purchase 53,619 shares at an exercise price of \$3.73 per share. As a shareholder as of the record date, Wynnefield Capital will have the right to subscribe for and purchase shares of our common stock under both the basic subscription privilege and the over-subscription privilege of the rights offering. We have not been advised to date whether it intends to elect to participate in the rights offering (other than pursuant to the standby purchase agreement described in this prospectus) and to elect to subscribe for additional shares pursuant to the over-subscription privilege. To the extent Wynnefield Capital participates in the rights offering and other shareholders do not, Wynnefield Capital will increase its percentage of ownership. In the event Wynnefield Capital exercised all of the subscription rights offered pursuant to the standby purchase agreement, its percentage ownership interest of our common stock would increase to approximately 46% of our outstanding shares of common stock.

We have negotiated with Wynnefield Capital the principle terms of a standby purchase agreement pursuant to which Wynnefield Capital (or one or more affiliated assignees) will agree to purchase shares of common stock not otherwise purchased by shareholders in the rights offering pursuant to their basic subscription right and over-subscription privilege, up to a maximum amount of \$2.5 million (or 670,241 shares). We intend to execute the standby purchase agreement with Wynnefield Capital at the time of effectiveness of the registration statement of which this prospectus forms a part and upon the satisfaction of other usual and customary closing conditions. The standby purchase agreement will provide that the standby purchaser will purchase such shares from us at the same subscription price and upon the same terms as all our other shareholders. We are not paying Wynnefield Capital any commitment or underwriting fee, or other discount in connection with the rights offering and Wynnefield Capital is not providing any services to us in connection with the rights offering. Pursuant to the standby purchase agreement, we will agree to reimburse Wynnefield Capital for its expenses related to the standby agreement for its legal and due diligence efforts related to the rights offering. To the extent that Wynnefield Capital makes purchases under the standby agreement, the purchase price for exercising the subscription rights will be paid by offsetting against and reducing the principal amount of the subordinated notes held by Wynnefield Capital.

We have also negotiated in principle a registration rights agreement with Wynnefield Capital whereby we have agreed, at our cost and expense, to register for resale under the Securities Act, all of the shares of common stock purchased by Wynnefield Capital in the rights offering and which may be acquired upon exercise of the warrants issue to Wynnefield Capital pursuant the note purchase agreement. We will agree to file a registration statement with the SEC within 90 days of closing of the rights offering.

We will not retain most of the proceeds of this rights offering.

We intend to use substantially all of the proceeds of this offering to repay the \$2,500,000 aggregate principal amount of subordinated notes held by Wynnefield Capital. Based on the amount of proceeds we are seeking to raise through this rights offering, most of the cash we receive from exercises of subscription rights will be used to repay the outstanding principal amount of the subordinated loan, and accrued interest on such amount. Further, to the extent that Wynnefield Capital makes purchases under the standby agreement, the purchase price for exercising the subscription rights will be paid by offsetting against and reducing the principal amount of the subordinated notes. Accordingly, while the successful completion of the rights offering will reduce our

indebtedness, it will not increase our available cash reserves. For more information, see the section entitled "Use of Proceeds."

We may cancel the rights offering at any time, and neither we nor the subscription agent will have any obligation to you except to return your exercise payments.

We may, in our sole discretion, decide not to continue with the rights offering or cancel the rights offering. If the rights offering is cancelled, all subscription payments received by the subscription agent will be returned promptly, without interest or penalty.

The rights offering does not have a minimum amount of proceeds, which means that if you exercise your rights, you may acquire additional shares of our common stock when we may require additional capital.

There is no minimum amount of proceeds required to complete the rights offering. In addition, an exercise of your subscription rights is irrevocable. Therefore, if you exercise the basic subscription privilege or the over-subscription privilege, but we do not raise the desired amount of capital in this rights offering and the rights offering is not fully subscribed, you may be investing in a company that may require additional capital.

Our board of directors is not making any recommendations regarding your exercise of the subscription rights and we did not receive a fairness opinion from a financial advisor in determining the subscription price or the terms of the offering.

Our board of directors is not making any recommendations regarding your exercise of the subscription rights. In addition, we did not receive a fairness opinion from a financial advisor in determining the subscription price or the terms of the offering. Stockholders who exercise subscription rights risk investment loss on new money invested. We cannot assure you that the trading price for our common stock will be above the subscription price at the time of exercise or at the expiration of the rights offering period or that anyone purchasing shares at the subscription price will be able to sell those shares in the future at the same price or a higher price. You are urged to make your own decision whether or not to exercise your subscription rights based on your own assessment of our business and the rights offering.

Because the subscription rights are non-transferable, there is no market for the subscription rights.

You may not sell, transfer or assign your subscription rights to anyone else. Because the subscription rights are non-transferable, there is no market or other means for you to directly realize any value associated with the subscription rights. You must exercise the subscription rights and acquire additional shares of our common stock to realize any value that may be embedded in the subscription rights.

We have a significant amount of net operating loss carry forwards which we may not be able to utilize in certain circumstances and this rights offering may limit our ability to use some or all of our net operating loss carryforwards.

As of September 30, 2015, we had net operating losses, or NOLs, of approximately \$36.8 million and \$2.4 million for U.S. and state tax return purposes, respectively. Our U.S. NOLs begin to expire in 2021 and continue to expire through 2033. The tax effect of these net operating losses are offset by valuation allowances of \$1.8 million as of September 30, 2015. In the fiscal year ended September 30, 2015, we realized a \$5.5 million tax benefit related to the release of a portion of our valuation allowance, to reflect the amount of our deferred tax asset that we expect to realize in future years. As a result, our U.S. tax provision expense in future periods may be at a higher effective tax rate, which will reduce our net income (or loss) and earnings (or loss) per share by a greater amount than it has in the past. Further, our ability to utilize our NOL carryforwards to reduce taxable income in future years could become subject to significant limitations under Section 382 of the Internal Revenue Code if we undergo an ownership change. We would undergo an ownership change if, among other things, the stockholders who own or have owned, directly or indirectly, five percent (5%) or more of our common stock, or are otherwise treated as five percent (5%) stockholders under Section 382 and the regulations promulgated thereunder, increase their aggregate percentage ownership of our stock by more than 50 percentage points over the lowest percentage of the stock owned by these stockholders at any time during the testing period, which is generally the three-year period preceding the potential ownership change. In the event of an ownership change, Section 382 imposes an annual limitation on the

amount of taxable income a corporation may offset with NOL carryforwards. Any unused annual limitation may be carried over to later years until the applicable expiration date for the respective NOL carryforwards. The rights offering is not currently expected to result in an ownership change, but it may increase the likelihood that we may undergo an ownership change for purposes of Section 382 of the Internal Revenue Code in the future, which would limit our ability to use any NOL carryforwards as described above. Moreover, no assurances can be given that an ownership change under Section 382 of the Internal Revenue Code has not occurred prior to the rights offering or will not occur as a result of the rights offering.

Risks Relating to the Ownership of Our Common Stock

Since we have not paid dividends on our common stock, you cannot expect dividend income from an investment in our common stock.

We have not paid any dividends on our common stock since our inception and do not contemplate or anticipate paying any dividends on our common stock in the foreseeable future. Future potential lenders may prohibit us from paying dividends without its prior consent. Therefore, holders of our common stock may not receive any dividends on their investment in us. Earnings, if any, will be retained and used to finance the development and expansion of our business.

We may issue preferred stock with rights senior to our common stock, which may adversely impact the voting and other rights of the holders of our common stock.

Our certificate of incorporation authorizes the issuance of "blank check" preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors up to an aggregate of 5,000,000 shares of preferred stock. Accordingly, our board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights, which would adversely affect the voting power or other rights of the holders of our common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of our Company, which could have the effect of discouraging bids for our Company and thereby prevent stockholders from receiving the maximum value for their shares. Although we have no present intention to issue any shares of our preferred stock, in order to discourage or delay a change of control of our Company, we may do so in the future. In addition, we may determine to issue preferred stock in connection with capital raising efforts and the terms of the stock so issued could have special voting rights or rights related to the composition of our Board.

The exercise of our outstanding options and warrants may depress our stock price and dilute your ownership of the company.

As of June 30, 2016, the following options and warrants were outstanding:

- Stock options to purchase 2,214,000 shares of common stock at exercise prices ranging from \$0.56 to \$1.96 per share, not all of which are immediately exercisable. The weighted average exercise price of the outstanding stock options is \$1.40 per share.
- Warrants to purchase 20,000 shares of common stock with an exercise price of \$2.28 per share.

To the extent that these securities are exercised, dilution to our shareholders will occur. Moreover, the terms upon which we will be able to obtain additional equity capital may be adversely affected, since the holders of these securities can be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital on terms more favorable to us than the exercise terms provided by those securities.

Anti-takeover provisions in our Articles of Incorporation make a change in control of our Company more difficult.

The provisions of our Articles of Incorporation and the New Jersey Business Corporation Act, together or separately, could discourage potential acquisition proposals, delay or prevent a change in control and limit the price

that certain investors might be willing to pay in the future for our common stock. Among other things, these provisions:

- require certain supermajority votes; and
- establish certain advance notice procedures for nomination of candidates for election as directors and for shareholders' proposals to be considered at shareholders' meetings.

Pursuant to our articles of incorporation, the board of directors has authority to issue up to 5,000,000 preferred shares without further shareholder approval, which could have dividend, liquidation, conversion, voting and other rights and privileges that are superior or senior to our common stock. In addition, the New Jersey Business Corporation Act contains provisions that, under certain conditions, prohibit business combinations with 10% shareholders and any New Jersey corporation for a period of five years from the time of acquisition of shares by the 10% shareholder. The New Jersey Business Corporation Act also contains provisions that restrict certain business combinations and other transactions between a New Jersey corporation and 10% shareholders.

Our executive officers, directors and significant stockholders will be able to influence matters requiring stockholder approval.

As of June 30, 2016, our executive officers, directors and largest shareholder (Wynnefield Capital, Inc. and its affiliates) own approximately 52% of our outstanding common stock. Within this amount, Wynnefield Capital, Inc. and its affiliates own approximately 42% of our outstanding common stock. Further, as described above, in the event Wynnefield Capital exercised all of the subscription rights offered pursuant to the standby purchase agreement, its percentage ownership interest of our common stock would increase to approximately 46% of our outstanding shares of common stock. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale or merger of our company and may negatively affect the market price of our common stock. These transactions might include proxy contests, tender offers, mergers or other purchases of common stock that could give our stockholders the opportunity to realize a premium over the then-prevailing market price for shares of our common stock. Further, in the May 2, 2016 note purchase agreement with Wynnefield Capital, we granted them the right, subject to certain exceptions, including this rights offering, to purchase a pro rata portion of any new equity securities proposed to be offered or sold by us, for a period expiring on the earlier of the maturity date or the accelerated payment date of the subordinated notes. If Wynnefield Capital was able to exercise this right in connection with a future securities offering by us, it would have the ability to further protect its percentage ownership interest in our common stock. In addition, persons associated with Wynnefield Capital, Inc. currently serve on our board of directors. As a result of this share ownership and relationship, our largest stockholder will be able to influence the affairs and actions of our company, including matters requiring stockholder approval such as the election of directors and approval of significant corporate transactions. The interests of our principal stockholders may differ from the interests of the other stockholders.

Risks Related to Our Business and Our Industry

We depend on contracts with the Federal government for virtually all of our revenue and our business could be seriously harmed if the Federal government decreased or ceased doing business with us or changed its budgets or budgetary priorities.

Presently, we derive all of our revenue from agencies of the federal government. For the fiscal years ended September 30, 2015 and 2014, we derived approximately 95% and 96%, respectively, of our revenue from various contracts awarded by the DVA. For the nine months ended June 30, 2016, we derived approximately 83% of our revenue from contracts awarded by the DVA and approximately 13% of our revenue from contracts with HHS, following the acquisition of Danya. Accordingly, we remain dependent upon the continuation of our relationships with the DVA and HHS. As of September 30, 2015, contract awards from the DVA on our Federal supply schedule contract for professional and allied healthcare services is in effect through June 2017. Our logistics worldwide services contract is in effect through November 2017. Both Federal contract schedules are renewed on a recurring basis for a multi-year period. The single largest program held by Danya International, has been the Office of Head Start Monitoring Support (OHS) project under HHS. The OHS project contributed approximately 80% of Danya's

revenue for fiscal year 2015 and 60% of its revenue for 2014. The OHS contract is awarded under the GSA federal supply schedule for professional services and is in effect through April 2020.

These agreements are subject to the Federal Acquisition Regulations, and there can be no assurance as to the actual amount of services that we will ultimately provide to the customers under these awards. Moreover, our contracts with the DVA are coming up for re-compete, and there is no guarantee that the DVA will extend these contracts or that if DVA issues new requests for proposals, that we will be the successful bidder. The loss of one or more these major programs would result in significant loss of revenue and would have a material adverse effect on our results of operations, cash flows and financial condition.

Because we derive all of our revenue from contracts with the Federal government, the success and development of our business will continue to depend on our successful participation in Federal government contract programs. In recent years past, we have seen frequent debates regarding the scope of funding of our customers, thereby leading to budgetary uncertainty for our Federal customers. Future instances of this uncertainty may result in reduced awards, postponements in procurement of services and delays in collection of payments, which may affect our results of operations. Therefore, period-to-period comparisons of our operating results may not be a good indication of our future performance. In the event the budgets or budgetary priorities of the U.S. Government entities with which we do business, particularly the DVA or HHS, are delayed, decreased or underfunded, our consolidated revenues and results of operations could be materially and adversely affected.

Loss of our GSA schedule contracts or other contracting vehicles could impair our ability to win new business and perform under existing contracts.

We currently hold multiple GSA schedule contracts, including a Federal supply schedule contract for professional and allied healthcare services and the logistics worldwide services contract. If we were to lose one or more of these contracts or other contracting vehicles, we could lose a significant revenue source and our operating results and financial condition could be materially and adversely affected.

Our contract proposals and in many cases our invoices are subject to audits and investigations by U.S. Government agencies and unfavorable government audit results could force us to refund previously recognized revenues and could subject us to a variety of penalties and sanctions.

From time to time, U.S. Government representatives may audit our performance on and invoices submitted on our U.S. Government contract. Further, federal agencies can also audit and review our compliance with applicable laws, regulations and standards. Under these audits, if it is found that we incorrectly invoiced or invoiced work not performed or claimed hours to be performed that were not performed we would have to refund these amounts. Normally, these audits are performed throughout the year and as such if found represent a refund within the current year. However, the government may go further back in time than the present fiscal year and adjustments may result over one or more fiscal years. Additionally, as a government contractor, we are from time to time subject to inquiries and investigations of our business practices by the U.S. Government due to our participation in government contracts. We cannot assure you that any such inquiry or investigation will not have a material adverse effect on our results of operations, cash flows, and financial condition.

If a government audit uncovers illegal activities or activities not in compliance with a contract's terms or conditions, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, and suspension or debarment from doing business with federal government agencies. In addition, we could suffer serious harm to our reputation if allegations of impropriety were made against us, whether or not true. If we were suspended or debarred from contracting with the federal government generally or with any specific agency, if our reputation or relationships with government agencies were impaired, or if the government otherwise were to cease doing business with us or were to significantly decrease the amount of business it does with us, our revenue, cash flows and operating results would be materially adversely affected.

If an audit determines that any of our administrative processes and systems do not comply with requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts or collect our revenue in a timely manner. Therefore, an unfavorable outcome of an audit could cause actual results to differ materially and adversely from those

anticipated. Moreover, if an audit determines that costs were improperly allocated to a specific contract, such amounts will not be reimbursed, and any such costs already reimbursed must be refunded and certain penalties may be imposed

We may experience fluctuations in our revenues and operating results from period to period.

Our profitable financial results depend upon increasing our revenue while managing costs and expense. Our quarterly revenue and operating results may fluctuate significantly and unpredictably in the future. We have expended, and will continue to expend, substantial resources to enhance our health services offerings and expansion into the Federal health market. We may incur growth expenses before new business revenue is realized, thus showing lower profitability in a particular period or consecutive periods. We may be unable to achieve desired levels of revenue growth due to circumstances that are beyond our control, as already expressed regarding competition, government budgets, and the procurement process in general. Although we continue to manage our operating costs and expenses, there is no guarantee that we will significantly increase future revenue and profit in any particular future period. Revenue levels achieved from our customers, the mix of solutions that we offer and our performance on future contracts will affect our financial results.

Future legislative or government budgetary and spending changes could negatively impact our business.

U.S. Government programs are subject to annual congressional budget authorization and appropriation processes. For many programs, Congress appropriates funds on a fiscal year basis even though the program performance period may extend over several years. Consequently, programs are often partially funded initially and additional funds are committed only as Congress makes further appropriations. Further, congressional seats may change during election years, and the balance of spending priorities may change along with them. The election of a new President of the United States could also change Federal spending priorities. These potential shifts in spending priorities could result in lower funding for our Veteran Affairs and Head Start programs.

DVA programs, which accounted for approximately 96% of our revenue during the past two years, were exempt from the spending caps established under Federal government sequestration targets enacted in 2013. However, the Office of Head Start under HHS was not exempt from sequestration, and accounted for approximately 80% of Danya's revenue during fiscal year 2015. Further, following our acquisition of Danya, approximately 13% of our revenue was derived from contracts with HHS. Moreover, our growth into other government markets may be impacted by measures in place since March 2013, when the federal government began operating under sequestration required by the Budget Control Act of 2011 (BCA). Under sequestration, reductions in both defense and civil agency expenditures have taken place in each of the government's fiscal years since 2013 and, unless the BCA is amended or repealed, will continue through the government's Fiscal Year 2021.

On November 2, 2015, the President signed the Bipartisan Budget Act of 2015, which raises the statutory limit on the amount of permissible federal debt raises the sequester caps imposed by the BCA by \$80 billion, split between defense and domestic spending, over the next two years). On December 18, 2015, Congress passed and the President signed the Consolidated Appropriations Act of 2016, which provides funding for the U.S. government through September 2016. The budget environment, including sequestration as currently mandated and uncertainty surrounding the appropriations processes, remain significant long-term risks. Considerable uncertainty exists regarding how future budget and program decisions will unfold, what challenges budget reductions will present for the government services industry and whether an annual appropriations bill will be enacted for FY 2017. If an annual appropriations bill is not enacted for FY 2017 or beyond, the U.S. Government may operate under a continuing resolution, restricting new contract or program starts and we may face a government shutdown of unknown duration.

Significant delays or reductions in appropriations for our programs and U.S. Government funding more broadly may negatively impact our business and could result in a significant loss of revenue. Our results of operations, cash flows and financial condition would be materially adversely affected in the event that we were unable to continue our relationships with the DVA or HHS.

The U.S. Government contract bid process is highly competitive, complex and sometimes lengthy, and is subject to protest and implementation delays.

Many of our contracts and task orders with the Federal government are awarded through a competitive bidding process, which is complex and sometimes lengthy. We expect that much of the business that we will seek in the foreseeable future will continue to be awarded through competitive bidding. Many of our competitors are larger and have greater resources than we do, larger client bases and greater brand recognition. Our competitors, individually or through relationships with third parties, may be able to provide clients with different or greater capabilities or benefits than we can provide. If we are unsuccessful in competing with these other companies, our revenues and margins may materially decline.

This competitive bidding process presents a number of risks, including the following: (i) we expend substantial cost and managerial time and effort to prepare bids and proposals for contracts that we may not win, and to defend those bids through any protest process; (ii) we may be unable to estimate accurately the resources and cost structure that will be required to service any contract we win; and (iii) we may encounter expenses and delays if our competitors protest or challenge awards of contracts to us in competitive bidding, and any such protest or challenge could result in the resubmission of bids on modified specifications, or in the termination, reduction or modification of the awarded contract. There can be no assurance that we will win any particular bid, or that we will be able to replace business lost upon expiration or completion of a contract, and the termination or non-renewal of any of our significant contracts could cause our actual results to differ materially and adversely from those anticipated.

If a bid is won and a contract awarded, there still is the possibility of a bid protest or other delays in implementation. Our business could be adversely affected by delays caused by our competitors protesting major contract awards received by us, resulting in the delay of the initiation of work. It can take many months to resolve protests by one or more of our competitors of contract awards we receive. The resulting delay in the startup and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated, and there can be no assurance that such protest process or implementation delays will not have a material adverse effect on our financial condition or results of operations in the future.

Our business may suffer if we or our employees are unable to obtain the security clearances or other qualifications we and they need to perform services for our clients.

Many federal government contracts require us to have security clearances and employ personnel with specified levels of education, work experience and security clearances. Depending on the level of clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees lose or are unable to obtain necessary security clearances, we may not be able to win new business and our existing clients could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue anticipated from the contract, which could cause our results to differ materially and adversely from those anticipated.

Our business is regulated by complex federal procurement laws and regulations, and we are subject to periodic compliance reviews by governmental agencies.

We must comply with complex laws and regulations relating to the formation, administration, and performance of federal government contracts. These laws and regulations create compliance risk and affect how we do business with our federal agency clients, and may impose added costs on our business. The government may in the future reform its procurement practices or adopt new contracting rules and regulations, including cost accounting standards, that could be costly to satisfy or that could impair our ability to obtain new contracts.

Our performance on our U.S. Government contracts and our compliance with applicable laws and regulations, including submission of invoices to our customers, are subject to audit by the government. The scope of any such audits could span multiple fiscal years. If a government review or investigation uncovers illegal activities or activities not in compliance with a particular contract's terms or conditions, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, harm to our reputation, suspension of payments, fines, and suspension or debarment from doing business with Federal government agencies. Any of these events could lead to a material reduction in our revenues, cash flows and operating results. Further, as the reputation and relationships that we have established and currently maintain with government personnel and agencies are important to our ability to maintain existing business and secure new business, damage to our reputation or relationships could have a material adverse effect on our revenue and operating results.

U.S. Government contracts may be terminated at will and we may not receive the full amounts authorized under the contracts included in our backlog, which could reduce our revenue in future periods below the levels anticipated.

Many of the U.S. Government programs in which we participate as a contractor or subcontractor may extend for several years. The U.S. Government may modify, curtail or terminate its contracts and subcontracts for convenience and to the extent that a contract award contemplates one or more option years, the Government may decline to exercise such option periods. Accordingly, the maximum contract value specified under a government contract or task order awarded to us is not necessarily indicative of the revenue that we will realize under that contract. Due to our dependence on these programs, the modification, curtailment or termination of our major programs or contracts may have a material adverse effect on our results of operations and financial condition. In addition, our contracts may only be partially funded at any point during their term, and some of the work intended to be performed under such contracts will remain unfunded pending subsequent appropriations of funds to the contract by the procuring agency. Our backlog consists of funded backlog, which is based on amounts actually committed by a client for payment for goods and services, and unfunded backlog, which is based upon management's estimate of the future potential of our existing contracts and task orders, including options, to generate revenue. Our backlog may not result in actual revenue in any particular period, or at all, which could cause our actual results to differ materially and adversely from those anticipated.

Our business growth and profitable operations require that we develop and maintain strong relationships with other contractors with whom we partner or otherwise depend.

As we look to increase revenue from teaming ventures with other companies, we carry substantial risk in maintaining strong, trusted working relationships in order to successfully fulfill contract obligations. Teaming arrangements may include being engaged as a subcontractor to a prime contractor, engaging a subcontractor on a contract for which we are the prime contractor, or entering into a joint venture with another company. We may lack control over fulfillment of such contracts, and poor performance on the contract could impact our customer relationship, even if we perform as required. We expect to depend on relationships with other contractors for a portion of our revenue in the foreseeable future. Our revenue and operating results could differ materially and adversely from those anticipated if any such prime contractor or teammate chooses to offer directly to the client services of the type that we provide or if they team with other companies to provide those services.

Our employees, or those of our teaming partners, may engage in misconduct or other improper activities which could harm our business.

We are exposed to risk from misconduct or fraud by our employees, or employees of our teaming partners. Such violations could include intentional disregard for Federal government procurement regulations, engaging in unauthorized activities, seeking reimbursement for improper expenses, or falsifying time records. Employee misconduct could also involve the improper use of our clients' sensitive or classified information and result in a serious harm to our reputation. While we have appropriate policies in effect to deter illegal activities and promote proper conduct, it is not always possible to deter employee misconduct. Precautions to prevent and detect this activity may not be effective in controlling such risks or losses, which could materially and adversely affect our business, results of operations, financial condition, cash flows, and liquidity.

Our profits and revenues could suffer if we are involved in legal proceedings, investigations and disputes.

We are exposed to legal proceedings, investigations and disputes. In addition, in the ordinary course of our business we may become involved in legal disputes regarding personal injury or employee disputes. While we provision for these types of incidents through commercial third party insurance carriers, we often defray these types of cost through higher deductibles. Any unfavorable legal ruling against us could result in substantial monetary damages by losing our deductible portion of carried insurance. We maintain insurance coverage as part of our overall legal and risk management strategy to lower our potential liabilities. If we sustain liabilities that exceed our insurance coverage or for which we are not insured, it could have a material adverse impact on our results of operations, cash flows and financial condition, including our profits, revenues and liquidity.

We are dependent upon certain of our management personnel and do not maintain "key personnel" life insurance on our executive officers.

Our success to date has resulted in part from the significant contributions of our executive officers. Our executive officers are expected to continue to make important contributions to our success. As of the record date,

our CEO, CFO, Executive Vice President, and the President of DLH Solutions are under employment contracts. However, we do not maintain "key person" life insurance on any of our executive officers. Loss for any reason of the services of our key personnel could materially affect our operations.

We may not be fully covered by the insurance we procure and our business could be adversely impacted if we were not able to renew all of our insurance plans.

Although we carry multiple lines of liability insurance (including coverage for medical malpractice and workers' compensation), they may not be sufficient to cover the total cost of any judgments, settlements or costs relating to any present or future claims, suits or complaints. If we are unable to secure renewal of our insurance contracts or the renewal of such contracts with favorable rates and with competitive benefits, our business could be adversely affected. In addition, sufficient insurance may not be available to us in the future on satisfactory terms or at all. Our placement of employees increases our potential liability for negligence and professional malpractice and such liabilities may not become immediately apparent. Any increase in our costs of insurance will impact our profitability to the extent that we cannot offset these increases into our costs of services. If the insurance we carry is not sufficient to cover any judgments, settlements or costs relating to any present or future claims, suits or complaints, our business, financial condition, results of operations and liquidity could be materially adversely affected.

Our financial condition may be affected by increases in employee healthcare claims and insurance premiums, unemployment taxes and workers' compensation claims and insurance rates.

Our current workers' compensation and medical plans are partially self-funded insurance programs. We currently pay base premiums plus actual losses incurred, not to exceed certain individual and aggregate stop-loss limits. In addition, our health insurance premiums, state unemployment taxes and workers' compensation rates are in large part determined by our claims experience. These categories of expenditure comprise a significant portion of our direct costs. If we experience a large increase in claim activity, our direct expenditures, health insurance premiums, unemployment taxes or workers' compensation rates may increase. Although we employ internal and external risk management procedures in an attempt to manage our claims incidence and estimate claims expenses and structure our benefit contracts to provide as much cost stability as reasonably possible given the self-funded nature of our plans, we may not be able to prevent increases in claim activity, accurately estimate our claims expenses or pass the cost of such increases on to our clients. Since our ability to incorporate such increases into our fees to our clients is constrained by contractual arrangements with our clients, a delay could occur before such increases could be reflected in our fees, which may reduce our profit margin. As a result, such increases could have a material adverse effect on our financial condition, results of operations and liquidity.

If we are unable to attract qualified personnel, our business may be negatively affected.

We rely heavily on our ability to attract and retain qualified professionals and other personnel who possess the skills, experience and licenses necessary in order to provide our solutions for our assignments. Our business is materially dependent upon the continued availability of such qualified personnel. Our inability to secure qualified personnel would have a material adverse effect on our business. The cost of attracting qualified personnel and providing them with attractive benefits packages may be higher than we anticipate and, as a result, if we are unable to pass these costs on to our clients, our profitability could decline. Moreover, if we are unable to attract and retain qualified personnel, the quality of our services may decline and, as a result, we could lose clients.

We are exposed to increased costs and risks associated with complying with increasing and new regulation of corporate governance and disclosure standards.

Due to the requirements of the Sarbanes-Oxley Act of 2002, we spend an increasing amount of management's time and resources (both internal and external) to comply with changing laws, regulations and standards relating to corporate governance and public disclosures. This compliance requires management's annual review and evaluation of our internal control systems. This process has caused us to engage outside advisory services and has resulted in additional accounting and legal expenses. We may encounter problems or delays in completing these reviews and evaluation and the implementation of improvements. If we are not able to timely comply with the requirements set forth in the Sarbanes-Oxley Act of 2002, we might be subject to sanctions or investigation by regulatory authorities. Any such action could materially adversely affect our business and our stock price.

We are highly dependent on the proper functioning of our information systems.

We are highly dependent on the proper functioning of our information systems in operating our business. Critical information systems used in daily operations match employee resources and client assignments and track regulatory credentialing. They also perform payroll, billing and accounts receivable functions. While we have multiple back up plans for these types of contingencies, our information systems are vulnerable to fire, storm, flood, power loss, telecommunication outages, physical or software break-ins and similar events. If our information systems become inoperable, or are otherwise unavailable, these functions would have to be accomplished manually, which in turn could impact our financial viability, due to the increased cost associated with performing these functions manually.

We may have difficulty identifying and executing acquisitions on favorable terms and therefore may grow at slower than anticipated rates.

One of our key growth strategies is to selectively pursue acquisitions. Through acquisitions, we expect to be able to expand our base of federal government customers, increase the range of solutions we offer to our customers and deepen our penetration of existing markets and customers. We may encounter difficulty identifying and executing suitable acquisitions. To the extent that management is involved in identifying acquisition opportunities or integrating new acquisitions into our business, our management may be diverted from operating our core business. Without acquisitions, we may not grow as rapidly as expected, which could cause our actual results to differ materially and adversely from those anticipated.

We may encounter other risks in executing our acquisition strategy, including:

- increased competition for acquisitions may increase the costs of our acquisitions;
- non-discovery or non-disclosure of material liabilities during the due diligence process, including omissions by prior owners of any acquired businesses or their employees in complying with applicable laws or regulations, or their inability to fulfill their contractual obligations to the federal government or other customers; and
- acquisition financing may not be available on reasonable terms or at all.

Any of these risks could cause our actual results to differ materially and adversely from those anticipated.

We may have difficulty integrating the operations of any companies we acquire, including our May 2016 acquisition of Danya International, which could cause actual results to differ materially and adversely from those anticipated.

The success of our acquisition strategy will depend upon our ability to successfully integrate any businesses we may acquire in the future. The integration of these businesses into our operations may result in unforeseen operating difficulties, absorb significant management attention and require significant financial resources that would otherwise be available for the ongoing development of our business. These integration difficulties include the integration of personnel with disparate business backgrounds, the transition to new information systems, coordination of geographically dispersed organizations, loss of key employees of acquired companies, and reconciliation of different corporate cultures. For these or other reasons, we may be unable to retain key customers of acquired companies. Moreover, any acquired business may not generate the revenue or net income we expected or produce the efficiencies or cost-savings we anticipated. Any of these outcomes could cause our actual results to differ materially and adversely from those anticipated.

If our subcontractors do not perform their contractual obligations, our performance as a prime contractor and our ability to obtain future business could be materially and adversely impacted and our actual results could differ materially and adversely from those anticipated.

Our performance of government contracts may involve the issuance of subcontracts to other companies upon which we rely to perform all or a portion of the work we are obligated to deliver to our customers. Unsatisfactory performance by one or more of our subcontractors to deliver on a timely basis the agreed-upon supplies, perform the agreed-upon services, or appropriately manage their vendors may materially and adversely

impact our ability to perform our obligations as a prime contractor. A subcontractor's performance deficiency could result in the government terminating our contract for default. A default termination could expose us to liability for excess costs of re-procurement by the government and have a material adverse effect on our ability to compete for future contracts and task orders. Depending upon the level of problem experienced, such problems with subcontractors could cause our actual results to differ materially and adversely from those anticipated.

We have a substantial amount of goodwill on our balance sheet. Future write-offs of goodwill may have the effect of decreasing our earnings or increasing our losses.

We have previously obtained growth through acquisitions of other companies and businesses. Under existing accounting standards, we are required to periodically review goodwill assets for possible impairment. In the event that we are required to write down the value of any assets under these pronouncements, it may materially and adversely affect our earnings.

Risks Relating To Our Revolving Credit Line

We have incurred significant debt in connection with our recent acquisition and we must make the scheduled principal and interest payments on the facility and maintain compliance with other debt covenants.

On May 2, 2016, we entered into a loan agreement with Fifth Third Bank under which the bank agreed to provide (i) a \$25.0 million senior secured term loan (the "Term Loan") with a five year maturity date and (ii) a two (2) year revolving loan facility in an aggregate amount of up to \$10.0 million (the "Revolving Loan Facility"). Upon closing of this financing, we received the full \$25.0 million of proceeds under the Term Loan and drew \$5.0 million from the Revolving Loan Facility and used such amounts in connection with the Danya acquisition. The loan is secured by all of our assets. Interest on the loan accrues at the rate of LIBOR plus 3.0% per annum.

The loan agreement requires compliance with a number of financial covenants and contains restrictions on our ability to engage in certain transactions. Among other matters, we must comply with limitations on: granting liens; incurring other indebtedness; maintenance of assets; investments in other entities and extensions of credit; mergers and consolidations; and changes in nature of business. Also, the loan agreement requires us to comply with certain financial covenants including a minimum fixed charge coverage ratio and a Funded Indebtedness to Adjusted EBITDA ratio. In addition to monthly payments of the outstanding indebtedness, the loan agreement also requires prepayments of a percentage of excess cash flow, as defined in the loan agreement. Accordingly, a portion of our cash flow from operations will be dedicated to the repayment of our indebtedness.

The loan agreement provides for customary events of default following which the bank may, at its option, terminate the commitments under the loan agreement, stop making additional credit available, declare amounts outstanding, including principal and accrued interest and fees, payable immediately, and enforce any and all rights and interests of the lenders. The defined events of default include, among other things, a payment default, covenant default or defaults on other indebtedness or judgments in excess of a stipulated amount, change of control events, suspension or disbarment from contracting with the federal government and the material inaccuracy of our representations and warranties. If we are unable to make the scheduled principal and interest payments on the loan agreement or maintain compliance with other debt covenants, we may be in default under the loan agreement, which would likely have a material adverse effect on our business, financial condition and results of operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this prospectus and in the documents incorporated by reference are not based on historical facts, but are forward-looking statements. These statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "expects," "may," "will," "should," or "anticipates," or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. These statements reflect our reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. We believe that it is important to communicate our future expectations to our investors. There will be events in the future, however, that we are not able to predict accurately or control. The factors listed under "Risk Factors" in this prospectus and in any documents incorporated by reference into this prospectus as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the

expectations we describe in our forward-looking statements. Such risks and uncertainties include, among other things, risks and uncertainties related to:

- the effects of future legislative or government budgetary and spending changes;
- the use of a substantial portion of our existing cash resources in our recent acquisition;
- incurrence of a substantial amount of debt with increased interest expense and amortization demands, compliance with new bank financial and other covenants,
- delays in the U.S. government contract procurement process or the award of contracts; delays or loss of contracts as result of competitor protests
- difficulties in integrating acquired businesses;
- the outcome of reviews or audits, which might result in financial penalties and reduce our ability to respond to invitations for new work;
- a failure to comply with laws governing our business, which might result in our being subject to fines, penalties and other sanctions;
- our failure to successfully bid for and accurately price contracts to generate our desired profit;
- our ability to maintain relationships with key government entities or prime contractors or joint venture partners, from whom a substantial portion of our revenue is derived;
- the ability of government customers to terminate contracts on short notice, with or without cause;
- our ability to manage capital investments and up-front costs incurred before we receive related contract payments;
- our ability to maintain technology systems and otherwise protect confidential or protected information;
- our ability to execute our business plan and long-term management initiatives effectively and to overcome these and other known and unknown risks that we face; and
- other factors, including those discussed in “Risk Factors” in this prospectus and incorporated by reference into this prospectus.

Before you invest in our securities, you should be aware that the occurrence of the events described in these risk factors and elsewhere in this prospectus under the heading “Risk Factors,” and in any documents incorporated by reference into this prospectus could have a material adverse effect on our business, results of operations and financial position. Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ will emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You are advised to consult any further disclosures we make on related subjects in the reports we file with the SEC pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act.

USE OF PROCEEDS

Although the actual amount will depend on participation in the rights offering, we expect that the gross proceeds from the rights offering will be approximately \$2,650,000. We estimate our offering expenses to be approximately \$150,000. We intend to use the proceeds of the rights offering to repay the \$2.5 million of subordinated notes held by funds affiliated with Wynnefield Capital, plus the accrued interest on such amount in accordance with the note purchase agreement we entered into with Wynnefield Capital. As described in greater detail under the caption “Prospectus Summary – Acquisition of Danya International and Financing Arrangements”,

the proceeds received from the issuance of these subordinated notes were used towards our acquisition of Danya International. These subordinated notes bear interest at the rate of 4.0% per annum and mature on the earlier of November 2, 2021 or our completion of an equity financing transaction, including this rights offering, resulting in at least \$2.5 million of gross proceeds. Any additional amounts that we receive in this rights offering will be used to provide for additional liquidity for working capital and general corporate purposes.

CAPITALIZATION

The following table describes capitalization as of June 30, 2016, on an actual basis and as adjusted to give effect to the rights offering, assuming gross proceeds from the rights offering of \$2,650,000 million and before deducting the estimated offering expenses of \$150,000. The as adjusted balance sheet presented below include extinguishing the \$2.5 million subordinated debt with proceeds from this rights offering. The remaining debt after extinguishing the subordinated debt is \$23.0 million senior debt. As adjusted balances are subject to change based upon final participation in the rights offering. You should read this table together with the information under the heading "Management's Discussion and Analysis of Results of Operations and Financial Condition" and our unaudited consolidated financial statements and related notes and other financial information in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 incorporated into this prospectus by reference.

	As of June 30, 2016	
	Actual (unaudited)	As Adjusted(1) (unaudited)
	(in thousands, except share amounts)	
Cash and cash equivalents	\$ 2,820	\$ 2,820
Debt obligations – current	\$ 4,363	4,363
Derivative financial instruments, at fair value	177	---
Accrued payroll	3,763	\$ 3,763
Accounts payable, accrued expenses and other current liabilities	7,716	7,716
Total Current Liabilities	16,019	15,842
Debt obligations – long term	22,178	19,855
Other long term liabilities	150	150
Total liabilities	\$ 38,347	35,847
Shareholders' equity:		
Common stock, \$0.001 par value—authorized, 40,000 shares; issued and outstanding, 10,407* at June 30, 2016 and 9,551 at September 30, 2015	\$ 10	11
Preferred stock, \$0.1 par value—authorized, 5,000 shares; none issued and outstanding	--	--
Additional paid-in capital	79,272	81,771
Accumulated deficit	(52,519)	(52,519)
Total shareholders' equity	\$ 26,763	29,263
Total Capitalization	\$ 65,110	\$ 65,110

* 11,118 thousand shares of common stock outstanding after issuance of an estimated 711 thousand shares from the rights offering.

THE RIGHTS OFFERING

The Subscription Rights

We are distributing, at no charge, to the record holders of our shares of common stock as of August 19, 2016, the record date, non-transferable subscription rights to purchase shares of our common stock at a subscription price of \$3.73 per whole share. The subscription rights will entitle the holders of our common stock to purchase at total of approximately 710,455 shares of our common stock.

Each eligible holder of record of shares of our common stock will receive one subscription right for each share of common stock owned by such holder as of 5:00 p.m., New York time, on the record date. Each subscription right will entitle the holder to a basic subscription privilege and an over-subscription privilege.

We intend to keep the rights offering open until _____, 2016, unless our board of directors, in its sole discretion, extends such time.

Basic Subscription Privilege

With your basic subscription privilege, each right entitles you to purchase 0.06827 shares of our common stock, upon delivery of the required documents and payment of the subscription price of \$3.73 per whole share, prior to the expiration of the rights offering. Accordingly, you will need to exercise 14.64 subscription rights to purchase one whole share of our common stock at the subscription price of \$3.73 per whole share. You will receive one subscription right for each share of our common stock you owned as of 5:00 p.m., New York time, on the record date. You may exercise all or a portion of your basic subscription privilege; however, if you exercise less than your full basic subscription privilege, you will not be entitled to purchase shares under your over-subscription privilege.

We will not issue fractional shares of common stock in the rights offering, and holders will only be entitled to purchase a whole number of shares of common stock, rounded down to the nearest whole number a holder would otherwise be entitled to purchase, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned promptly, without interest or penalty.

Over-Subscription Privilege

If you purchase all of the shares of our common stock available to you pursuant to your basic subscription privilege, you may also choose to purchase a portion of the shares of our common stock that are not purchased by other stockholders through the exercise of their respective basic subscription privileges. If sufficient shares of common stock are available, we will seek to honor the over-subscription requests in full. If, however, over-subscription requests exceed the number of shares of common stock available, we will allocate the available shares of common stock pro rata among each person properly exercising the over-subscription privilege in proportion to the number of shares of common stock each person subscribed for under the basic subscription privilege. If this pro rata allocation results in any person receiving a greater number of shares of common stock than the person subscribed for pursuant to the exercise of the over-subscription privilege, then such person will be allocated only that number of shares for which the person over-subscribed, and the remaining shares of common stock will be allocated among all other persons exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all shares of common stock have been allocated or all over-subscription requests have been fulfilled, whichever occurs earlier.

We have implemented a limitation upon the subscription rights in the over-subscription privilege which may be exercised by the subscribers in the rights offering. As a condition to the rights offering, and by signing the Election To Purchase, the subscriber understands and agrees that:

- the subscriber shall not have the right to purchase in the over-subscription privilege more than a number of shares in excess of the number of shares of common stock beneficially owned by such subscriber as of the record date; and

- we have the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

In order to properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the rights offer. Because we will not know the total number of unsubscribed shares prior to the expiration of the rights offer, if you wish to maximize the number of shares you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares of our common stock that may be available to you (*i.e.*, for the maximum number of shares of common stock available to you, assuming you exercise all of your basic subscription privilege and are allotted the full amount of your over-subscription as elected by you).

We can provide no assurance that you will actually be entitled to purchase the number of shares issuable upon the exercise of your over-subscription privilege in full at the expiration of the rights offering. We will not be able to satisfy your exercise of the over-subscription privilege if all of our stockholders exercise their basic subscription privileges in full, and we will only honor an over-subscription privilege to the extent a sufficient amount of shares of our common stock are available following the exercise of subscription rights under the basic subscription privileges.

To the extent the aggregate subscription price of the maximum number of unsubscribed shares available to you pursuant to the over-subscription privilege is less than the amount you actually paid in connection with the exercise of the over-subscription privilege, you will be allocated only the number of unsubscribed shares available to you, and any excess subscription payments received by the subscription agent will be returned promptly, without interest or penalty. To the extent the amount you actually paid in connection with the exercise of the over-subscription privilege is less than the aggregate subscription price of the maximum number of unsubscribed shares available to you pursuant to the over-subscription privilege, you will be allocated the number of unsubscribed shares for which you actually paid in connection with the over-subscription privilege.

Delivery of Shares of Common Stock Acquired in the Rights Offering

If you purchase shares in the rights offering by submitting a rights certificate and payment, we will mail you a stock certificate evidencing the new shares purchased as soon as practicable after the completion of the rights offering. One stock certificate will be generated for each rights certificate processed. Until your stock certificate is received, you may not be able to sell the shares of common stock acquired in the rights offering. If, as of the record date, your shares were held by a custodian bank, broker, dealer or other nominee, and you participate in the rights offer, you will not receive stock certificates for your new shares. Your custodian bank, broker, dealer or other nominee will be credited with the shares of common stock you purchase in the rights offering as soon as practicable after the completion of the rights offering.

Reasons for the Rights Offering

A rights offering provides the eligible stockholders the opportunity to participate in a capital raise on a pro rata basis and minimizes the dilution of their ownership interest in our company. Assuming all the shares of common stock offered are sold, we expect that the gross proceeds from the rights offering will be approximately \$2,650,000. Our expenses are estimated to be \$150,000. We are conducting the rights offering to raise capital which will be used to repay the outstanding subordinated notes in the aggregate principal amount of \$2,500,000 that are held by funds affiliated with Wynnefield Capital, Inc. Wynnefield Capital acquired these subordinated notes in connection with the financing of the Danya acquisition.

Effect of Rights Offering on Existing Stockholders

The ownership interests and voting interests of the existing stockholders that do not fully exercise their basic subscription privileges will be diluted.

Method of Exercising Subscription Rights

The exercise of subscription rights is irrevocable and may not be cancelled or modified. You may exercise your subscription rights as follows:

Subscription by Registered Holders

If you hold certificates of shares of our common stock, the number of rights you may exercise pursuant to the basic subscription privilege will be indicated on the rights certificate delivered to you. You may exercise your subscription rights by properly completing and executing the rights certificate and forwarding it, together with your full subscription payment, to the subscription agent at the address set forth below in this section under the heading "Subscription Agent," prior to the expiration of the rights offering.

Subscription by DTC Participants

We expect that the exercise of your subscription rights may be made through the facilities of DTC. If your subscription rights are held of record through DTC, you may exercise your subscription rights by instructing DTC, or having your broker instruct DTC, to transfer your subscription rights from your account to the account of the subscription agent, together with certification as to the aggregate number of subscription rights you are exercising and the number of shares of our common stock you are subscribing for under your basic subscription privilege and your over-subscription privilege, if any, and your full subscription payment.

Subscription by Beneficial Owners

If you are a beneficial owner of our shares of common stock that are registered in the name of a broker, dealer, custodian bank or other nominee, you will not receive a rights certificate. Instead, one subscription right will be issued to the nominee record holder for each share of our common stock that you own at the record date. If you are not contacted by your broker, dealer, custodian bank or other nominee, you should promptly contact your broker, dealer, custodian bank or other nominee in order to subscribe for shares of our common stock in the rights offering.

If you hold your shares of our common stock in the name of a broker, dealer, custodian bank or other nominee, your nominee will exercise the subscription rights on your behalf in accordance with your instructions. Your nominee may establish a deadline that may be before the 5:00 p.m., New York time, _____, 2016 expiration date we have established for the rights offering.

Payment Method for Registered Holders

As described in the instructions accompanying the rights certificate, payments must be made in full in United States dollars for the full number of shares of our common stock for which you are subscribing by either (i) check or bank draft payable to Continental Stock Transfer & Trust Company drawn upon a U.S. bank; (ii) postal, telegraphic or express money order payable to the subscription agent; or (iii) wire transfer of immediately available funds to accounts maintained by the subscription agent.

Payment received after the expiration of the rights offering may not be honored, and the subscription agent will return your payment to you promptly, without interest or penalty. The subscription agent will be deemed to receive payment upon:

- clearance of any uncertified check deposited by the subscription agent;
- receipt by the subscription agent of any certified check bank draft drawn upon a U.S. bank;
- receipt by the subscription agent of any postal, telegraphic or express money order; or
- receipt of collected funds in the subscription agent's account.

If you elect to exercise your subscription rights, we urge you to consider using a certified or cashier's check, money order, or wire transfer of funds to ensure that the subscription agent receives your funds prior to the expiration of the rights offering. If you send an uncertified check, payment will not be deemed to have been received by the subscription agent until the check has cleared, but if you send a certified check bank draft drawn upon a U.S. bank, a postal, telegraphic or express money order or wire or transfer funds directly to the subscription agent's

account, payment will be deemed to have been received by the subscription agent immediately upon receipt of such instruments and wire or transfer.

Any personal check used to pay for shares of our common stock must clear the appropriate financial institutions prior to the expiration of the rights offering described below. The clearinghouse may require five or more business days. Accordingly, holders that wish to pay the subscription price by means of an uncertified personal check are urged to make payment sufficiently in advance of the expiration of the rights offering to ensure such payment is received and clears by such date.

You should read the instruction letter accompanying the rights certificate carefully and strictly follow it. DO NOT SEND RIGHTS CERTIFICATES OR PAYMENTS TO US. We will not consider your subscription received until the subscription agent has received delivery of a properly completed and duly executed rights certificate and payment of the full subscription amount. The risk of delivery of all documents and payments is borne by you or your nominee, not by the subscription agent or us.

The method of delivery of rights certificates and payment of the subscription amount to the subscription agent will be at the risk of the holders of subscription rights. If sent by mail, we recommend that you send subscription materials and payments by overnight courier or by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent and clearance of payment prior to the expiration of the rights offering.

Unless a rights certificate provides that the shares of our common stock are to be delivered to the record holder of such rights or such certificate is submitted for the account of a bank or a broker, signatures on such rights certificate must be guaranteed by an "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended) that is a participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Program Medallion Signature Program or the Stock Exchange Medallion Program, subject to any standards and procedures adopted by the subscription agent.

Missing or Incomplete Subscription Information

If you do not indicate the number of subscription rights being exercised, or the subscription agent does not receive the full subscription payment for the number of subscription rights that you indicate are being exercised, then you will be deemed to have exercised the maximum number of subscription rights that may be exercised with the aggregate subscription payment you delivered to the subscription agent. If the subscription agent does not apply your full subscription payment to your purchase of our shares of common stock, any excess subscription payment received by the subscription agent will be returned promptly, without interest or penalty.

Expiration Date and Amendments

The subscription period, during which you may exercise your subscription rights, expires at 5:00 p.m., New York time, on _____, 2016, which is the expiration of the rights offering. If you do not exercise your subscription rights prior to that time, your subscription rights will expire and will no longer be exercisable. We will not be required to issue shares of common stock to you if the subscription agent receives your rights certificate and subscription payment after that time, regardless of when the rights certificate and subscription payment were sent by you, unless you send the documents in compliance with the guaranteed delivery procedures described below. We have the option to extend the rights offering and the period for exercising your subscription rights, although we do not presently intend to do so. We may extend the expiration of the rights offering by giving oral or written notice to the subscription agent prior to the expiration of the rights offering. If we elect to extend the expiration of the rights offering, we will issue a press release announcing such extension no later than 9:00 a.m., New York time, on the next business day after the most recently announced expiration of the rights offering. We reserve the right to amend or modify the terms of the rights offering.

Subscription Price

The subscription price was determined by our board of directors. Our board of directors considered a number of factors in determining the price for the rights offering, including:

- the terms of our note purchase agreement with Wynnefield Capital;
- the price per share at which the standby purchaser is willing to serve as the standby purchaser;
- the price at which our stockholders might be willing to participate in the rights offering;
- historical and current trading prices for our common stock, which is generally thinly traded, including on a volume weighted average share price basis over certain periods; and
- the desire to provide an opportunity to our stockholders to participate in the rights offering on a pro rata basis.

We cannot assure you that the market price for our common stock during the rights offering will be equal to or above the subscription price or that a subscribing owner of rights will be able to sell the shares of common stock purchased in the rights offering at a price equal to or greater than the subscription price.

Conditions, Withdrawal and Termination

We reserve the right to withdraw the rights offering prior to the expiration of the rights offer for any reason. We may terminate the rights offering, in whole or in part, if at any time before completion of the rights offering there is any judgment, order, decree, injunction, statute, law or regulation entered, enacted, amended or held to be applicable to the rights offering that in the sole judgment of our board of directors would or might make the rights offering or its completion, whether in whole or in part, illegal or otherwise restrict or prohibit completion of the rights offering. We may waive any of these conditions and choose to proceed with the rights offering even if one or more of these events occur. If we terminate the rights offering, in whole or in part, all affected subscription rights will expire without value, and all excess subscription payments received by the subscription agent will be returned promptly, without interest or penalty. If we cancel the rights offering, we will issue a press release notifying stockholders of the cancellation, and all subscription payments received by the subscription agent will be returned promptly, without interest or penalty.

Subscription Agent

The subscription agent for this offering is Continental Stock Transfer & Trust Co. The address to which subscription documents, rights certificates, notices of guaranteed delivery and subscription payments should be mailed or delivered is:

Continental Stock Transfer & Trust Company
Attn: Corporate Actions Department
17 Battery Place – 8th Floor
New York, NY 10004

You are solely responsible for completing delivery to the subscription agent of your subscription materials. The subscription materials are to be received by the subscription agent on or prior to 5:00 p.m., New York time, on the expiration date of _____, 2016. We urge you to allow sufficient time for delivery of your subscription materials to the subscription agent. If you deliver subscription materials in a manner different from those described in this prospectus, we may not honor the exercise of your subscription rights.

Information Agent

We have appointed Continental Stock Transfer & Trust Company as information agent for the rights offering. Any questions regarding the DLH rights offering or requests for additional copies of documents may be directed to Continental Stock Transfer & Trust Company, Attn: Corporate Actions Department at (917) 262-2378, Monday through Friday (except bank holidays), between 9:00 a.m. and 6:00 p.m., New York time.

Fees and Expenses

We will pay all fees charged by the subscription agent and information agent. You are responsible for paying any other commissions, fees, taxes or other expenses incurred in connection with the exercise of the subscription rights.

Fractional Shares

We will not issue fractional shares. Fractional shares of common stock resulting from the exercise of the basic subscription privilege will be eliminated by rounding down to the nearest whole share.

Medallion Guarantee May Be Required

Your signature on each subscription rights certificate must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, subject to standards and procedures adopted by the subscription agent, unless:

- your subscription rights certificate provides that shares are to be delivered to you as record holder of those subscription rights; or
- you are an eligible institution.

You can obtain a signature guarantee from a financial institution — such as a commercial bank, savings, bank, credit union or broker dealer — that participates in one of the Medallion signature guarantee programs. The three Medallion signature guarantee programs are the following:

- Securities Transfer Agents Medallion Program (STAMP) whose participants include more than 7,000 U.S. and Canadian financial institutions.
- Stock Exchanges Medallion Program (SEMP) whose participants include the regional stock exchange member firms and clearing and trust companies.
- New York Stock Exchange Medallion Signature Program (MSP) whose participants include NYSE member firms.

If a financial institution is not a member of a recognized Medallion signature guarantee program, it would not be able to provide signature guarantees. Also, if you are not a customer of a participating financial institution, it is likely the financial institution will not guarantee your signature. Therefore, the best source of a Medallion Guarantee would be a bank, savings and loan association, brokerage firm, or credit union with whom you do business. The participating financial institution will use a Medallion imprint or stamp to guarantee the signature, indicating that the financial institution is a member of a Medallion signature guarantee program and is an acceptable signature guarantor.

Notice to Nominees

If you are a broker, dealer, custodian bank or other nominee holder that holds shares of our common stock for the account of others on the record date, you should notify the beneficial owners of the shares for whom you are the nominee of the rights offering as soon as possible to learn their intentions with respect to exercising their subscription rights. You should obtain instructions from the beneficial owner, as set forth in the instructions we have provided to you for your distribution to beneficial owners. If the beneficial owner so instructs, you should submit information and payment for shares. We expect that the exercise of subscription rights on behalf of beneficial owners may be made through the facilities of DTC. You may exercise individual or aggregate beneficial owner subscription rights by instructing DTC to transfer subscription rights from your account to the account of the subscription agent, together with certification as to the aggregate number of subscription rights exercised and the

number of common shares subscribed for under the basic subscription privilege and the over-subscription privilege, if any, and your full subscription payment.

Beneficial Owners

If you do not hold certificates for shares of our common stock, you are a beneficial owner of our shares of our common stock. Instead of receiving a rights certificate, you will receive your subscription rights through a broker, dealer, custodian bank or other nominee. We will ask your broker, dealer, custodian bank or other nominee to notify you of the rights offering.

You should contact your broker, dealer, custodian bank or other nominee if you do not receive information regarding the rights offering, but believe you are entitled to subscription rights. We are not responsible if you do not receive notice by your broker, dealer, custodian bank or other nominee or if you do not receive notice in time to respond to your nominee by the deadline established by the nominee, which may be prior to 5:00 p.m. New York time, on _____, 2016.

If you wish to exercise your subscription rights, you will need to have your broker, dealer, custodian bank or other nominee act for you. If you hold certificates for shares of our common stock and received a rights certificate, but would prefer to have your broker, dealer, custodian bank or other nominee act for you, you should contact your nominee and request it to effect the transaction for you.

Guaranteed Delivery Procedures

If you wish to exercise subscription rights, but you do not have sufficient time to deliver the rights certificate evidencing your subscription rights to the subscription agent prior to the expiration of the rights offering, you may exercise your subscription rights by the following guaranteed delivery procedures:

- deliver to the subscription agent prior to the expiration of the rights offering the subscription payment for each share you elected to purchase pursuant to the exercise of subscription rights in the manner set forth above under “— Payment Method,”
- deliver to the subscription agent prior to the expiration of the rights offering the form entitled “Notice of Guaranteed Delivery,” and
- deliver the properly completed rights certificate evidencing your subscription rights being exercised and the related nominee holder certification, if applicable, with any required signatures guaranteed, to the subscription agent within three (3) business days following the date you submit your Notice of Guaranteed Delivery.

Your Notice of Guaranteed Delivery must be delivered in substantially the same form provided with the “Form of Instructions for Use of DLH Subscription Rights Certificates,” which will be distributed to you with your rights certificate. Your Notice of Guaranteed Delivery must include a signature guarantee from an eligible institution, acceptable to the subscription agent. A form of that guarantee is included with the Notice of Guaranteed Delivery.

In your Notice of Guaranteed Delivery, you must provide:

- your name;
- the number of subscription rights represented by your rights certificate, the number of shares of our common stock for which you are subscribing under your basic subscription privilege, and the number of shares of our common stock for which you are subscribing under your over-subscription privilege, if any; and

- your guarantee that you will deliver to the subscription agent a rights certificate evidencing the subscription rights you are exercising within three (3) business days following the date the subscription agent receives your Notice of Guaranteed Delivery.

You may deliver your Notice of Guaranteed Delivery to the subscription agent in the same manner as your rights certificate at the address set forth above under “— Subscription Agent.” Eligible institutions may also alternatively transmit a Notice of Guaranteed Delivery to the subscription agent by facsimile transmission at (212) 616-7610.

The information agent will send you additional copies of the form of Notice of Guaranteed Delivery if you need them. You should call Continental Stock Transfer & Trust Company, Corporate Actions Department at (917) 262-2378, to request additional copies of the form of Notice of Guaranteed Delivery.

Validity of Subscriptions

We will resolve all questions regarding the validity and form of the exercise of your subscription rights, including time of receipt and eligibility to participate in the rights offering. Our determination will be final and binding. Once made, subscriptions and directions are irrevocable, and we will not accept any alternative, conditional or contingent subscriptions or directions. We reserve the absolute right to reject any subscriptions or directions not properly submitted or the acceptance of which would be unlawful. You must resolve any irregularities in connection with your subscriptions before the subscription period expires, unless waived by us in our sole discretion. Neither we nor the subscription agent shall be under any duty to notify you or your representative of defects in your subscriptions. A subscription will be considered accepted, subject to our right to withdraw or terminate the rights offering, only when a properly completed and duly executed rights certificate and any other required documents and the full subscription payment has been received by the subscription agent. Our interpretations of the terms and conditions of the rights offering will be final and binding.

Escrow Arrangements; Return of Funds

The subscription agent will hold funds received in payment for shares of our common stock in a segregated account pending completion of the rights offering. The subscription agent will hold this money in escrow until the rights offering is completed or is withdrawn and canceled. If the rights offering is canceled for any reason, all subscription payments received by the subscription agent will be returned promptly, without interest or penalty.

Stockholder Rights

You will have no rights as a holder of our shares of common stock you purchase in the rights offering, if any, until certificates representing our shares of common stock are issued to you or until your account at your record holder is credited with shares of common stock purchased in the rights offering. You will have no right to revoke your subscriptions once made in accordance with the procedures set forth in this prospectus.

Foreign Stockholders

We will not mail this prospectus or rights certificates to stockholders with addresses that are outside the United States or that have an army post office or foreign post office address. The subscription agent will hold these rights certificates for their account. To exercise subscription rights, our foreign stockholders must notify the subscription agent prior to 11:00 a.m., New York time, at least three business days prior to the expiration of the rights offering of their exercise of such rights, and, with respect to holders whose addresses are outside the United States, provide evidence satisfactory to us, such as a legal opinion from local counsel, that the exercise of such subscription rights does not violate the laws of the jurisdiction of such stockholder.

No Revocation or Change

Once you submit the form of rights certificate to exercise any subscription rights, you are not allowed to revoke or change the exercise or request a refund of monies paid. All exercises of subscription rights are irrevocable.

even if you learn information about us that you consider to be unfavorable. You should not exercise your subscription rights unless you are certain that you wish to purchase additional common shares at the subscription price.

Arrangements with Wynnefield Capital

Wynnefield Capital beneficially owns approximately 42% (4,377,286 total shares) (excluding warrants held by Wynnefield Capital) of our outstanding shares of common stock on the record date. In May 2016, we entered into a note purchase agreement with funds affiliated with Wynnefield Capital in connection with our acquisition of Danya International, pursuant to which the affiliated funds purchased from us subordinated notes in the aggregate principal amount of \$2.5 million. The notes issued to the subordinated lenders mature on the earlier of the 66-month anniversary of issuance or our completion of an equity financing transaction, including a rights offering, resulting in at least \$2.5 million of gross proceeds. Under this agreement, we agreed to use our best efforts to effect a rights offering for at least \$2.5 million, in order to generate the proceeds to retire the subordinated notes. We also granted Wynnefield Capital the right, subject to certain exceptions, including this rights offering, to purchase a pro rata portion of any new equity securities proposed to be offered or sold by us, for a period expiring on the earlier of the maturity date or the accelerated payment date of the subordinated notes.

Pursuant to the note purchase agreement, we have negotiated with Wynnefield Capital the principle terms of a standby purchase agreement pursuant to which Wynnefield Capital (or one or more affiliated assignees) will agree to purchase shares of common stock not otherwise purchased by shareholders in the rights offering pursuant to their basic subscription right and over-subscription privilege, up to a maximum amount of \$2.5 million (or 670,241 shares). The standby purchase agreement will provide that the standby purchaser will purchase such shares from us at the same subscription price and upon the same terms as all our other shareholders. We intend to execute the standby purchase agreement with Wynnefield Capital at the time of effectiveness of the registration statement of which this prospectus forms a part and upon the satisfaction of other usual and customary closing conditions. We are not paying Wynnefield Capital any commitment or underwriting fee, or other discount in connection with the rights offering and Wynnefield Capital is not providing any services to us in connection with the rights offering. Pursuant to the standby purchase agreement, we will reimburse Wynnefield Capital for its expenses related to the standby agreement for its legal and due diligence efforts related to the rights offering. To the extent that Wynnefield Capital makes purchases under the standby agreement, the purchase price for exercising the subscription rights will be paid by offsetting against and reducing the principal amount of the subordinated notes held by Wynnefield Capital.

We have also agreed in principle to enter the terms of a registration rights agreement with Wynnefield Capital whereby we have agreed, at our cost and expense, to register for resale under the Securities Act, all of the shares of common stock purchased by Wynnefield Capital in the rights offering and which may be acquired upon exercise of the warrants issue to Wynnefield Capital pursuant the note purchase agreement. Pursuant to this registration rights agreement, we will agree to file a registration statement with the SEC within 90 days of closing of the rights offering.

Standby Purchase Agreement

The following description of the proposed standby purchase agreement with Wynnefield Capital summarizes all of the material terms of the proposed standby purchase agreement. A form of the proposed definitive standby purchase agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part. We urge you to carefully read the entire document. For purposes of this discussion, we sometimes refer to Wynnefield Capital (and any affiliated assignee) as the standby purchaser.

Conditions to Closing. The standby purchase agreement will provide that the obligations of Wynnefield Capital to complete the purchase of our common stock are subject to satisfaction or waiver of the conditions specified in the standby purchase agreement, including:

- The respective representations and warranties of DLH must be true and correct in all material respects as of the date of the standby purchase agreement and as of the closing date of the stock offering;

- Subsequent to the execution and delivery of the standby purchase agreement and prior to the closing date, there must not have been any material adverse effect on DLH (as defined in the agreement);
- As of the closing date, there must not have been a market adverse effect (as defined in the standby purchase agreement);
- We must have obtained any required federal, state and regulatory approvals for the rights offering on conditions reasonably satisfactory to us;
- The prospectus shall contain appropriate disclosure and the rights subscription agreement must provide restrictions that no shareholder shall have the right to purchase in the over subscription privilege an amount in excess of 100% of the number of shares owned by such shareholder on the record date;
- DLH shall have executed a registration rights agreement in form and substance satisfactory to Wynnefield Capital providing for the registration for resale under the Securities Act of the shares obtained by Wynnefield Capital in connection with the rights offering; and
- As of the closing date, the parties have satisfied the usual and customary closing conditions set forth in the standby purchase agreement, including delivery to the standby purchaser of an opinion of counsel to DLH.

Under the standby purchase agreement a "material adverse effect" means an event or occurrence which has a material adverse effect on the financial condition, or on the earnings, financial position, shareholders' equity, operations, assets, results of operations, regulatory compliance or business of DLH and its subsidiaries taken as a whole; provided that the meaning shall exclude any changes from general economic, industry, market or competitive conditions or changes in laws, rules or regulations generally affecting persons of a similar size in our industry, provided such change does not materially disproportionately affect DLH and its subsidiaries taken as a whole compared to others in the industry.

The respective obligations of DLH and Wynnefield Capital to complete the offering to standby purchaser are subject to satisfaction or waiver of the following conditions specified in the standby purchase agreement:

- No judgment, injunction, decree, regulatory proceeding or other legal restraint must prohibit, or have the effect of rendering unachievable, the consummation of the rights offering or the sale of stock to the standby purchaser;
- The registration statement of which this prospectus forms a part shall have become effective and no stop order suspending the effectiveness of the registration statement may have been issued and no proceeding for that purpose may have been initiated or threatened by the Commission; and
- The shares of common stock to be issued by DLH must have been authorized for listing on the Nasdaq Capital Market.

Terminating the Standby Purchase Agreement.

The standby purchase agreement will provide that it may be terminated at any time prior to the closing date by the standby purchaser by written notice to DLH if there is a material adverse effect or a market adverse effect that is not cured within a cure period of 21 days. The standby purchase agreement may be terminated by DLH or by the standby purchaser by written notice to the other party:

- At any time prior to the closing date, if there is a material breach of the agreement by the other party that is not cured within 15 days after the non-breaching party has delivered written notice to the breaching party of the breach;

- At any time after October 30, 2016, unless the closing has occurred prior to such date; and
- Consummation of the offering to the standby purchaser is prohibited by law, rule or regulation.

The standby purchase agreement will also provide that it may be terminated by DLH in the event it determines that it is not in the best interests of DLH and its shareholders to proceed with the rights offering.

Covenants.

The standby purchase agreement will provide that the parties agree to certain covenants which are customary for agreements of this nature, including the following:

- that, until the earlier of the closing date or the effective date of any termination of the standby purchase agreement, we will not issue any shares of our capital stock, or options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, securities convertible into or exchangeable for our capital, or other agreements or rights to purchase or otherwise acquire our capital stock, except for (i) shares of common stock issuable upon exercise of presently outstanding stock options or other issued and outstanding convertible or derivative securities as of the date hereof and (ii) restricted shares of common stock, options to purchase shares of common stock, or other awards made in the ordinary course of business and as authorized pursuant to its 2016 Omnibus Equity Incentive Plan;
- until the earlier of the closing date or any termination of the standby purchase agreement, the standby purchaser and its affiliates shall not acquire any shares of our common stock unless authorized by us;
- on the earlier of the closing date and the termination of the standby purchase agreement, other than a termination directly and solely attributable to a material breach by the standby purchaser, we shall reimburse the standby purchaser for all out-of-pocket fees and expenses incurred in connection with the transactions contemplated by the standby purchase agreement, not to exceed \$50,000;
- we will agree to indemnify and hold harmless the standby purchaser from and against any and all losses, claims, damages, liabilities and expenses, which it may incur as a result of or arising out of or in any way related to the standby purchase agreement, the proposed offering, the use of proceeds or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing; provided, however, that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they have resulted from the bad faith, willful misconduct or gross negligence of such indemnified person; and
- we shall solely use the proceeds of the rights offering in accordance with the description set forth in the registration statement of which this prospectus forms a part.

Material U.S. Federal Income Tax Consequences

For U.S. federal income tax purposes, you should not recognize income or loss upon receipt or exercise of subscription rights. For a more detailed discussion, see “Material U.S. Federal Income Tax Consequences.”

Listing

The subscription rights are not transferable, and we will not apply for listing of such rights on the Nasdaq Stock Market. Shares of our common stock are, and we expect that the shares of common stock to be issued in the rights offering will be, traded on the Nasdaq Stock Market under the symbol “DLHC.” The last reported sales price of our common stock on the Nasdaq Stock Market on _____, 2016 the last practicable date before the filing of this prospectus, was \$ _____. We urge you to obtain a current market price for the shares of our common stock before making any determination with respect to the exercise of your rights.

Outstanding Shares of Common Stock after the Rights Offering

As of August 1, 2016, the last practicable date before the filing of this prospectus, 10,406,547 of our shares of common stock were issued and outstanding and there were no rights to purchase shares of our common stock outstanding. Assuming no other transactions by us involving shares of our common stock, and no options for shares of our common stock are exercised, prior to the expiration of the rights offering, if the rights offering is fully subscribed through the exercise of the subscription rights, then an additional 710,455 of our shares of common stock will be issued and outstanding after the closing of the rights offering, for a total of 11,117,002 shares of common stock outstanding.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the material U.S. federal income tax consequences of the receipt and exercise (or expiration) of the subscription rights or, if applicable, the over-subscription privilege, acquired through the rights offering and owning and disposing of the shares of common stock received upon exercise of the subscription rights. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below.

This summary is for general information only and does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular holder in light of its particular circumstances or to holders that may be subject to special tax rules, including, but not limited to, partnerships or other pass-through entities, banks and other financial institutions, tax-exempt entities, employee stock ownership plans, certain former citizens or residents of the United States, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities or currencies, brokers, traders in securities that have elected to use the mark-to-market method of accounting, persons holding subscription rights or shares of common stock as part of an integrated transaction, including a "straddle," "hedge," "constructive sale" or "conversion transaction," persons whose functional currency for tax purposes is not the U.S. dollar, and persons subject to the alternative minimum tax provisions of the Code.

This summary applies to you only if you are a U.S. holder (as defined below) and receive your subscription rights in the rights offering, and you hold your subscription rights or shares of common stock issued to you upon exercise of the subscription rights or, if applicable, the over-subscription privilege, as capital assets for tax purposes. This summary does not apply to you if you are not a U.S. Holder.

We have not sought, and will not seek, a ruling from the IRS regarding the federal income tax consequences of the rights offering or the related share issuances. The following summary does not address the tax consequences of the rights offering or the related share issuance under foreign, state, or local tax laws.

You are a U.S. holder if you are a beneficial owner of subscription rights or common stock and you are:

- An individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- A corporation (or other business entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- An estate the income of which is subject to U.S. federal income tax regardless of its source; or
- A trust (a) if a court within the United States can exercise primary supervision over its administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) receives the subscription rights or holds the common stock received upon exercise of the subscription rights or, if applicable, the over-subscription privilege, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Such a partner or partnership is urged to consult its own tax advisor as to the U.S. federal income tax consequences of receiving and exercising the subscription rights and acquiring, holding or disposing of our common shares.

ACCORDINGLY, EACH RECIPIENT OF RIGHTS IN THE RIGHTS OFFERING SHOULD CONSULT THE RECIPIENT'S OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF THE RIGHTS OFFERING AND THE RELATED SHARE ISSUANCES THAT MAY RESULT FROM SUCH RECIPIENT'S PARTICULAR CIRCUMSTANCES.

Taxation of Subscription Rights

Receipt of Subscription Rights

Your receipt of subscription rights pursuant to the rights offering should not be treated as a taxable distribution with respect to your existing shares of common stock for U.S. federal income tax purposes. Under Section 305 of the Code, a stockholder who receives a right to acquire shares will, in certain circumstances, be treated as having received a taxable dividend in an amount equal to the value of such right. A common stockholder who receives a right to acquire shares of common stock generally will be treated as having received a taxable dividend if such stockholder's proportionate interest in the earnings and profits or assets of the corporation is increased and any other stockholder receives a distribution of cash or other property. For purposes of the above, "stockholder" includes holders of warrants, options and convertible securities. The application of this rule is very complex and subject to uncertainty. We believe, however, that pursuant to Section 305 of the Code and the Treasury Regulations issued thereunder, the receipt of subscription rights should generally not be taxable to a stockholder.

Tax Basis in the Subscription Rights

If the fair market value of the subscription rights you receive is less than 15% of the fair market value of your existing shares of common stock on the date you receive the subscription rights, the subscription rights will be allocated a zero basis for U.S. federal income tax purposes, unless you elect to allocate your basis in your existing shares of common stock between your existing shares of common stock and the subscription rights in proportion to the relative fair market values of the existing shares of common stock and the subscription rights determined on the date of receipt of the subscription rights. If you choose to allocate basis between your existing shares of common stock and the subscription rights, you must make this election on a statement included with your tax return for the taxable year in which you receive the subscription rights. Such an election is irrevocable.

However, if the fair market value of the subscription rights you receive is 15% or more of the fair market value of your existing shares of common stock on the date you receive the subscription rights, then you must allocate your basis in your existing shares of common stock between your existing shares of common stock and the subscription rights you receive in proportion to their fair market values determined on the date you receive the subscription rights. The fair market value of the subscription rights on the date the subscription rights will be distributed is uncertain. In determining the fair market value of the subscription rights, you should consider all relevant facts and circumstances, including the trading price thereof.

Exercise of Subscription Rights

Generally, you will not recognize gain or loss on the exercise of a subscription right. Your tax basis in a new share of common stock acquired when you exercise a subscription right will be equal to your adjusted tax basis in the subscription right, if any, plus the subscription price. The holding period of a share of common stock acquired when you exercise your subscription rights will begin on the date of exercise.

Expiration of Subscription Rights

If you allow subscription rights received in the rights offering to expire, you should not recognize any gain or loss for U.S. federal income tax purposes, and you should re-allocate any portion of the tax basis in your existing

shares of common stock previously allocated to the subscription rights that have expired to the existing shares of common stock.

Consequences if the Rights Offering Is Considered Part of a Disproportionate Distribution

If the rights offering is part of a disproportionate distribution, the distribution of subscription rights will be taxable to you as a dividend to the extent that the fair market value of the subscription rights you receive is allocable to our current or accumulated earnings and profits for the taxable year in which the subscription rights are distributed. Dividends received by corporate holders of our common stock are taxable at ordinary corporate tax rates subject to any applicable dividends-received deduction. Subject to the discussion of the additional Medicare tax, below, dividends received by noncorporate holders of our common stock in taxable years beginning on or after January 1, 2013, are taxed at the holder's capital gain tax rate (a maximum rate of 20%), provided that the holder meets applicable holding period and other requirements. Any distributions in excess of our current and accumulated earnings and profits will be treated as a tax-free return of basis, and any further distributions in excess of your tax basis in our common stock will be treated as gain from the sale or exchange of our common stock. Regardless of whether the distribution of subscription rights is treated as a dividend, as a tax-free return of basis or as gain from the sale or exchange of our common stock, your tax basis in the subscription rights you receive will be their fair market value.

If the receipt of subscription rights is taxable to you as described in the previous paragraph and you allow subscription rights received in the rights offering to expire, you should recognize a short-term capital loss equal to your tax basis in the expired subscription rights. Your ability to use any capital loss is subject to certain limitations. You will not recognize any gain or loss upon the exercise of the subscription rights, and the tax basis of the shares of our common stock acquired through exercise of the subscription rights will equal the sum of the subscription price for the shares and your tax basis in the subscription rights. The holding period for the shares of our common stock acquired through exercise of the subscription rights will begin on the date the subscription rights are exercised.

Under recently enacted legislation, certain U.S. holders that are individuals, estates or trusts are subject to an additional 3.8% Medicare tax (the "additional Medicare tax") on unearned income. For individual U.S. holders, the additional Medicare tax applies to the lesser of (i) "net investment income" and (ii) the excess of "modified adjusted gross income" over \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes dividends and capital gains. U.S. holders are urged to consult their tax advisors regarding the implications of the additional Medicare tax.

Taxation of Shares of Common Stock

Distributions

Distributions with respect to shares of common stock acquired upon exercise of subscription rights will be taxable as dividend income when actually or constructively received to the extent of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent that the amount of a distribution exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of your adjusted tax basis in such shares of common stock and thereafter as capital gain. We currently do not make any cash distributions on our shares of common stock.

Dispositions

If you sell or otherwise dispose of the shares of common stock acquired upon exercise of the subscription rights, you will generally recognize capital gain or loss equal to the difference between the amount realized and your adjusted tax basis in the shares of common stock. Such capital gain or loss will be long-term capital gain or loss if your holding period for the shares of common stock is more than one year. Long-term capital gain of an individual is generally taxed at favorable rates. The deductibility of capital losses is subject to limitations.

Foreign Accounts

Recently enacted legislation may impose withholding taxes on certain types of payments made to “foreign financial institutions” and certain other non-U.S. entities after December 31, 2012. The legislation imposes a 30% withholding tax on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a foreign financial institution unless the foreign financial institution enters into an agreement with the U.S. Treasury to among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, the legislation imposes a 30% withholding tax on the same types of payments to a foreign non-financial entity unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. Prospective investors should consult their tax advisors regarding this legislation.

Health Care and Reconciliation Act of 2010

On March 30, 2010, President Obama signed into law the Health Care and Reconciliation Act of 2010, which requires certain U.S. stockholders who are individuals, estates or trusts to pay a 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock for taxable years beginning after December 31, 2012. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our common stock.

Information Reporting and Backup Withholding

You may be subject to information reporting and/or backup withholding with respect to dividend payments on or the gross proceeds from the disposition of our common stock acquired through the exercise of subscription rights. Backup withholding may apply under certain circumstances if you (1) fail to furnish your social security or other taxpayer identification number (“TIN”), (2) furnish an incorrect TIN, (3) fail to report interest or dividends properly, or (4) fail to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct, that you are not subject to backup withholding and that you are a U.S. person. Any amount withheld from a payment under the backup withholding rules is allowable as a credit against (and may entitle you to a refund with respect to) your U.S. federal income tax liability, provided that the required information is furnished to the IRS. Certain persons are exempt from backup withholding, including corporations and financial institutions. You are urged to consult your own tax advisor as to your qualification for exemption from backup withholding and the procedure for obtaining such exemption.

MARKET PRICE OF COMMON STOCK AND DIVIDEND POLICY

Trading Prices

Our common stock trades on the Nasdaq Capital Market under the symbol “DLHC”. The following table sets forth, for the periods indicated, the high and low sales prices for our common stock, as reported on the Nasdaq Stock Market. The market prices set forth below may not be indicative of the future value of our common stock.

Fiscal Year Ended September 30, 2014	LOW	HIGH
1st Quarter	\$ 1.02	\$ 1.74
2nd Quarter	\$ 1.44	\$ 3.50
3rd Quarter	\$ 1.28	\$ 2.48
4th Quarter	\$ 1.74	\$ 2.10
Fiscal Year Ended September 30, 2015	LOW	HIGH
1st Quarter	\$ 1.70	\$ 3.65
2nd Quarter	\$ 1.86	\$ 2.50
3rd Quarter	\$ 1.85	\$ 2.79
4th Quarter	\$ 2.25	\$ 3.50

Fiscal Year Ending September 30, 2016	LOW	HIGH
1st Quarter	\$ 1.89	\$ 4.47
2nd Quarter	\$ 2.50	\$ 4.38
3 rd Quarter	\$ 3.51	\$ 5.32
4th Quarter (through July 31, 2016)	\$ 4.42	\$ 5.72

On August 1, 2016, the last practicable date before the filing of this prospectus, the last reported sales price of our common stock on the Nasdaq Capital Market was \$ 5.72 per share. As of June 29, 2016, there were 149 record holders of our common stock. This number does not include the number of persons or entities that hold stock in nominee or street name through various brokerage firms, banks and other nominee

Dividend Policy

We have not declared any cash dividends on its common stock since our inception and have no intention of paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings for use in the operation and expansion of our business.

DESCRIPTION OF CAPITAL STOCK

General

Our authorized capital stock, as set forth in our amended and restated certificate of incorporation, consists of 40,000,000 shares of common stock, par value \$0.001 per share, and shares of preferred stock, par value of \$0.10 per share. As of the date of this prospectus, there were 10,406,547 shares of common stock issued and outstanding. All of our existing stock is, and the shares of common stock being offered by us in this offering will be, upon payment therefore, validly issued, fully paid and non-assessable. This discussion set forth below describes the material terms of our capital stock, restated certificate of incorporation and amended and restated bylaws as will be in effect upon completion of this offering.

Common Stock

The holders of our common stock are entitled to dividends as our board of directors may declare from funds legally available therefor, subject to the preferential rights of the holders of our preferred stock, if any, and any contractual limitations on our ability to declare and pay dividends. The holders of our common stock are entitled to one vote per share on any matter to be voted upon by shareholders. For the purposes of a shareholder meeting a majority of the outstanding shares of our common stock constitutes a quorum. Our certificate of incorporation does not provide for cumulative voting in connection with the election of directors, and accordingly, holders of more than 50% of the shares voting will be able to elect all of the directors. No holder of our common stock will have any preemptive right to subscribe for any shares of capital stock issued in the future. Upon any voluntary or involuntary liquidation, dissolution, or winding up of our affairs, the holders of our common stock are entitled to share ratably in all assets remaining after payment of creditors and subject to prior distribution rights of our preferred stock, if any.

Preferred Stock

Our certificate of incorporation authorizes the issuance of shares of preferred stock with such designation, rights and preferences as may be determined from time to time by our board of directors. We do not have any issued or authorized shares or classes of preferred stock as of the date of this prospectus. No shares of preferred stock are being issued or registered in this offering, and no shares of preferred stock will be outstanding upon the completion of this offering. Accordingly, our board of directors is empowered, without shareholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of common stock. Any preferred stock that we issue could be utilized as a method of discouraging, delaying or preventing a change in control of us.

Anti-Takeover Effects of Our Amended and Restated Certificate of Incorporation, Bylaws and New Jersey Law

The following is a description of certain provisions of the New Jersey Business Corporation Act, our amended and restated certificate of incorporation and bylaws. This summary is not complete and is qualified in its entirety by reference to the New Jersey Business Corporation Act, our certificate of incorporation and bylaws.

The New Jersey Shareholders' Protection Act

We are subject to the New Jersey Shareholders' Protection Act, Section 14A:10A of the New Jersey Business Corporation Act. Subject to certain qualifications and exceptions, the statute prohibits an interested stockholder of a corporation from effecting a business combination with the corporation for a period of five years from the date the stockholder acquires the corporation's stock unless the corporation's board of directors approved the combination prior to the stockholder becoming an interested stockholder. In addition, but not in limitation of the five-year restriction, if applicable, corporations covered by the New Jersey statute may not engage at any time in a business combination with any interested stockholder unless (i) the combination is approved by the board of directors prior to the interested stockholder's stock acquisition date, (ii) the combination receives the approval of two-thirds of the voting stock of the corporation not beneficially owned by the interested stockholder at a meeting called for such purpose or (iii) the combination meets minimum financial terms specified by the statute.

An "interested stockholder" is defined to include any beneficial owner of 10% or more of the voting power of the outstanding voting stock of the corporation or any affiliate or associate of the corporation who within the prior five year period has at any time directly or indirectly owned 10% or more of the voting power of the then outstanding stock of the corporation. The term "business combination" is defined broadly to include, among other things:

- the merger or consolidation of the corporation with the interested stockholder or any corporation that is or after the merger or consolidation would be an affiliate or associate of the interested stockholder,
- the sale, lease, exchange, mortgage, pledge, transfer or other disposition to or with an interested stockholder or any affiliate or associate of the interested stockholder who has 10% or more of the corporation's assets, or
- the issuance or transfer to an interested stockholder or any affiliate or associate of the interested stockholder of 5% or more of the aggregate market value of the outstanding stock of the corporation.

The effect of the statute is to protect non-tendering, post-acquisition minority shareholders from mergers in which they will be "squeezed out" after the merger, by prohibiting transactions in which an acquirer could favor itself at the expense of minority shareholders. The statute generally applies to corporations that are organized under New Jersey law but includes exceptions applicable where the corporation does not have its principal executive offices or significant business operations located in New Jersey.

Certificate of Incorporation and Bylaws

Provisions of our amended and restated certificate of incorporation and bylaws could have anti-takeover effects. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our corporate policies formulated by our board of directors. In addition, these provisions also are intended to ensure that our board of directors will have sufficient time to act in what our board of directors believes to be in the best interests of us and our shareholders. These provisions also are designed to reduce our vulnerability to an unsolicited proposal for our takeover that does not contemplate the acquisition of all of our outstanding shares or an unsolicited proposal for the restructuring or sale of all or part of us. The provisions are also intended to discourage certain tactics that may be used in proxy fights. However, these provisions could delay or frustrate the removal of incumbent directors or the assumption of control of us by the holder of a large block of common stock, and could also discourage or make more difficult a merger, tender offer, or proxy contest, even if such event would be favorable to the interest of our shareholders.

Indemnification. We have included in our amended and restated certificate of incorporation and bylaws provisions to (i) eliminate the personal liability of our directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by the New Jersey Business Corporation Act and (ii) indemnify our

directors and officers to the fullest extent permitted by Section 14A:3-5 of the New Jersey Business Corporation Act. We believe that these provisions are necessary to attract and retain qualified persons as directors and officers.

Preferred Stock and Additional Common Stock. Under our amended and restated certificate of incorporation our board has the authority to provide by resolution for the issuance of shares of one or more series of preferred stock and to determine the terms and conditions of such shares. The availability of undesignated preferred stock and additional shares of common stock could facilitate certain transactions and provide a means for meeting other corporate needs which might arise. The authorized shares of our preferred stock and additional common stock will be available for issuance without further action by our shareholders, unless shareholder action is required by applicable law or the rules of any stock exchange on which any series of our stock may then be listed, or except as may be provided in the terms of any preferred stock created by resolution of our board. These provisions give our board the power to approve the issuance of a series of preferred stock, or additional shares of common stock, that could, depending on its terms, either impede or facilitate the completion of a merger, tender offer or other takeover attempt. For example, the issuance of new shares of preferred stock might impede a business combination if the terms of those shares include voting rights which would enable a holder to block business combinations or, alternatively, might facilitate a business combination if those shares have general voting rights sufficient to cause an applicable percentage vote requirement to be satisfied. No shares of preferred stock are being issued or registered in this offering and although we do not currently intend to issue any shares of preferred stock, we cannot assure you that we will not do so in the future.

Amendments to Bylaws. Our bylaws are subject to amendment, alteration or repeal either by (i) our board of directors without the assent or vote of our shareholders or (ii) the affirmative vote of the holders of not less than a majority of the outstanding shares of voting securities.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company and its telephone number is (212) 509-4000.

PLAN OF DISTRIBUTION

On or about _____, 2016, we will distribute the rights, rights certificates, and copies of this prospectus to individuals who owned shares of common stock on August 19, 2016. If you wish to exercise your rights and purchase shares of common stock, you should complete the rights certificate and return it with payment for the shares, to the subscription agent Continental Stock Transfer & Trust Co., at the following address:

Continental Stock Transfer & Trust Co.
Attn: Corporate Actions Department
17 Battery Place – 8th Floor
New York, NY 10004

For more information, see the section of this prospectus entitled “The Rights Offering.” If you have any questions, you should contact the Information Agent, Attn: Corporate Actions Department at (917) 262-2378.

We do not know of any existing agreements between any stockholder, broker, dealer, underwriter, or agent relating to the sale or distribution of the common stock underlying the rights.

LEGAL MATTERS

Certain legal matters in connection with any offering of securities by this prospectus will be passed upon for us by Becker & Poliakoff LLP. Principals of Becker & Poliakoff LLP own shares of our common stock and will be eligible to participate in the rights offering upon the same terms and conditions as other beneficial owners of our common stock.

EXPERTS

The financial statements of DLH Holdings Corp. incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended September 30, 2015, have been so incorporated in reliance on the report of Withum Smith + Brown, P.C., an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Danya International LLC incorporated in this prospectus by reference to the Amendment No. 1 to Current Report on Form 8-K filed by DLH Holdings Corp. on June 30, 2016, have been so incorporated in reliance on the report of Aronson & Company, LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form S-3 we have filed with the SEC under the Securities Act. This prospectus does not contain all of the information in the registration statement in accordance with the rules and regulations of the SEC. You may inspect and copy the registration statement, including exhibits, at the SEC's public reference room or website. Our statements in this prospectus about the contents of any contract or other document are not necessarily complete. You should refer to the copy of each contract or other document we have filed as an exhibit to the registration statement for complete information. We are also subject to the informational requirements of the Exchange Act which requires us to file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information, along with the registration statement, including the exhibits and schedules thereto, may be inspected at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Copies of such material can be obtained from the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Because we file documents electronically with the SEC, you may also obtain this information by visiting the SEC's Internet website at <http://www.sec.gov>.

We also maintain an Internet website at www.dlhcorp.com which can be used to access free of charge, through the investor relations section, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with or furnish it to the SEC and all such reports of ours going forward. The information set forth on, or connected to, our website is expressly not incorporated by reference into, and does not constitute a part of, this prospectus, and you should not consider it to be a part of this prospectus.

We have appointed Continental Stock Transfer & Trust Company as the information agent for the rights offering. Any questions regarding the DLH rights offering or requests for additional copies of documents may be directed to Continental Stock Transfer & Trust Company, Attn: Corporate Actions Department at (917) 262-2378, Monday through Friday (except bank holidays), between 9:00 a.m. and 6:00 p.m., New York time.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with the SEC, which means we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus. The following documents filed with the SEC are incorporated by reference in this prospectus:

- our Annual Report on Form 10-K for the year ended September 30, 2015;
- our Quarterly Report on Form 10-Q for the quarter ended December 31, 2015;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016;
- our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016;
- our Proxy Statement filed with the SEC on January 15, 2016;

- our Current Reports on Form 8-K or Form 8-K/A (other than information contained in Current Reports on Form 8-K that is furnished, but not filed) dated January 15, 2016, March 1, 2016, May 3, 2016, May 6, 2016 and June 30, 2016; and
- Form 8-A filed on April 27, 1990.

We are also incorporating by reference any future filings we make with the Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until all of the common stock to which this prospectus relates has been sold or the offering is otherwise terminated, including those made between the date of filing of the initial registration statement and prior to effectiveness of the registration statement, except that information furnished under Item 2.02 or Item 7.01 of our Current Reports on Form 8-K or in any other filing where we indicate that such information is being furnished and not "filed" under the Exchange Act, is not deemed to be filed and not incorporated by reference herein. A statement contained in a document incorporated by reference into this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, any prospectus supplement or in any other subsequently filed document which is also incorporated in this prospectus modifies or replaces such statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of any or all of the information incorporated by reference into this prospectus, at no cost, by writing or telephoning us at the following address:

DLH Holdings Corp.
Chief Financial Officer
3565 Piedmont Road, NE
Building 3- Suite 700
Atlanta, GA 30305
(678) 935-1520

Copies of these filings are also available at no cost on our website, www.dlhcorp.com or from the SEC through the SEC's website at the web address provided under the heading "Where You Can Find More Information." Documents incorporated by reference are available without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference into those documents.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth an estimate of the fees and expenses relating to the offering of the securities being registered hereby, all of which shall be borne by DLH Holdings Corp. All of such fees and expenses, except for the SEC registration fee, are estimated:

SEC registration fee	\$ 266.85
Legal fees and expenses *	\$ 110,000.00
Printing fees and expenses *	\$ 12,500.00
Accounting fees and expenses *	\$ 5,000.00
Subscription and information agent fees and expenses *	\$ 15,000.00
Miscellaneous fees and expenses *	\$ 5,000.00
Total	\$ 147,766.85

* Estimated

Item 15. Indemnification of Directors and Officers.

Our By-Laws require us to indemnify, to the full extent authorized by Section 14A:3-5 of the New Jersey Business Corporation Act, any person with respect to any civil, criminal, administrative or investigative action or proceeding instituted or threatened by reason of the fact that he, his testator or intestate is or was a director, officer or employee of our company or any predecessor of our company is or was serving at the request of our company or a predecessor of our company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

Section 14A:3-5 of the New Jersey Business Corporation Act authorized the indemnification of directors and officers against liability incurred by reason of being a director or officer and against expenses (including attorneys fees) in connection with defending any action seeking to establish such liability, in the case of third-party claims, if the officer or director acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and if such officer or director shall not have been adjudged liable for negligence or misconduct, unless a court otherwise determines. Indemnification is also authorized with respect to any criminal action or proceeding where the officer or director had no reasonable cause to believe his conduct was unlawful.

In accordance with Section 14A:2-7 of the New Jersey Business Corporation Act, our Certificate of Incorporation eliminates the personal liability of officers and directors to our company and to stockholders for monetary damage for violation of a director's duty owed to our company or our shareholders, under certain circumstances.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, or persons controlling our company pursuant to the foregoing provisions, our company has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in such Act and is therefore unenforceable.

Item 16. List of Exhibits.

Exhibit Number	Description
2.1	Equity Purchase Agreement among the Company, Danya International LLC, DI Holdings, Inc. and the owners named therein (Exhibit 2.1 to Current Report on Form 8-K dated May 6, 2016).

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II - 1

- 4.1 Specimen of the Common Stock Certificate (Exhibit 4.1 to Registration Statement on Form S-18, File No. 33-46246-NY).
- 4.2 Form of Term Note issued pursuant to the Loan Agreement (Exhibit 4.1 to Current Report on Form 8-K dated May 6, 2016).
- 4.3 Form of Revolving Credit Note issued pursuant to the Loan Agreement (Exhibit 4.2 to Current Report on Form 8-K dated May 6, 2016).
- 4.4 Form of Subordinated Promissory Note issued to Subordinated Lenders (Exhibit 4.3 to Current Report on Form 8-K dated May 6, 2016).
- 4.5 Form of Warrant issued to Subordinated Lenders (Exhibit 4.4 to Current Report on Form 8-K dated May 6, 2016).
- 4.6 Form of Subscription Rights Certificate. *
- 4.7 Form of Subscription Agent Agreement by and between DLH Holdings Corp. and Continental Stock Transfer & Trust Company. *
- 5.1 Opinion of Becker & Poliakoff, LLP. *
- 10.1 Note Purchase Agreement among the Company and the Subordinated Lenders named therein (Exhibit 10.1 to Current Report on Form 8-K dated May 6, 2016).
- 10.2 Form of Standby Purchase Agreement between DLH Holdings Corp. and Wynnefield Capital, Inc. and affiliates.*
- 10.3 Form of Registration Rights Agreement between DLH Holdings Corp. and Wynnefield Capital, Inc. and affiliates.*
- 23.1 Consent of WithumSmith+Brown, PC.*
- 23.2 Consent of Aronson & Company, LLP. *
- 23.3 Consent of Becker & Poliakoff, LLP (included a part of Exhibit 5.1).*
- 24 Power of Attorney (previously filed and included on signature page to the initial filing of this Registration Statement).
- 99.1 Form of Instructions as to use of Subscription Rights Certificates. *
- 99.2 Form of Notice of Guaranteed Delivery. *
- 99.3 Form of Letter to Stockholders who are Record Holders. *
- 99.4 Form of Letter to Nominee Holders Whose Clients Are Beneficial Holders. *
- 99.5 Form of Letter to Clients of Nominee Holders. *
- 99.6 Form of Beneficial Owner Election Form. *
- 99.7 Form of Nominee Holder Certification.*
- 99.8 Form of Notice of Tax Information.*

* Exhibits designated with an asterisk are filed herewith.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent, no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (1)(i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser. The undersigned registrant hereby further undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in "Item 15. Indemnification of Directors and Officers" above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-3 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, Georgia, on August 10, 2016.

DLH HOLDINGS CORP.

By: /s/ Kathryn M. JohnBull
Kathryn M. JohnBull
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement on Form S-3 has been signed by the following persons in the capacities and on the date indicated.

<u>NAME</u>	<u>TITLE</u>	<u>DATE</u>
* <u>Zachary C. Parker</u>	Chief Executive Officer and President (Principal Executive Officer)	August 10, 2016
* <u>Frederick G. Wasserman</u>	Chairman of the Board	August 10, 2016
* <u>William H. Alderman</u>	Director	August 10, 2016
* <u>Martin J. Delaney</u>	Director	August 10, 2016
* <u>Elder Granger</u>	Director	August 10, 2016
* <u>Frances M. Murphy</u>	Director	August 10, 2016
* <u>Austin J. Yerks III</u>	Director	August 10, 2016
<u>/s/ Kathryn M. JohnBull</u> Kathryn M. JohnBull	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	August 10, 2016

* By: /s/ Kathryn M. JohnBull
Kathryn M. JohnBull
Attorney-in-Fact

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EXHIBIT INDEX

Exhibit Number	Description
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4.6	Form of Subscription Rights Certificate. *
4.7	Form of Subscription Agent Agreement by and between DLH Holdings Corp. and Continental Stock Transfer & Trust Company. *
5.1	Opinion of Becker & Poliakoff, LLP. *
10.1	Note Purchase Agreement among the Company and the Subordinated Lenders named therein (Exhibit 10.1 to Current Report on Form 8-K dated May 6, 2016).
10.2	Form of Standby Purchase Agreement between DLH Holdings Corp. and Wynnefield Capital, Inc. and affiliates.*
10.3	Form of Registration Rights Agreement between DLH Holdings Corp. and Wynnefield Capital, Inc. and affiliates.*
23.1	Consent of WithumSmith+Brown, PC.*
23.2	Consent of Aronson & Company, LLP. *
23.3	Consent of Becker & Poliakoff, LLP (included a part of Exhibit 5.1).*
24	Power of Attorney (previously filed and included on signature page to the initial filing of this Registration Statement).
99.1	Form of Instructions as to use of Subscription Rights Certificates. *
99.2	Form of Notice of Guaranteed Delivery. *
99.3	Form of Letter to Stockholders who are Record Holders. *
99.4	Form of Letter to Nominee Holders Whose Clients Are Beneficial Holders. *
99.5	Form of Letter to Clients of Nominee Holders. *

- 99.6 Form of Beneficial Owner Election Form. *
 - 99.7 Form of Nominee Holder Certification. *
 - 99.8 Form of Notice of Tax Information. *
-

* Exhibits designated with an asterisk are filed herewith.

RIGHTS CERTIFICATE #:

NUMBER OF RIGHTS:

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED _____, 2016 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM CONTINENTAL STOCK TRANSFER & TRUST COMPANY, THE SUBSCRIPTION AGENT.

DLH HOLDINGS CORP.
INCORPORATED UNDER THE LAWS OF NEW JERSEY

RIGHTS CERTIFICATE
EVIDENCING NON-TRANSFERABLE RIGHTS TO PURCHASE SHARES OF COMMON STOCK
SUBSCRIPTION PRICE: \$ _____ PER SHARE
VOID IF NOT EXERCISED ON OR BEFORE THE RIGHTS EXPIRATION DATE (AS SET FORTH IN THE PROSPECTUS)

Evidencing Subscription Rights, each to Purchase ___ Shares of Common Stock of DLH Holdings Corp. at Subscription Price: \$ _____ per Share

THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED ON OR BEFORE 5:00 P.M., EASTERN TIME, ON _____, 2016, UNLESS EXTENDED BY THE COMPANY. THIS CERTIFIES THAT

The registered owner whose name is inscribed hereon is the owner of the number of subscription rights ("**Rights**") set forth on the face of this Rights Certificate. Each whole Right entitles the holder thereof, or its assigns, to subscribe for and purchase _____ shares of common stock, with a par value of \$0.001 per share (the "Shares") of DLH Holdings Corp., a New Jersey corporation (the "**Company**"), at a subscription price of \$ _____ per Share (the "**Basic Subscription Right**"), pursuant to a rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Prospectus and the "Instructions as to the Use of DLH Holdings Corp. Rights Certificates" accompanying this Rights Certificate. The Rights expire at 5:00 p.m. on _____, 2016, unless extended. If any Shares available for purchase in the Rights Offering are not purchased by other holders of Rights pursuant to the exercise of their Basic Subscription Right (the "**Excess Shares**"), any Rights holder that exercises its Basic Subscription Right in full may subscribe for a number of Excess Shares pursuant to the terms and conditions of the Rights Offering, subject to allocation and proration, as described in the Prospectus (the "**Over-Subscription Privilege**"). The Company has implemented a limitation upon the subscription rights in the Over-Subscription Privilege which may be exercised by each subscriber in the Rights Offering. By signing the subscription Form of Election to Purchase, the subscriber agrees that:

- the subscriber shall not have the right to purchase in the Over-Subscription Privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by such subscriber as of the Record Date; and
- the Company shall have the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

The Rights represented by this Rights Certificate may be exercised by completing the Form of Election to Purchase on the reverse side hereof and by returning the full payment of the subscription price for each Share in accordance with the "Instructions as to the Use of DLH Holdings Corp. Rights Certificates" that accompanies this Rights Certificate. The Rights evidenced by this Rights Certificate may not be transferred or sold.

This Rights Certificate is not valid unless countersigned by the transfer agent and registered by the registrar.

Dated: _____, 2016

WITNESS the facsimile signature of a duly authorized officer of DLH Holdings Corp.

DLH HOLDINGS CORP., COUNTERSIGNED AND REGISTERED

By: _____

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CONTINENTAL STOCK TRANSFER & TRUST COMPANY

By: _____

FORM OF ELECTION TO PURCHASE

Delivery other than in the manner or to the address listed below will not constitute valid delivery. If delivering by mail, hand or overnight courier:

Continental Stock Transfer & Trust Company
17 Battery Place—8th Floor
New York, NY 10004
Attn: Corporate Actions Department

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY.

FORM 1 – EXECISE OF SUBSCRIPTION RIGHTS

The registered holder of this Rights Certificate is entitled to exercise the number of Rights shown in the upper right hand corner of the Rights Certificate and may subscribe for additional shares of common stock of DLH Holdings Corp. pursuant to the Over-Subscription Privilege upon the terms and conditions specified in the Prospectus. The undersigned hereby notifies the Subscription Agent of its irrevocable election to subscribe for shares of common stock in the following amounts: To subscribe for shares of common stock pursuant to your Basic Subscription Right, please complete lines (a) and (c) and sign below. To subscribe for shares of common stock pursuant to your Over-Subscription Privilege, please also complete line (b).

(a) EXERCISE OF BASIC SUBSCRIPTION RIGHT: I subscribe for _____ (No. of shares of common stock) x \$ _____ (Subscription Price) = \$ _____ (Payment)

(b) EXERCISE OF OVER-SUBSCRIPTION PRIVILEGE: If you have exercised your Basic Subscription Right in full and wish to subscribe for additional shares of common stock pursuant to your Over-Subscription Privilege: I subscribe for _____ (No. of shares of common stock) x \$ _____ (Subscription Price) = \$ _____ (Payment)

(c) Total Amount of Payment Enclosed \$ _____

METHOD OF PAYMENT (check one):

- Cashier's Check or Check on a U.S. Bank payable to "Continental Stock Transfer and Trust Co. as Subscription Agent"
- Wire Transfer of immediately available funds directly to the account, maintained by Continental Stock Transfer & Trust Company, as Subscription Agent, for purposes of accepting subscription in the rights offering at JP Morgan Chase Bank ABA: 021000021, Account 475-587758, Account Name: Continental Stock Transfer and Trust as agent for DLH Holdings Corp.

The Company has implemented a limitation upon the subscription rights in the over-subscription privilege which may be exercised by the subscribers in the rights offering. As a condition to the rights offering, and by signing the Election To Purchase, the subscriber understands and agrees that: (i) the subscriber shall not have the right to purchase in the over-subscription privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by such subscriber as of the Record Date; and (ii) the Company shall the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

FORM 2 — DELIVERY TO DIFFERENT ADDRESS

If you wish for the Common Stock underlying your Rights to be delivered to an address different from that shown on the face of this Non-Transferable Subscription Rights Certificate, please enter the alternate address below, sign under Form 3 and have your signature guaranteed under Form 4.

FOR INSTRUCTIONS ON THE USE OF NON-TRANSFERABLE RIGHTS CERTIFICATES CONSULT CONTINENTAL STOCK TRANSFER & TRUST CO, THE INFORMATION AGENT, AT (917) 262-2378. THE RIGHTS OFFERING EXPIRES AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2016, AND THIS NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE IS VOID THEREAFTER.

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FORM 3 - SIGNATURE(S)

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for the rights offering and I hereby irrevocably subscribe for the number of shares indicated under Form 1 above on the terms and conditions specified in the Prospectus. This Form 3 must be signed by the registered holder(s) exactly as their name(s) appear(s) on the certificate(s) or by person(s) authorized to sign on behalf of the registered holder(s) by documents transmitted herewith.

Signature(s) of Subscriber(s)

Signature(s) of Subscriber(s)

Date:

Daytime Telephone Number:

IMPORTANT: the signature(s) must correspond with the name(s) as printed on the reverse of this non-transferable subscription certificate in every particular, without alteration or enlargement or any other change whatsoever.

If signature is by trustee(s), executor(s), administrator(s), guardian(s), attorney(s)-in-fact, agent(s), officer(s) of a corporation or another acting in a fiduciary or representative capacity, please provide the following information (please print). See the instructions.

Name(s): _____

Capacity (Full Title): _____

FORM 4 - SIGNATURE GUARANTEE

This form must be completed if you have completed any portion of Form 2.

Signature

Guaranteed: _____

(Name of Bank or Firm)

By: _____

(Signature of Officer)

IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

Subscription Agent Agreement

THIS SUBSCRIPTION AGENT AGREEMENT ("Agreement") between DLH Holdings Corp., a New Jersey corporation (the "Company"), and Continental Stock Transfer & Trust Company ("Continental"), is dated as of _____, 2016. This agreement also appoints Continental as Information Agent for the beneficial holders. In this capacity, Continental will coordinate with brokers and or their agents disbursement of offering material and offering information as required.

1. Appointment.

(a) The Company is making an offer (the "Subscription Offer") to issue to the holders of record of its outstanding shares of Common Stock par value \$0.001 per share (the "Common Stock"), at the close of business on _____, 2016 (the "Record Date"), the right to subscribe for and purchase (each a "Right") shares of Common Stock (the "Additional Common Stock") at a purchase price of \$_____ per share of Additional Common Stock (the "Subscription Price"), payable by cashier's or certified check, upon the terms and conditions set forth herein. The term "Subscribed" shall mean submitted for purchase from the Company by a stockholder in accordance with the terms of the Subscription Offer, and the term "Subscription" shall mean any such submission.

(b) The Subscription Offer will expire at 5:00 pm on _____, 2016, New York City Time, on (the "Expiration Time"), unless the Company shall have extended the period of time for which the Subscription Offer is open, in which event the term "Expiration Time" shall mean the latest time and date at which the Subscription Offer, as so extended by the Company from time to time, shall expire.

(c) The Company filed a Registration Statement (SEC File 333-212380) relating to the Additional Common Stock with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on July 1, 2016 and as amended on _____, 2016. Said Registration Statement was declared effective on _____day, _____, 2016. The terms of the Additional Common Stock are more fully described in the Prospectus forming part of the Registration Statement as it was declared effective, and the accompanying Letter of Instruction. Copies of the Prospectus, the Letter of Instruction and the Notice of Guaranteed Delivery are attached hereto as Exhibit 1, Exhibit 2 and Exhibit 3, respectively. All terms used and not defined herein shall have the same meaning as in the Prospectus. Promptly after the Record Date, the Company will provide Continental with a list of holders of Common Stock as of the Record Date (the "Record Stockholders List").

(d) The Company hereby appoints Continental to act as subscription agent (the "Subscription Agent") for the Subscription Offer in accordance with and subject to the following terms and conditions.

2. Subscription of Rights.

(a) The Rights are evidenced by non-transferable subscription certificates (the "Certificates"), a copy of the form of which is attached hereto as Exhibit 4. The Certificates entitle the holders to subscribe, upon payment of the Subscription Price, for shares of Additional Common Stock at the rate of one share for each ____ Rights evidenced by a Certificate (the "Basic Subscription Privilege"). No fractional shares will be issued. In the event that the number of Rights submitted by a holder are exercisable for a number of shares that is not a whole number, the number of shares of Common Stock issuable to such holder will be rounded down to the nearest whole share.

(b) The Subscription Offer provides that subscribing stockholders, and only those subscribing stockholders who were stockholders on the Record Date and who exercise their Rights in full, may exercise an over-subscription right as more fully described in the Registration Statement (the "Over-subscription Right"). This Over-subscription Right provides subscribing stockholders who were stockholders on the Record Date and who exercise their Rights in full the ability to purchase a portion of the shares of Common Stock that were not purchased by other stockholders. The Over-subscription Right is subject to certain limitations, however, and no subscribing stockholder will be permitted to purchase shares of Additional Common Stock in excess of the number of shares of Common Stock beneficially owned by such stockholder as of the Record Date of the Subscription Offer. Further, the Over-subscription Right is also subject to allocation by the Company in the event sufficient shares of Common Stock are not available to stockholders seeking to exercise an Over-subscription Right. Accordingly, Continental shall, after the initial allocation of Additional Common Stock to those stockholders exercising their Basic Subscription Right, allocate any remaining Basic Subscription Rights, as more fully described in the Registration Statement.

3. Duties of Subscription Agent. As Subscription Agent, Continental is authorized and directed to:

(a) Issue the Certificates in accordance with this Agreement in the names of the holders of the Common Stock of record on the Record Date, keep such records as are necessary for the purpose of recording such issuance, and furnish a copy of such records to the Company. The Certificates may be signed on behalf of the Subscription Agent by the manual or facsimile signature of a Vice President or Assistant Vice President of the Subscription Agent, or by the manual signature of any of its other authorized officers.

(b) Promptly after Continental receives the Record Stockholders List, Continental shall:

(i) mail or cause to be mailed, by first class mail, to each holder of Common Stock of record on the Record Date whose address of record is within the United States and Canada, (i) a Certificate evidencing the Rights to which such stockholder is entitled under the Subscription Offer, (ii) a copy of the Prospectus, (iii) a Letter of Instruction, (iv) a Notice of Guaranteed Delivery, and (v) a return envelope addressed to the Subscription Agent; and

(ii) mail or cause to be mailed, by air mail, to each holder of Common Stock of record on the Record Date whose address of record is outside the United States and Canada, or is an A.P.O. or F.P.O. address, (i) a copy of the Prospectus, (ii) a Notice of Guaranteed Delivery, and (iii) a Letter of Instruction (different from the Letter of Instruction sent to stockholders whose address of record is within the United States and Canada). Continental shall refrain from mailing Certificates issuable to any holder of Common Stock of record on the Record Date whose address of record is outside the United States and Canada, or is an A.P.O. or F.P.O. address, and hold such Certificates for the account of such stockholder subject to such stockholder making satisfactory arrangements with the Subscription Agent for the exercise or other disposition of the Rights evidenced thereby, and follow the instructions of such stockholder for the exercise, sale or other disposition of such Rights if such instructions are received at or before 11:00 a.m., New York City Time, on _____ day, _____, 2016.

(c) Mail or deliver a copy of the Prospectus (i) to each assignee or transferee of Certificates upon receiving appropriate documents to register the assignment or transfer thereof if the Certificates are transferable, and (ii) with certificates for shares of Additional Common Stock when such are issued to persons other than the registered holder of the Certificate.

(d) Accept Subscriptions upon the due exercise (including payment of the Subscription Price) on or prior to the Expiration Time of Rights in accordance with the terms of the Certificates and the Prospectus.

(e) Subject to the next sentence, accept Subscriptions from stockholders whose Certificates are alleged to have been lost, stolen or destroyed upon receipt by Continental of an affidavit of theft, loss or destruction and a bond of indemnity in form and substance satisfactory to Continental, accompanied by payment of the Subscription Price for the total number of shares of Additional Common Stock Subscribed for. Upon receipt of such affidavit and bond of indemnity and compliance with any other applicable requirements, stop orders shall be placed on said Certificates and Continental

shall withhold delivery of the shares of Additional Common Stock subscribed for until after the Certificates have expired and it has been determined that the Rights evidenced by the Certificates have not otherwise been purported to have been exercised or otherwise surrendered.

(f) Accept Subscriptions, without further authorization or direction from the Company, without procuring supporting legal papers or other proof of authority to sign (including without limitation proof of appointment of a fiduciary or other person acting in a representative capacity), and without signatures of co-fiduciaries, co-representatives or any other person:

(i) if the Certificate is registered in the name of a fiduciary and is executed by, and the Additional Common Stock is to be issued in the name of, such fiduciary;

(ii) if the Certificate is registered in the name of joint tenants and is executed by one of the joint tenants, provided the certificate representing the Additional Common Stock is issued in the names of, and is to be delivered to, such joint tenants;

(iii) if the Certificate is registered in the name of a corporation and is executed by a person in a manner which appears or purports to be done in the capacity of an officer, or agent thereof, provided the Additional Common Stock is to be issued in the name of such corporation; or

(iv) if the Certificate is registered in the name of an individual and is executed by a person purporting to act as such individual's executor, administrator or personal representative, provided, the Additional Common Stock is to be registered in the name of the subscriber as executor or administrator of the estate of the deceased registered holder and there is no evidence indicating the subscriber is not the duly authorized representative that he purports to be.

(g) Accept Subscriptions not accompanied by Certificates if submitted by a firm having membership in the New York Stock Exchange or another national securities exchange or by a commercial bank or trust company having an office in the United States together with the Notice of Guaranteed Delivery and accompanied by proper payment for the total number of shares of Additional Common Stock Subscribed for.

(h) Accept Subscriptions even though unaccompanied by Certificates, under the circumstances and in compliance with the terms and conditions set forth in the Prospectus under the heading "Procedures for DTC Participants."

(i) Refer to the Company for specific instructions as to acceptance or rejection, Subscriptions received after the Expiration Time, Subscriptions not authorized to be accepted pursuant to this Paragraph 1, and Subscriptions otherwise failing to comply with the requirements of the Prospectus and the terms and conditions of the Certificates.

4. Acceptance of Subscriptions. Upon acceptance of a Subscription, Continental shall:

(a) Hold all monies received in a special account for the benefit of the Company. Promptly following the Expiration Time Continental shall distribute to the Company the funds in such account and issue certificates for shares of Additional Common Stock issuable with respect to Subscriptions that have been accepted. Continental will not be obligated to calculate or pay interest to any holder or any other party claiming through a holder or otherwise. It is hereby agreed immediately following the effective date of the Subscription, immediately available funds, represented by certified check, money order, or wire transfer but not personal check, will be deposited with Continental.

(b) Advise the Company daily by telecopy and confirm by letter to the attention of Kathryn M. JohnBull, Chief Financial Officer (the "Company Representative") as to the total number of shares of Additional Common Stock Subscribed for, total number of Rights sold, total number of Rights partially Subscribed for and the amount of funds received, with cumulative totals for each; and in addition advise the Company Representative, by telephone at (678) 935-1520, confirmed by telecopy, of the amount of funds received identified in accordance with (a) above, deposited, available or transferred in accordance with (a) above, with cumulative totals; and

(c) As promptly as possible but in any event on or before 3:30 p.m., New York City Time, on the first full business day following the Expiration Time, advise the Company Representative in accordance with (b) above of the number of shares Subscribed for, the number of Subscription guarantees received and the number of shares of Additional Common Stock unsubscribed for.

5. Completion of Subscription Offer. Upon completion of the Subscription Offer:

(a) Continental shall requisition certificates from the Transfer Agent for the Common Stock for shares of Additional Common Stock for which Subscriptions have been received.

(b) The Certificates shall be issued in registered form only. The Company shall appoint and have in office at all times a Transfer Agent and Registrar for the Certificates, which may be Continental and which shall keep books and records of the registration and transfers and exchanges of Certificates (such books and records are hereinafter called the "Certificate Register"). The Company shall promptly notify the Transfer Agent and Registrar of the exercise of any Certificates. The Company shall promptly notify Continental of any change in the Transfer Agent and Registrar of the Certificates.

(c) All Certificates issued upon any registration of transfer or exchange of Certificates shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits under this Agreement, as the Certificates surrendered for such registration of transfer or exchange.

(d) Any Certificate when duly endorsed in blank shall be deemed negotiable, and when a Certificate shall have been so endorsed the holder thereof may be treated by the Company, Continental and all other persons dealing therewith as the absolute owner thereof for any purpose and as the person entitled to exercise the rights represented thereby, any notice to the contrary notwithstanding, but until such transfer is registered in the Certificate Register, the Company and Continental may treat the registered holder thereof as the owner for all purposes.

(e) For so long as this Agreement shall be in effect, the Company will reserve for issuance and keep available free from preemptive rights a sufficient number of shares of Additional Common Stock to permit the exercise in full of all Rights issued pursuant to the Subscription Offer. Subject to the terms and conditions of this Agreement, Continental will request the Transfer Agent for the Common Stock to issue certificates evidencing the appropriate number of shares of Additional Common Stock as required from time to time in order to effectuate the Subscriptions.

(f) The Company shall take any and all action, including without limitation obtaining the authorization, consent, lack of objection, registration or approval of any governmental authority, or the taking of any other action under the laws of the United States of America or any political subdivision thereof, to insure that all shares of Additional Common Stock issuable upon the exercise of the Certificates at the time of delivery of the certificates therefor (subject to payment of the Subscription Price) will be duly and validly issued and fully paid and non-assessable shares of Common Stock, free from all preemptive rights and taxes, liens, charges and security interests created by or imposed upon the Company with respect thereto.

(g) The Company shall from time to time take all action necessary or appropriate to obtain and keep effective all registrations, permits, consents and approvals of the Securities and Exchange Commission and any other governmental agency or authority and make such filings under Federal and state laws which may be necessary or appropriate in connection with the issuance, sale, transfer and delivery of Certificates or Additional Common Stock issued upon exercise of Certificates.

6. Procedure for Discrepancies. Continental shall follow its regular procedures to attempt to reconcile any discrepancies between the number of shares of Additional Common Stock that any Certificate may indicate are to be issued to a stockholder and the number that the Record Stockholders List indicates may be issued to such stockholder. In any instance where Continental cannot reconcile such discrepancies by following such procedures, Continental will consult with the Company for instructions as to the number of shares of Additional Common Stock, if any, it is authorized to issue. In the absence of such instructions, Continental is authorized not to issue any shares of Additional Common Stock to such stockholder.

7. Procedure for Deficient Items. Continental shall examine the Certificates received by it as Subscription Agent to ascertain whether they appear to have been completed and executed in accordance with the applicable Letter of Instruction. In the event Continental determines that any Certificate does not appear to have been properly completed or executed, or where the Certificates do not appear to be in proper form for Subscription, or any other irregularity in connection with the Subscription appears to exist, Continental shall follow, where possible, its regular procedures to attempt to cause such irregularity to be corrected. Continental is not authorized to waive any irregularity in connection with the Subscription, unless Continental shall have received from the Company the Certificate which was delivered, duly dated and signed by an authorized officer of the Company, indicating that any irregularity in such Certificate has been cured or waived and that such Certificate has been accepted by the Company. If any such irregularity is neither corrected nor waived, Continental will return to the subscribing stockholder (at its option by either first class mail under a blanket surety bond or insurance protecting Continental and the Company from losses or liabilities arising out of the non-receipt or nondelivery of Certificates or by registered mail insured separately for the value of such Certificates) to such stockholder's address as set forth in the Subscription any Certificates surrendered in connection therewith and any other documents received with such Certificates, and a letter of notice to be furnished by the Company explaining the reasons for the return of the Certificates and other documents.

8. Date/Time Stamp. Each document received by Continental relating to its duties hereunder shall be dated and time stamped when received.

9. Transfer Procedures. If certificates representing shares of Additional Common Stock are to be delivered by Continental to a person other than the person in whose name a surrendered Certificate is registered, Continental shall issue no certificate for Additional Common Stock until the Certificate so surrendered has been properly endorsed (or otherwise put in proper form for transfer).

10. Tax Reporting. Should any issue arise regarding federal income tax reporting or withholding, Continental shall take such action as the Company reasonably instructs in writing.

11. Termination. The Company may terminate this Agreement at any time by so notifying Continental in writing. Continental may terminate this Agreement upon 30 days' prior notice to the Company. Upon any such termination, Continental shall be relieved and discharged of any further responsibilities with respect to its duties hereunder. Upon payment of all Continental's outstanding fees and expenses, Continental shall forward to the Company or its designee promptly any Certificate or other document relating to Continental's duties hereunder that Continental may receive after its appointment has so terminated. Sections 12, 13, 14 and 19 of this Agreement shall survive any termination of this Agreement.

12. Authorizations and Protections. As agent for the Company, Continental:

(a) shall have no duties or obligations other than those specifically set forth herein or as may subsequently be agreed to in writing by Continental and the Company;

(b) shall have no obligation to issue any shares of Additional Common Stock unless the Company shall have provided a sufficient number of certificates for such Additional Common Stock;

(c) shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of any Certificates surrendered to Continental hereunder or shares of Additional Common Stock issued in exchange therefor, and will not be required to or be responsible for and will make no representations as to, the validity, sufficiency, value or genuineness of the Subscription Offer;

(d) shall not be obligated to take any legal action hereunder; if, however, Continental determines to take any legal action hereunder, and where the taking of such action might, in Continental's judgment, subject or expose it

to any expense or liability Continental shall not be required to act unless it shall have been furnished with an indemnity satisfactory to it;

(e) may rely on and shall be fully authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, telegram, telex, facsimile transmission or other document or security delivered to Continental and believed by it to be genuine and to have been signed by the proper party or parties;

(f) shall not be liable or responsible for any recital or statement contained in the Prospectus or any other documents relating thereto;

(g) shall not be liable or responsible for any failure on the part of the Company to comply with any of its covenants and obligations relating to the Subscription Offer, including without limitation obligations under applicable securities laws;

(h) may rely on and shall be fully authorized and protected in acting or failing to act upon the written, telephonic or oral instructions of officers of the Company with respect to any matter relating to Continental acting as Subscription Agent covered by this Agreement (or supplementing or qualifying any such actions);

(i) may consult with counsel satisfactory to Continental, including internal counsel, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by Continental hereunder in good faith and in reliance upon the advice of such counsel; and

(j) are not authorized, and shall have no obligation, to pay any brokers, dealers, or soliciting fees to any person.

13. Indemnification. The Company agrees to indemnify Continental for, and hold it harmless from and against, any loss, liability, claim or expense ("Loss") arising out of or in connection with Continental's performance of its duties under this Agreement or this appointment, including the costs and expenses of defending itself against any Loss or enforcing this Agreement, except to the extent that such Loss shall have been determined by a court of competent jurisdiction to be a result of Continental's gross negligence or intentional misconduct.

14. Limitation of Liability.

(a) In the absence of gross negligence or intentional misconduct on its part, Continental shall not be liable for any action taken, suffered, or

omitted by it or for any error of judgment made by it in the performance of its duties under this Agreement. Anything in this agreement to the contrary notwithstanding, in no event shall Continental be liable for special, indirect, incidental or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if Continental has been advised of the likelihood of such damages and regardless of the form of action. Any liability of Continental will be limited to the amount of fees paid by the Company hereunder.

(b) In the event any question or dispute arises with respect to the proper interpretation of this Agreement or Continental's duties hereunder or the rights of the Company or of any holders surrendering certificates for Shares pursuant to the Subscription Offer, Continental shall not be required to act and shall not be held liable or responsible for refusing to act until the question or dispute has been judicially settled (and Continental may, if it deems it advisable, but shall not be obligated to, file a suit in interpleader or for a declaratory judgment for such purpose) by final judgment rendered by a court of competent jurisdiction, binding on all stockholders and parties interested in the matter which is no longer subject to review or appeal, or settled by a written document in form and substance satisfactory to Continental and executed by the Company and each such stockholder and party. In addition, Continental may require for such purpose, but shall not be obligated to require, the execution of such written settlement by all the stockholders and all other parties that may have an interest in the settlement.

15. Representations, Warranties and Covenants. The Company represents, warrants and covenants that (a) it is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, (b) the making and consummation of the Subscription Offer and the execution, delivery and performance of all transactions contemplated thereby (including without limitation this Agreement) have been duly authorized by all necessary corporate action and will not result in a breach of or constitute a default under the certificate of incorporation or bylaws of the Company or any indenture, agreement or instrument to which either is a party or is bound, (c) this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid, binding obligation of the Company, enforceable against the Company in accordance with its terms, (d) the Subscription Offer will comply in all material respects with all applicable requirements of law, and (e) to the best of their knowledge, there is no litigation pending or threatened as of the date hereof in connection with the Subscription Offer.

16. Notices. All notices, demands and other communications given pursuant to the terms and provisions hereof shall be in writing, shall be

deemed effective on the date of receipt, and may be sent by facsimile, overnight delivery services, or by certified or registered mail, return receipt requested to:

If to the Company:

DLH Holdings Corp.
3565 Piedmont Street, NE
Building 3, Suite 700
Atlanta, GA 30305
(678) 935-1520
(886) 415-3534 (fax)

with a copy to:

Becker & Poliakoff, LLP
45 Broadway, 8th Floor
New York, NY 10006
(212) 599-3322
(212) 557-0295 (fax)

If to Continental:

Continental Stock Transfer & Trust Company
17 Battery Place, 8th Floor
New York, NY 10004
212-509-4000
212-616-7616 (fax)

with a copy to:

17. Specimen Signatures. Set forth in Exhibit 5 hereto is a list of the names and specimen signatures of the persons authorized to act for the Company under this Agreement. The Secretary of the Company shall, from time to time, certify to Continental the names and signatures of any other persons authorized to act for the Company, as the case may be, under this Agreement.

18. Instructions. Any instructions given to Continental orally, as permitted by any provision of this Agreement, shall be confirmed in writing by

the Company as soon as practicable. Continental shall not be liable or responsible and shall be fully authorized and protected for acting, or failing to act, in accordance with any oral instructions which do not conform with the written confirmation received in accordance with this Section.

19. Fees. Whether or not any Certificates are surrendered to Continental, for its services as Subscription Agent hereunder, the Company shall pay to Continental a fee of \$_____, together with reimbursement for out-of-pocket expenses. All amounts owed to Continental hereunder are due upon receipt of the invoice.

20. Force Majeure. Continental shall not be liable for any failure or delay arising out of conditions beyond its reasonable control including, but not limited to, work stoppages, fires, civil disobedience, riots, rebellions, storms, electrical, mechanical, computer or communications facilities failures, acts of God or similar occurrences.

21. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to conflict of laws, rules or principles.

(b) No provision of this Agreement may be amended, modified or waived, except in writing signed by all of the parties hereto.

(c) Except as expressly set forth elsewhere in this Agreement, all notices, instructions and communications under this Agreement shall be in writing, shall be effective upon receipt and shall be addressed as provided in Section 16 to such other address as a party hereto shall notify the other parties in writing.

(d) In the event that any claim of inconsistency between this Agreement and the terms of the Subscription Offer arise, as they may from time to time be amended, the terms of the Subscription Offer shall control, except with respect to Continental's duties, liabilities and rights, including without limitation compensation and indemnification, which shall be controlled by the terms of this Agreement.

(e) If any provision of this Agreement shall be held illegal, invalid, or unenforceable by any court, this Agreement shall be construed and enforced as if such provision had not been contained herein and shall be deemed an Agreement among the parties hereto to the full extent permitted by applicable law.

(f) This Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the respective successors and assigns of the parties hereto.

(g) This Agreement may not be assigned by any party without the prior written consent of all parties.

(h) Sections 12, 13, 14 and 19 hereof shall survive termination of this Agreement.

(Signature page follows)

**Signature Page
to
Subscription Agent Agreement**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year above written.

**Continental Stock Transfer &
Trust Company, as Subscription
Agent**

By: _____

Name: _____

Title: _____

DLH HOLDINGS CORP.

By: _____

Name:

Title:

- Exhibit 1 Prospectus
- Exhibit 2 Letter of Instruction
- Exhibit 3 Notice of Guaranteed Delivery
- Exhibit 4 Form of Certificate
- Exhibit 5 List of Authorized Representatives

Exhibit 1
to
Subscription Agent Agreement
Prospectus

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Exhibit 2
to
Subscription Agent Agreement
Letter of Instruction

{N0110978 }

Exhibit 3
to
Subscription Agent Agreement
Notice of Guaranteed Delivery

Exhibit 4
to
Subscription Agent Agreement
Form of Certificate

{N0110978 }

Exhibit 5
to
Subscription Agent Agreement
List of Authorized Representatives

<u>Authorized Representative</u>	<u>Specimen Signature</u>
Zachary C. Parker Chief Executive Officer	/s/ _____
Kathryn M. JohnBull Chief Financial Officer	/s/ _____

August 10, 2016

DLH Holdings Corp.
3565 Piedmont Road, N.E.
Building 3 – Suite 700
Atlanta, Georgia 30305

Re: DLH Holdings Corp.
Rights Offering
Registration Statement on Form S-3
SEC Registration File 333- 212380

Ladies and Gentlemen:

We have acted as counsel to DLH Holdings Corp., a New Jersey corporation (the “Company”), in connection with the Company’s Registration Statement on Form S-3 (SEC File No. 333-212380), as amended to the date hereof (the “Registration Statement”), filed with the Securities and Exchange Commission (the “Commission”) pursuant to the Securities Act of 1933, as amended (the “Securities Act”). The Registration Statement includes a prospectus (the “Prospectus”) to be furnished to shareholders of the Company as of the record date as stated therein in connection with the distribution by the Company to its stockholders of non-transferable subscription rights (the “Subscription Rights”) entitling the holders thereof to purchase up to an aggregate of 710,455 shares (the “Rights Shares”) of common stock, par value \$0.001 per share (the “Common Stock”), of the Company (the “Rights Offering”). The Registration Statement relates to the issuance for no consideration of the Subscription Rights and the Rights Shares that may be issued and sold by the Company upon exercise of the Subscription Rights.

In arriving at the opinions expressed below, we have examined and relied upon the originals, or photostatic or certified copies, of (i) the Registration Statement, as filed with the Commission under the Act on the date hereof; (ii) the Prospectus; (iii) the Certificate of Incorporation of the Company, as amended to date; (iv) the By-laws of the Company, as amended to date; (v) minutes of meetings of the Board of Directors of the Company and stock record books of the Company as provided to us by the Company; and (vi) such other records of the Company and certificates of officers of the Company, of public officials and of such other documents as we have deemed relevant and necessary as the basis for the opinions set forth below. In our examination, we have assumed the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies.

The opinions set forth herein are subject to the following assumptions, qualifications, limitations and exceptions. We render no opinion herein as to matters involving the laws of any jurisdiction other than the New Jersey Business Corporation Act (which includes New Jersey statutory provisions and

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reported judicial decisions interpreting the New Jersey Business Corporation Act) and the federal law of the United States of America. The opinions set forth herein are made as of the date hereof, and we assume no obligation to supplement this opinion letter if any applicable laws change after the date hereof or if we become aware after the date hereof of any facts that might change the opinions express herein.

Based upon the foregoing examination and in reliance thereon, and subject to the assumptions stated in this opinion, our consideration of those questions of law we considered relevant, in reliance on statements of fact contained in the documents that we have examined, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. the Subscription Rights have been duly authorized and, when issued, will be the valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors' rights generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity); and
2. the Rights Shares have been duly authorized and, when issued and delivered against payment therefor upon due exercise of Subscription Rights as contemplated in the Prospectus, the Rights Shares will be validly issued, and fully paid and non-assessable.

No opinion may be implied or inferred beyond the opinions expressly stated in the numbered paragraphs above. We have no obligation to update this opinion or to advise you after the date hereof of facts or circumstances that come to our attention or changes in law or any other matters that occur which could affect the opinions and other statements contained herein. This Opinion may be relied upon by Continental Stock Transfer & Trust Company as registrar and transfer agent to the Company and subscription agent with respect to the Rights Offering, however, this opinion may not be relied upon, furnished or quoted by you for any other purpose without our prior written consent.

We consent to the filing of this opinion as an exhibit to the Registration Statement in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act and to the use of our name therein and in the related prospectus under the caption "Legal Matters." In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission. As stated in the prospectus contained in the Registration Statement, principals of the firm of Becker & Poliakoff LLP, own shares of common stock of the Company and will be eligible to participate in the Rights Offering upon the same terms and conditions as other beneficial owners of our common stock.

Very truly yours,

/s/ Becker & Poliakoff, LLP

Becker & Poliakoff, LLP

STANDBY PURCHASE AGREEMENT

This **STANDBY PURCHASE AGREEMENT** (this "**Agreement**"), dated as of _____, 2016, is by and among DLH Holdings Corp. (the "**Company**"), and Wynnefield Capital, Inc.

WITNESSETH:

WHEREAS, the Company proposes pursuant to the Registration Statement (as defined herein), to commence an offering to holders of its common stock, par value \$0.001 per share (the "**Common Stock**"), of record as of the close of business on August 19, 2016 (the "**Record Date**"), of non-transferable rights (the "**Rights**") to subscribe for and purchase additional shares of Common Stock (the "**Rights Offering**"); and

WHEREAS, pursuant to the Rights Offering, the Company will distribute to each of its shareholders of record as of the Record Date, at no charge, one Right for each share of Common Stock held by such shareholders as of the Record Date; each Right will entitle the holder to purchase up to 0.06827 shares of Common Stock for a purchase price of \$3.73 per whole share ("**Share**") (the "**Subscription Price**");

WHEREAS, each holder of Rights who exercises in full its Rights in the Rights Offering (the "**Basic Subscription Privilege**") will be entitled to subscribe for additional shares of Common Stock to the extent they are available, at the Subscription Price (the "**Over-Subscription Privilege**") in proportion to the number of shares of Common Stock owned by each such holder on the Record Date, relative to the number of shares owned on the Record Date by all shareholders exercising the Over-Subscription Privilege; and

WHEREAS, in order to facilitate the Rights Offering, the Company has requested the Standby Purchaser to agree, and the Standby Purchaser has agreed, to acquire up to 670,241 shares of Common Stock from the Company at the Subscription Price, or an aggregate of \$2,500,000, upon the terms and conditions set forth herein (the "**Committed Offering**"); and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Certain Other Definitions. The following terms used herein shall have the meanings set forth below:

"**Affiliate**" shall mean an affiliate (as defined in Rule 12b-2 under the Exchange Act) of such Standby Purchaser; provided that the Standby Purchaser or any of his affiliates exercises investment authority with respect to such affiliate, including, without limitation, voting and dispositive rights with respect to such affiliate.

"**Agreement**" shall have the meaning set forth in the preamble hereof.

"**Basic Subscription Privilege**" shall have the meaning set forth in the recitals hereof.

"**Board**" shall mean the Board of Directors of the Company.

"**Business Day**" shall mean any day that is not a Saturday, a Sunday or a day on which banks are generally closed in the State of New York.

"**Closing**" shall mean the closing of the purchases described in Section 2 hereof, which shall be held at the offices of Continental Stock Transfer Company, at 10:00 a.m., Eastern Time, on the Closing Date or at such other place and time as shall be agreed upon by the parties hereto, and in no event more than five (5) business days after completion of the Rights Offering.

“**Closing Date**” shall mean the date of the Closing.

“**Commission**” shall mean the United States Securities and Exchange Commission, or any successor agency thereto.

“**Committed Offering**” shall have the meaning set forth in the recitals hereof.

“**Common Stock**” shall have the meaning set forth in the recitals hereof.

“**Company**” shall have the meaning set forth in the preamble hereof.

“**Cure Period**” shall have the meaning set forth in Section 8(a) hereof.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder.

“**Material Adverse Effect**” shall mean a material adverse effect on the financial condition, or on the earnings, financial position, shareholders’ equity, operations, assets, results of operations, regulatory compliance or business of the Company and the Subsidiaries taken as a whole; provided that the meaning shall exclude any changes from general economic, industry, market or competitive conditions or changes in laws, rules or regulations generally affecting Persons of similar size operating in the Company’s industry so long as such change does not materially disproportionately adversely affect the Company and the Subsidiaries taken as a whole as compared to such other Persons in the industry.

“**Over-Subscription Privilege**” shall have the meaning set forth in the recitals hereof.

“**Permitted Assignee**” shall mean an affiliated entity of any Standby Purchaser who agrees to be bound by the terms hereof.

“**Person**” shall mean an individual, corporation, partnership, association, joint stock company, limited liability company, joint venture, trust, governmental entity, unincorporated organization or other legal entity.

“**Prospectus**” shall mean the final Prospectus, including any information relating to the offer and sale of Rights and Common Stock including the offer and sale of Common Stock to the Standby Purchaser, that is filed with the Commission pursuant to Rule 424(b) and deemed by virtue of Rule 430A of the Securities Act to be part of such Registration Statement, each as amended, for use in connection with the offer and sale of such securities.

“**Record Date**” shall have the meaning set forth in the recitals hereof.

“**Registration Statement**” shall mean the Company’s Registration Statement on Form S-3 initially filed with the Commission on July 1, 2016, as amended, together with all exhibits thereto and the Prospectus and any prospectus supplement, relating to the offer and sale of Rights and Common Stock in the Rights Offerings including (subject to Section 2(a) and the limitations under Section 4(b)) the offer and sale of Common Stock to the Standby Purchaser, pursuant to which the offer and sale of such securities have been registered pursuant to the Securities Act.

“**Rights**” shall have the meaning set forth in the recitals hereof.

“**Rights Offering**” shall have the meaning set forth in the recitals hereof.

“**Securities Act**” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

“**Standby Purchaser**” shall mean the Standby Purchaser named in the recitals hereof.

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“**Subscription Price**” shall have the meaning set forth in the recitals hereof.

“**Subsidiary**” or “**Subsidiaries**” shall mean DLH Solutions, Inc., Danya International, LLC and any other direct or indirect subsidiary of the Company.

Section 2. Standby Purchase Commitment.

(a) The Standby Purchaser hereby agrees to purchase from the Company, and the Company hereby agrees to sell to the Standby Purchaser, at the Subscription Price, up to 670,241 shares of Common Stock in the Committed Offering, if and only to the extent that such shares of Common Stock are available after the exercise of the Basic Subscription Privilege and the Over-Subscription Privilege.

(b) Payment shall be made to the Company by the Standby Purchaser, on the Closing Date, against delivery of the Common Stock purchased by the Standby Purchaser, in United States dollars by means of certified or cashier’s checks, bank drafts, money orders or wire transfers.

Section 3. Representations and Warranties of the Company. The Company represents and warrants to the Standby Purchaser as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey and has all requisite corporate power and authority to carry on its business as now conducted.

(b) This Agreement has been duly and validly authorized, executed and delivered by the Company and constitutes a binding obligation of the Company enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors’ rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) Prior to Closing, the Registration Statement will have been declared effective by the Commission and no stop order will have been issued with respect thereto and no proceedings therefore will have been initiated or, to the knowledge of the Company, threatened by the Commission, and any request on the part of the Commission for additional information will have been complied with. On the effective date, the Registration Statement will comply in all material respects with the requirements of the Securities Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. On the Closing Date, the Registration Statement and the Prospectus will not include an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or the Prospectus made in reliance upon and in conformity with the information furnished to the Company in writing by the Standby Purchaser expressly for use in the Registration Statement or in the Prospectus pursuant to Section 6(c) below.

(d) All of the shares of Common Stock issued in the Rights Offering will have been duly authorized for issuance prior to the Closing, and, when issued and distributed as set forth in the Prospectus, will be validly issued, fully paid and non-assessable; and none of the shares of Common Stock issued in the Rights Offering will have been issued in violation of the preemptive rights of any security holders of the Company arising as a matter of law or under or pursuant to the Company’s Articles of Incorporation (as amended through the Closing Date), Amended and Restated Bylaws, or any material agreement or instrument to which the Company is a party or by which it is bound.

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(e) Neither the Company nor any Subsidiary is in violation of its charter, certificate of trust or by-laws or in default under any agreement, indenture or instrument to which the Company or any Subsidiary is a party, the effect of which violation or default could reasonably be expected to have a Material Adverse Effect on the Company and the Subsidiaries taken as a whole, and the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not conflict with, or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the assets of the Company or any Subsidiary pursuant to the terms of any agreement, indenture or instrument to which the Company or any Subsidiary is a party which lien, charge or encumbrance could reasonably be expected to have a Material Adverse Effect on the Company and the Subsidiaries taken as a whole, or result in a violation of the articles of incorporation, charter, or by-laws of the Company or any Subsidiary or any order, rule or regulation of any court or governmental agency having jurisdiction over the Company, any Subsidiary or any of their property; and, except as required by the Securities Act, the Exchange Act, and applicable state securities law, no consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the execution, delivery and performance of this Agreement.

(f) The Company and the Subsidiaries have taken all actions necessary to ensure that the transactions contemplated by this Agreement, individually or in the aggregate, shall not give rise to a change in control under, or result in the breach or the violation of, or the acceleration of any right under, or result in any additional rights, or the triggering of any rights of first refusal, preferential purchase or similar rights with respect to any securities of the Company, anti-dilution adjustment under any contract or agreement to which the Company or any Subsidiary is a party, including, without limitation, any employment agreement or employee benefit plan of the Company or any Subsidiary. Such actions may include, without limitation, having any such contracts or agreements or rights granted under any such contract or agreement waived in writing or amended prior to Closing.

(g) The Company's Board of Directors has approved this Agreement and the transactions contemplated by this Agreement to the extent required by the laws, regulations and policies of the State of New Jersey and the Nasdaq Capital Market, and such laws, regulations and policies do not require that the Company's shareholders approve the Agreement and the transactions contemplated by the Agreement.

(h) The Prospectus and the Rights Offering subscription documents contain adequate and appropriate disclosure and binding covenants limiting shareholders in the Over-Subscription Privilege to a number of shares equal to 100% of the shares owned by such shareholder as of the Record Date.

Section 4. Representations and Warranties of the Standby Purchaser. The Standby Purchaser (and any Permitted Assignee for an on behalf of itself as if it were executing this Agreement) represents and warrants to the Company as follows:

(a) Each Standby Purchaser has the relevant entity power and authority to perform its obligations under this Agreement.

(b) The Standby Purchaser is acquiring the shares of Common Stock purchased hereunder for its own account, with the intention of holding such securities for investment and with no present intention of participating, directly or indirectly, in a distribution of such securities. The Standby Purchaser understands that the shares of Common Stock purchased by it hereunder shall be deemed "restricted securities" under the Securities Act and shall bear a restrictive legend to that effect.

(c) The Standby Purchaser is familiar with the business in which the Company is engaged, and based upon its knowledge and experience in financial and business matters, it is familiar with the investments of the type that it is undertaking to purchase; it is fully aware of the problems and risks involved in making an investment of this type; and it is capable of evaluating the merits and risks of this

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investment. The Standby Purchaser acknowledges that, prior to executing this Agreement, it has had the opportunity to ask questions of and receive answers or obtain additional information from a representative of the Company concerning the financial and other affairs of the Company.

(d) This Agreement has been duly and validly executed and delivered by such Standby Purchaser and constitutes a binding obligation of the Standby Purchaser enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(e) The Standby Purchaser understands that the Commission may express the position that shares of Common Stock purchased by the Standby Purchaser are deemed "restricted securities" as such term is defined in Rule 144 promulgated under the Securities Act ("Rule 144"), and they may not be sold except pursuant to Rule 144 or pursuant to a registration statement under the Securities Act. Further, the following legends (or similar language) shall be placed on such certificate(s) representing the shares of Common Stock:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

Section 5. Deliveries at Closing.

(a) At the Closing, the Company shall deliver to the Standby Purchaser a certificate or certificates representing the shares of Common Stock issued to the Standby Purchaser pursuant to Section 2 hereof.

(b) At the Closing, the Standby Purchaser shall deliver to the Company payment in an amount equal to the Subscription Price multiplied by the number of shares of Common Stock purchased by the Standby Purchaser.

Section 6. Covenants.

(a) Covenants. The Company agrees and covenants with the Standby Purchaser, between the date hereof and the earlier of the Closing Date or the effective date of any termination pursuant to Section 8 hereof, as follows:

(i) To use commercially reasonable efforts to effectuate the Rights Offering;

(ii) As soon as reasonably practicable after the Company is advised or obtains knowledge thereof, to advise the Standby Purchaser with a confirmation in writing, of (A) the time when the Prospectus or any amendment or supplement thereto has been filed, (B) the issuance by the Commission of any stop order, or of the initiation or threatening of any proceeding, suspending the

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effectiveness of the Registration Statement or any amendment thereto or any order preventing or suspending the use of any preliminary prospectus or the Prospectus or any amendment or supplement thereto, (C) the issuance by any state securities commission of any notice of any proceedings for the suspension of the qualification of the Common Stock for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for such purpose, (D) the receipt of any comments from the Commission directed toward the Registration Statement or any document incorporated therein by reference and (E) any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information. The Company will use its commercially reasonable efforts to prevent the issuance of any such order or the imposition of any such suspension and, if any such order is issued or suspension is imposed, to obtain the withdrawal thereof as promptly as possible;

(iii) To operate the Company's business in the ordinary course of business consistent with past practice;

(iv) To notify the Standby Purchaser, on a daily basis or at such time as the Standby Purchaser may request, of the aggregate number of subscriptions received pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege in the Rights Offering;

(v) Not to issue any shares of capital stock of the Company, or options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, securities convertible into or exchangeable for capital stock of the Company, or other agreements or rights to purchase or otherwise acquire capital stock of the Company, except for (i) shares of Common Stock issuable upon exercise of the Company's presently outstanding stock options or other issued and outstanding convertible or derivative securities as of the date hereof and (ii) restricted shares of Common Stock, options to purchase shares of Common Stock, or other awards made in the ordinary course of business and as authorized pursuant to the Company's 2016 Omnibus Equity Incentive Plan; and

(vi) filing on a timely basis all reports required to be filed by the Company pursuant to the Exchange Act, with such reports conforming in all material respects with the requirements of the Exchange Act and being true and correct in all material respects.

(b) Certain Acquisitions. Between the date hereof and the earlier of the Closing Date or the effective date of any termination pursuant to Section 8 hereof, the Standby Purchaser and his Affiliates shall not acquire any shares of Common Stock unless authorized to do so by the Company.

(c) Information. The Standby Purchaser agrees to furnish to the Company all information with respect to the Standby Purchaser that the Company may reasonably request in connection with the Prospectus and any such information furnished to the Company expressly for inclusion in the Prospectus by the Standby Purchaser shall not contain any untrue statement of material fact or omit to state a material fact required to be stated in the Prospectus or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Public Statements. Neither the Company nor the Standby Purchaser shall issue any public announcement, statement or other disclosure with respect to this Agreement or the transactions contemplated hereby without the prior consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed, except (i) if such public announcement, statement or other disclosure is required by applicable law or applicable stock market regulations, in which case the disclosing party shall consult in advance with respect to such disclosure with the other parties to the extent reasonably practicable, (ii) with respect to the filing by the Standby Purchaser of any Schedule 13D or Schedule 13G,

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or any amendment thereto, to which a copy of this Agreement may be attached as an exhibit thereto, or (iii) with respect to the filing by the Standby Purchaser of any Form 3, 4 or 5 under the Exchange Act.

(e) Regulatory Filing. If the Company or the Standby Purchaser determines a filing is or may be required under applicable law in connection with the transactions contemplated hereunder, the Company and the Standby Purchaser shall use commercially reasonable efforts to promptly prepare and file all necessary documentation and to effect all applications that are necessary or advisable under applicable law with respect to the transactions contemplated hereunder so that any applicable waiting period shall have expired or been terminated as soon as practicable after the date hereof.

(f) Expenses. On the earlier of the Closing Date and the termination of this Agreement, other than a termination under circumstances that are directly and solely attributable to a material breach of this Agreement by the Standby Purchaser, the Company shall reimburse the Standby Purchaser for all out-of-pocket fees and expenses incurred in connection with the transactions contemplated hereby, including due diligence efforts, the negotiation and preparation of documents relating to the transaction, the preparation and filing of regulatory applications and notices, and the undertaking of the transactions contemplated hereby, including, but not limited to, the fees and expenses of the Standby Purchaser's accounting, financial and investment banking advisors, legal counsel and credit review. Such reimbursement shall not exceed the sum of \$50,000.

(g) Due Diligence. Should the Standby Purchaser at any time request a financial institution to extend credit to the Standby Purchaser collateralized by securities of the Company, and should such financial institution request reasonable access to information concerning the Company in order to underwrite such credit request, then the Company shall grant such financial institution reasonable access to the information so requested.

(h) Nasdaq Listing Application. The Company will timely file a "Listing of Additional Shares Notification Form" with the Nasdaq Capital Market in connection with the Common Stock issued in the Rights Offering. The Company will use its best efforts to obtain, effect and maintain the listing of such securities on the Nasdaq Capital Market and will file with the Nasdaq Capital Market all documents and notices required by the Nasdaq Capital Market of companies that have securities that are listed on the Nasdaq Capital Market.

(i) Registration of Securities Issued to the Standby Purchaser. The Company will register under the Securities Act the shares of Common Stock offered and/or sold to the Standby Purchaser pursuant to this Rights Offering or this Agreement, and will maintain a current prospectus providing for the resale by the Standby Purchaser of such shares. If for any reason any offer or sale of such shares to the Standby Purchaser is not registered on the Registration Statement under the Securities Act or available for resale by the Standby Purchaser under the Prospectus, the Company shall as promptly as practicable enter into a registration rights agreement with the Standby Purchaser to provide for the registration for resale under the Securities Act within 120 days of such date of the shares Common Stock purchased by the Standby Purchaser hereunder and all other shares of Common Stock beneficially owned by the Standby Purchaser (except to the extent such other shares beneficially owned by the Standby Purchaser have previously been registered for resale by the Company and are covered by a current prospectus). Any such registration rights agreement shall include other reasonable terms pursuant to which the Company agrees to register, under the Securities Act and applicable state securities laws and regulations, the Standby Purchaser's resale of shares of Common Stock beneficially owned by any Standby Purchaser or its Affiliates, at no cost to the Standby Purchaser other than issued and customary brokerage commission and expenses.

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(j) **Indemnification.** Whether or not the transactions contemplated hereby are consummated, the Company agrees to indemnify and hold harmless each Standby Purchaser and each of their respective shareholders, members and general and limited partners and the respective officers, directors, employees, affiliates, advisors, agents, attorneys, accountants and consultants of each such entity and to hold each Standby Purchaser and such other persons and entities (each, an “**Indemnified Person**”) harmless from and against any and all losses, claims, damages, liabilities and expenses, joint or several, which any such person or entity may incur, have asserted against it or be involved in as a result of or arising out of or in any way related to this Agreement, the matters referred to herein, the proposed Committed Offering contemplated hereby, the use of proceeds thereunder or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any of such Indemnified Persons is a party thereto, and to reimburse each such Indemnified Person within five (5) business days of demand for any legal or other expenses incurred in connection with any of the foregoing; provided, however, that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent they have resulted from the bad faith, willful misconduct or gross negligence of such Indemnified Person.

(k) **Use of Proceeds.** The Company shall solely use the proceeds of the Rights Offering in accordance with the description set forth in the Registration Statement.

Section 7. Conditions to Closing.

(a) The obligations of the Standby Purchaser to consummate the transactions contemplated hereunder are subject to the fulfillment, prior to or on the Closing Date, of the following conditions:

(i) The representations and warranties of the Company in Section 3 shall be true and correct in all material respects as of the date hereof and at and as of the Closing Date as if made on such date (except for representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such specified date) and the Company shall have performed all of its obligations hereunder;

(ii) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date, there shall not have been any Material Adverse Effect, nor shall there have occurred any breach of any covenant of the Company set forth in Section 7 hereof;

(iii) As of the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or Nasdaq Capital Market or trading in securities generally on the Nasdaq Capital Market shall not have been suspended or limited or minimum prices shall not have been established on the Nasdaq Capital Market (a “**Market Adverse Effect**”);

(iv) The Company shall have obtained any required federal, state and regulatory approvals for the Right Offering on conditions reasonably satisfactory to the Standby Purchaser;

(v) If required by Section 6(i), the Company shall have executed and delivered a registration rights agreement substantially in the form of Exhibit A hereto, or if such form of registration rights agreement is not included as Exhibit A hereto, a registration rights agreement that includes reasonable terms pursuant to which the Company agrees to register, under the Securities Act and applicable state securities laws and regulations, the Standby Purchaser’s resale of any of its shares of Common Stock purchased pursuant to the Rights Offering or this Agreement or otherwise beneficially owned by any Standby Purchaser or its Affiliates (except to the extent limited in Section 6(i)), at no cost to the Standby Purchaser;

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(vi) The receipt by the Standby Purchaser of a legal opinion from Becker & Poliakoff, LLP with respect to customary matters in a form satisfactory to the Standby Purchaser in its reasonable discretion relating to the due authorization of the issuance of the Rights and the shares of Common Stock in the Rights Offering, the due authorization of this Agreement and such other matters; and

(vii) The Standby Purchaser shall have received from WithumSmith+Brown, PC a letter or letters, dated as of the Closing Date, in form and substance reasonably satisfactory to the Standby Purchaser, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, and the Prospectus.

(b) The obligations of each of the Company and the Standby Purchaser to consummate the transactions contemplated hereunder are subject to the fulfillment, prior to or on the Closing Date, of the following conditions:

(i) No judgment, injunction, decree, regulatory proceeding or other legal restraint shall prohibit, or have the effect of rendering unachievable, the consummation of the Rights Offering or the material transactions contemplated by this Agreement;

(ii) The Registration Statement shall have become effective and no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or otherwise shall have been complied with; and

(iii) The Common Stock issued in the Rights Offering shall have been authorized for listing on the Nasdaq Capital Market.

Section 8. Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date, by the Standby Purchaser by written notice to the Company if there has been (i) a Market Adverse Effect that is not cured within twenty-one (21) days after the occurrence thereof (the "Cure Period") or (ii) a Material Adverse Effect.

(b) This Agreement may be terminated by the Company on one hand or by the Standby Purchaser on the other hand, by written notice to the other party hereto:

(i) At any time prior to the Closing Date, if there is a material breach of this Agreement by the other party that is not cured within fifteen (15) days after the non-breaching party has delivered written notice to the breaching party of such breach;

(ii) At any time after October 30, 2016, unless the Closing has occurred prior to such date; or

(iii) Consummation of the Committed Offering is prohibited by law, rule or regulation.

(c) This Agreement may be terminated by the Company in the event that the Company determines that it is not in the best interests of the Company and its shareholders to go forward with the Rights Offering.

(d) The Company and the Standby Purchaser hereby agree that any termination of this Agreement pursuant to Sections, 8(a), 8(b)(ii), 8(b)(iii), or 8(c) shall be without liability of the Company

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or the Standby Purchaser, following any termination of this Agreement, or the Closing Date, the Company will pay the Standby Purchaser an amount for its expense reimbursement in the amount not to exceed \$50,000. Such payment shall be made within three (3) Business Days of any such termination or the Closing Date, as the case may be.

Section 9. Survival. The representations and warranties of the Company and the Standby Purchaser contained in this Agreement or in any certificate delivered hereunder together with Sections 6(f), 6(i), 6(j) and 6(k) shall survive the Closing hereunder.

Section 10. Notices. All notices, communications and deliveries required or permitted by this Agreement shall be made in writing signed by the party making the same, shall specify the Section of this Agreement pursuant to which it is given or being made and shall be deemed given or made (a) on the date delivered if delivered in person, (b) on the third (3rd) Business Day after it is mailed if mailed by registered or certified mail (return receipt requested) (with postage and other fees prepaid) or (c) on the day after it is delivered, prepaid, to an overnight express delivery service that confirms to the sender delivery on such day, as follows:

If to the Company:

Zachary Parker
DLH Holdings Corp.
3565 Piedmont Road, N.E.
Building 3, Suite 700
Atlanta, GA 30305
Telephone: (866) 952-1647

with a copy to:

Brian Daughney, Esq.
Becker & Poliakoff, LLP
45 Broadway, 8th Floor
New York, NY 10006
Telephone: (212) 599-3322

If to the Standby Purchaser:

Wynnefield Capital, Inc.
450 Seventh Avenue, Suite 509
New York, NY 10123
Attention: Nelson Obus
Telephone: (212) 760-0814

with a copy to:

Kane Kessler, P.C.
1350 Avenue of the Americas
26th Floor
New York, NY 10019
Attn: Robert L. Lawrence
Telephone: (212) 541-6222

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or to such other representative or at such other address of a party as such party hereto may furnish to the other parties in writing in accordance with this Section 10.

Section 11. Assignment. This Agreement will be binding upon, and will inure to the benefit of and be enforceable by, the parties hereto and their respective successors and assigns. The Standby Purchaser shall have the right, at their option, to assign any or all of the rights to purchase Shares in the Committed Offering to a Permitted Assignee to the Company prior to the Closing Date.

Section 12. Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties, or undertakings, other than those set forth or referred to herein with respect to the standby purchase commitments with respect to the Company's securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement.

Section 13. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York (other than its rules of conflict of laws to the extent the application of the laws of another jurisdiction would be required thereby). This Agreement shall be subject to the exclusive jurisdiction of the State and Federal courts sitting in New York County, New York.

Section 14. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid, void or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the parties.

Section 15. Extension or Modification of the Rights Offering. The Company may (a) waive irregularities in the manner of exercise of the Rights, and (b) waive conditions relating to the method (but not the timing) of the exercise of the Rights to the extent that such waiver does not materially adversely affect the interests of the Standby Purchaser.

Section 16. Miscellaneous.

(a) The Company shall not after the date of this Agreement enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Standby Purchaser in this Agreement.

(b) Notwithstanding any term to the contrary herein, no Person other than the Company and the Standby Purchaser shall be entitled to rely on and/or have the benefit of, as a third party beneficiary or under any other theory, any of the representations, warranties, agreements, covenants or other provisions of this Agreement.

(c) The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning of this Agreement.

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute one and the same instrument.

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[EXECUTION PAGE APPEARS NEXT]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

COMPANY

DLH HOLDINGS CORP.

By: _____
Name:
Title:

STANDBY PURCHASER

WYNNEFIELD CAPITAL, INC.

By: _____
Name:
Title:

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**Standby Purchase Agreement
Schedule I**

Standby Purchasers

Name	Address	Number of Shares	Subscription Price
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REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of _____, 2016, among DLH Holdings Corp., a New Jersey corporation (the "Company"), and each of the parties listed on Schedule I attached hereto (each an "Investor", and collectively, the "Investors").

WITNESSETH:

WHEREAS, the parties hereto are parties to a certain standby purchase agreement (the "Standby Purchase Agreement") dated as of _____, 2016; and

WHEREAS, to induce the Investors to enter into the Standby Purchase Agreement, the Company has undertaken to register, certain shares of Common Stock (as hereinafter defined) beneficially owned by the Investors pursuant to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual promises and representations, warranties, covenants and agreements set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Standby Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 3.1(m).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or under common control with such Person. For the purposes of this definition, "control," when used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms of "affiliated," "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall have the meaning set forth in the Preamble.

"Blackout Period" shall have the meaning set forth in Section 3.1(n).

"Board" shall have the meaning set forth in Section 3.1(n).

"Business Day" means any day, other than Saturday, Sunday and any day which shall be a legal holiday or a day on which banks in the state of New York are authorized or required by law or other government action to be closed.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the Company's common stock, par value \$.001.

"Company" shall have the meaning set forth in the Preamble.

"Effectiveness Period" shall have the meaning set forth in Section 2.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

“Indemnifying Party” shall have the meaning set forth in Section 5(c).

“Investor” or “Investors” shall have the meaning set forth in the Preamble.

“Losses” shall have the meaning set forth in Section 5(a).

“Person” means an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Prospectus” means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference in such Prospectus.

“Registrable Securities” means (i) (A) the shares of Common Stock issued to the Investors pursuant to the Rights Offering, as defined in the Standby Purchase Agreement, including but not limited to the shares of Common Stock issued to the Investors pursuant to the Standby Purchase Agreement and (B) the shares of Common Stock that may be issued to the Investors upon exercise of those certain Common Stock Purchase Warrants issued to the Investors pursuant to the Note Purchase Agreement, dated May 2, 2016, by and among the Company and the purchasers party thereto; and (ii) any other securities (whether issued by the Company or any other Person) distributed as a dividend or other distribution with respect to, issued upon exchange of, or in replacement of, Registrable Securities referred to in clause (i), provided that as to any particular Registrable Securities, such securities shall cease to be Registrable Securities when: (1) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of under such registration statement, provided, however, new certificates therefore not bearing a legend restricting further transfer shall have been delivered by the Company or its transfer agent, and subsequent transfer or disposition of such securities shall not require their registration or qualification under the Securities Act or any similar state law then in force; (2) such securities shall have been transferred pursuant to Rule 144 under the Securities Act (or any successor provision thereto), provided, however, new certificates therefore not bearing a legend restricting further transfer shall have been delivered by the Company or its transfer agent, and subsequent transfer or disposition of such securities shall not require their registration or qualification under the Securities Act or any similar state law then in force; (3) such securities shall have been otherwise transferred or disposed of; or (4) such securities shall have ceased to be outstanding.

“Registration Statement” means the registration statements and any additional registration statements contemplated by Section 2 of this Agreement, including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference into such registration statement.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 158” means Rule 158 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 415” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Securities Act” means the Securities Act of 1933, as amended.

“Standby Purchase Agreement” shall have the meaning set forth in the first “WHEREAS” clause.

2. **Registration.** (a) The Company agrees to use its commercially reasonable efforts to prepare and file with the Commission, within 90 days from the Closing Date (as such term is defined in the Standby Purchase Agreement), a “shelf” Registration Statement covering all Registrable Securities for a secondary or resale offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form S-3 (or on another form appropriate for such registration in accordance herewith). The Company shall use its commercially reasonable efforts to cause the Registration Statement to be declared effective under the Securities Act (including filing with the Commission a request for acceleration of effectiveness in accordance with Rule 12d1-2 promulgated under the Exchange Act) promptly after the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that a Registration Statement will not be “reviewed,” or not be subject to further review, and to keep such Registration Statement continuously effective under the Securities Act until such date when all Registrable Securities covered by such Registration Statement have been sold (the “Effectiveness Period”).

(b) **Piggy-Back Registrations.** If at any time during the period commencing from and after the date hereof, there is not an effective Registration Statement covering all of the Registrable Securities, and the Company intends to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans, the Company shall send to each Holder of Registrable Securities written notice of such determination and, if within ten (10) Business Days after receipt of such notice, any such Holder shall so request in writing (which request shall specify the Registrable Securities intended to be disposed of by the Holders), the Company will cause the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the Holder, to the extent required to permit the disposition of the Registrable Securities so to be registered, provided that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to such Holders and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay expenses in accordance with Section 4 hereof), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section 2(b) for the same period as the delay in registering such other securities. The Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered. In the case of an underwritten public offering, if the managing underwriter(s) should reasonably object to the inclusion of the Registrable Securities in such registration statement, then if the Company after consultation with the managing underwriter should reasonably determine that the inclusion of such Registrable Securities would materially adversely affect the offering contemplated in such registration statement, and based on such determination recommends inclusion in such registration statement of fewer or none of the Registrable Securities of the Holders, then (x) the number of Registrable Securities of the Holders to be included in such registration statement shall be reduced pro-rata among such Holders (based upon the number of Registrable Securities requested to be included in the registration), if the Company after consultation with the underwriter(s) recommends the inclusion of fewer Registrable Securities, or (y) none of the Registrable Securities of the Holders shall be included in such registration statement, if the Company after consultation with the underwriter(s) recommends the inclusion of none of such Registrable Securities. The right of any Holder to participate in an underwritten public offering hereunder shall be conditioned upon such Holders entering into the underwriting agreement and lock-up agreement with the representative of the underwriter or underwriters on the same terms as required of other selling securities holders in such offering or if there are no other selling securities, as such terms as may be required by the underwriter. Notwithstanding the foregoing, this subsection 2(b) shall automatically terminate and be of no further force or effect as to any Holder of Registrable Securities when the Effectiveness Period has expired with respect to such Holder.

3. **Registration Procedures.**

3.1 **Company Obligations.** In connection with the Company’s registration obligations set forth in Section 2 hereof, the Company shall:

(a) Prepare and file with the Commission as soon as reasonably practicable, a Registration Statement on Form S-3 (or on another form appropriate for such registration in accordance herewith) in accordance with the method or methods of distribution thereof as specified by the Holders, and cause the Registration Statement to become effective and remain effective as provided herein; provided, however, that not less than five (5) Business Days prior to the filing of the Registration Statement or any related Prospectus and not less than three (3) Business Days prior to the filing of any amendment or supplement thereto (including any document that would be incorporated therein by reference), the Company shall (i) furnish to the Holders copies of all such documents proposed to be filed, which documents (other than those incorporated by reference) will be subject to the review of such Holders and (ii) at the request of any Holder, cause its officers and directors, counsel and independent certified public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of counsel to such Holders, to conduct a reasonable investigation within the meaning of the Securities Act. The Company shall not file the Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in writing within three (3) Business Days after their receipt thereof, in which event the filing of the Registration Statement or any such Prospectus or any amendments or supplements thereto shall be delayed until five (5) Business Days after the parties hereto reach agreement on the content of the applicable Registration Statement, Prospectus, or amendment or supplement thereto.

(b) If necessary to keep such Registration Statement accurate and complete, (i) prepare and file with the Commission such amendments, including post-effective amendments, to the Registration Statement as may be necessary to keep the Registration Statement continuously (but for the filing of such post-effective amendment) effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; (iii) respond as promptly as reasonably practicable to any comments received from the Commission with respect to the Registration Statement or any amendment thereto and as promptly as reasonably practicable provide the Holders true and complete copies of all correspondence from and to the Commission relating to the Registration Statement; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by the Registration Statement during the applicable period in accordance with the intended methods of disposition by the Holders thereof set forth in the Registration Statement as so amended or in such Prospectus as so supplemented.

(c) Notify the Holders of Registrable Securities to be sold as promptly as reasonably practicable (A) when a Prospectus or any Prospectus supplement or post-effective amendment to the Registration Statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement; and (C) with respect to the Registration Statement or any post-effective amendment, when the same has become effective, and thereafter: (i) of any request by the Commission or any other Federal or state governmental authority for amendments or supplements to the Registration Statement or Prospectus or for additional information; (ii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (iv) of the occurrence of any event that makes any statement made in the Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to the Registration Statement, Prospectus or other documents so that, in the case of the Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Use its commercially reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of, (i) any order suspending the effectiveness of the Registration Statement or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction within the United States, at the earliest practicable moment.

(e) If requested by the Holders of a majority in interest of the Registrable Securities, (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information regarding a Holder or the plan of distribution as such majority of Holders may reasonably request, provided that such information is true and complete in all material respects, and (ii) make all required filings of such Prospectus supplement or

such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission.

(g) Promptly deliver to each Holder, without charge, as many copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request; and the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto in conformity with the requirements of the Securities Act.

(h) Prior to any public offering of Registrable Securities, use its best efforts to register or qualify or cooperate with the Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder requests in writing, to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by a Registration Statement; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action that would subject the Company to general service of process in any jurisdiction were it is not then so subject.

(i) Cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities sold pursuant to a Registration Statement, which certificates shall be free of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any Holder may request.

(j) Upon the occurrence of any event contemplated by Section 3.1(c)(iv), as promptly as possible, prepare a supplement or amendment, including a post-effective amendment, to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither the Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Use its commercially reasonable efforts to cause all Registrable Securities relating to such Registration Statement to be listed on any securities exchange, quotation system, market or over-the-counter bulletin board, if any, on which similar securities issued by the Company are then listed.

(l) Comply in all material respects with all applicable rules and regulations of the Commission and make generally available to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 not later than 45 days after the end of any 3-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company after the effective date of the Registration Statement, which statement shall conform to the requirements of Rule 158.

(m) (i) Require each Holder to furnish to the Company information regarding such Holder and the distribution of such Registrable Securities as is required by law to be disclosed in the Registration Statement, Prospectus, supplemented Prospectus and/or amended Registration Statement, including any information necessary to allow the Company to fulfill its undertakings made in accordance with Item 512 of Regulation S-K, and the Company may exclude from such registration the Registrable Securities of any such Holder who fails to furnish such information within a reasonable time prior to the filing of each Registration Statement, Prospectus, supplemented Prospectus and/or amended Registration Statement.

(ii) If the Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Company, then such Holder shall have the right to require (if such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force) the deletion of the reference to

such Holder in any amendment or supplement to the Registration Statement filed at a time when such reference is not required.

(iii) Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Sections 3.1(c)(ii), 3.1(c)(iii) or 3.1(c)(iv), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of copies of the supplemented Prospectus and/or amended Registration Statement contemplated by Section 3.1(j), or until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide stop orders to enforce the provisions of this paragraph, provided that the Company shall promptly remove any such stop orders as soon as such stop orders are no longer necessary.

(n) If (i) there is material non-public information regarding the Company which the Company's Board of Directors (the "Board") reasonably determines not to be in the Company's best interest to disclose and which the Company is not otherwise required to disclose, or (ii) there is a significant business opportunity (including, but not limited to, the acquisition or disposition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer or other similar transaction) available to the Company which the Board reasonably determines not to be in the Company's best interest to disclose and which the Company would be required to disclose under the Registration Statement, then, notwithstanding anything to the contrary in this Agreement, the Company may postpone or suspend filing or effectiveness of a registration statement for a period not to exceed 75 consecutive days, provided that the Company may not postpone or suspend its obligation under this Section 3.1(n) for more than 90 days in the aggregate during any 12 month period (each, a "Blackout Period").

3.2 Obligations of the Investors.

(a) Each Investor agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Exhibit B (a "Selling Stockholder Questionnaire") on a date that is not less than ten (10) days prior to the date the Company proposes to file a Registration Statement pursuant to this Agreement. Each Investor shall furnish in writing to the Company such additional information and documents regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect the registration of such Registrable Securities. An Investor shall provide such information to the Company at least two (2) Business Days prior to the first anticipated filing date of such Registration Statement if such Investor elects to have any of the Registrable Securities included in the Registration Statement. The Company shall not be required to include the Registrable Securities of an Investor in a Registration Statement to such Investor who fails to furnish to the Company a fully completed Selling Stockholder Questionnaire at least two Business Days prior to the proposed filing date of a Registration Statement.

(b) Each Investor agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a Registration Statement hereunder, unless such Investor has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.

(c) Each Investor covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to a Registration Statement.

4. Registration Expenses

All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not the Registration Statement is filed or becomes effective and whether or not any Registrable Securities are sold pursuant to the Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with any securities exchange, quotation system, market or over-the-counter bulletin board on which Registrable Securities are required hereunder to be listed, (B) with respect to filings required to be made with the Commission, and (C) in compliance with state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is requested by the Holders of a majority of the Registrable Securities included

in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) Securities Act liability insurance, if the Company so desires such insurance, and (v) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, including, without limitation, the Company's independent public accountants (including the expenses of any comfort letters or costs associated with the delivery by independent public accountants of a comfort letter or comfort letters, if requested by any underwriter) and legal counsel. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), and the expense of any audit.

5. Indemnification

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, agents, and employees of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained or incorporated by reference in (i) the Registration Statement, (ii) any Prospectus or any form of prospectus, (iii) any amendment or supplement thereto, or (iv) any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (A) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, which information was reasonably relied on by the Company for use therein or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto, or (B) such Losses arise in connection with the use by such Holder of a Prospectus (x) after the Company has notified such Holder of the occurrence of an event as described in Section 3.1(n) and prior to receipt by such notice, or (y) during a Blackout Period of which the Holder has received written notice from the Company. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, the directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising solely out of or based solely upon any untrue statement of a material fact contained in the Registration Statement, any Prospectus, or any form of prospectus, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that (i) such untrue statement or omission is contained in or omitted from any information furnished in writing by such Holder to the Company specifically for inclusion in the Registration Statement or such Prospectus and that such information was reasonably relied upon by the Company for use in the Registration Statement, such Prospectus or such form of prospectus or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus Supplement, or (ii) such Losses arise in connection with the use by such Holder of a Prospectus (x) after the Company has notified such Holder of the occurrence of an event as described in Section 3.1(n), or (y) during a Blackout Period of which the Holder has received written notice from the Company. Notwithstanding anything to the contrary contained herein, the Holder shall be liable under this Section 5(b) for only that amount as does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such Registration Statement.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party promptly shall notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall diligently assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the

payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly, diligently and appropriately to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; (3) the Indemnified Party shall reasonably determine that there may be legal defenses available to it which are not available to the Indemnifying Party; or (4) the Indemnified Party shall reasonably determine that there is an actual or potential conflict of interest between it and the Indemnifying Party, including, without limitation, situations in which there are one or more legal defenses available to the Indemnified Party that are antithetical or in opposition to those available to the Indemnifying Party, and in any of such cases, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding and does not impose any monetary or other obligation or restriction on the Indemnified Party.

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten (10) Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party because of a failure or refusal of a governmental authority to enforce such indemnification in accordance with its terms (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms. Notwithstanding anything to the contrary contained herein, the Holder shall be liable or required to contribute under this Section 5(c) for only that amount as does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such Registration Statement.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Rule 144.

As long as any Holder owns Registrable Securities, the Company covenants to timely file all reports required to be filed by the Company after the date hereof pursuant to Section 13(a) or 15(d) of the Exchange Act. As long as any Holder owns Registrable Securities, if the Company is not required to file reports pursuant to Section 13(a) or 15(d) of the Exchange Act, it will prepare and furnish to the Holders and make publicly available in accordance with Rule 144(c) promulgated under the Securities Act annual and quarterly financial statements, together with a discussion and analysis of such financial statements in form and substance substantially similar to those that would otherwise be required to be included in reports required by Section 13(a) or 15(d) of the Exchange Act, as well as any other information required thereby, in the time period that such filings would have been required to have been made under the Exchange Act. The Company further covenants that it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Person to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act.

7. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) No Inconsistent Agreements. Neither the Company nor any of its subsidiaries has, as of the date hereof, entered into, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Without limiting the generality of the foregoing, from and after the effective date of this Agreement and until the earlier of (i) the date that is thirty (30) days after the Registration Statement contemplated in Section 2(a) of this Agreement is declared effective and (ii) the date that all Registrable Securities are eligible for resale by non-affiliates without volume or manner of sale restrictions under Rule 144 and without the requirement for the Company to be in compliance with the current public information requirements under Rule 144, without the written consent of the Holders of a majority of the then outstanding Registrable Securities, the Company shall not grant to any Person the right to request the Company to register any securities of the Company under the Securities Act unless the rights so granted are subject in all respects to the prior rights in full of the Holders set forth herein, and are not otherwise in conflict with the provisions of this Agreement. Notwithstanding the foregoing, however, each Holder of Registrable Securities hereby acknowledges that the Company has previously entered into agreements granting registration rights with respect to currently outstanding securities which have not yet been satisfied and that the holders of such other securities may elect to include such securities in the Registration Statement(s) required to be filed hereunder.

(c) Successors and Assigns. This Agreement may not be assigned by a party hereto without the prior written consent of the Company or the Investor, as applicable. The provisions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(d) Counterparts; Faxes. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be executed via facsimile, which shall be deemed an original.

(e) Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given as hereinafter described (i) if given by personal delivery, then such notice shall be deemed given upon such delivery, (ii) if given by telex or telecopier or electronic mail, then such notice

shall be deemed given upon receipt of confirmation of complete transmittal, (iii) if given by mail, then such notice shall be deemed given upon the earlier of (A) receipt of such notice by the recipient or (B) three days after such notice is deposited in first class mail, postage prepaid, and (iv) if given by an internationally recognized overnight air courier, then such notice shall be deemed given one business day after delivery to such carrier. All notices shall be addressed to the party to be notified at the address as follows, or at such other address as such party may designate by ten days' advance written notice to the other party:

If to the Company:

DLH Holdings Corp.
3565 Piedmont Road, N.E.
Building 3 – Suite 700
Atlanta, GA 30305
Telephone: (866) 952-1647
Attention: Zachary Parker

with a copy to:

Becker & Poliakoff, LLP
45 Broadway, 8th Floor
New York, NY 10006
Telephone: (212) 599-3322
Attention: Brian Daughney, Esq.

If to the Investors:

Wynnefield Capital, Inc.
450 Seventh Avenue, Suite 509
New York, NY 10123
Telephone: (212) 760-0814
Attention: Nelson Obus

with a copy to:

Kane Kessler, P.C.
1350 Avenue of the Americas
New York, NY 10019
Telephone: (212) 541-6222
Fax: (212) 245-3009
Attention: Robert L. Lawrence, Esq.

(g) Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Investor. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder and its successors and permitted assigns.

(h) Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof but shall be interpreted as if it were written so as to be enforceable to the maximum extent permitted by applicable law, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(i) Entire Agreement. This Agreement constitutes the entire agreement among the parties hereof with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof and thereof.

(j) Further Assurances. The parties shall execute and deliver all such further instruments and documents and take all such other actions as may reasonably be required to carry out the transactions contemplated hereby and to evidence the fulfillment of the agreements herein contained.

(k) Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

(l) Notice of Effectiveness. Within two (2) Business Days after the Registration Statement which includes the Registrable Securities is ordered effective by the Commission, the Company shall deliver, and if requested by the Company's transfer agent, shall use commercially reasonable efforts to cause legal counsel for the Company in connection with such Registration Statement to deliver, to the transfer agent for such Registrable Securities (with copies to the Holders whose Registrable Securities are included in such Registration Statement) confirmation that the Registration Statement has been declared effective by the Commission substantially in the form attached hereto as Exhibit A.

[Signature Page Follows:]

In Witness Whereof, the parties hereto have caused this Registration Rights Agreement to be duly executed by their respective authorized persons as of the date first indicated above.

DLH HOLDINGS CORP.

By: _____
Name: Zachary C. Parker
Title: Chief Executive Officer

**WYNNEFIELD PARTNERS SMALL CAP VALUE,
L.P.**

By: Wynnefield Capital Management, LLC,
its general partner

By: _____
Nelson Obus, Co-Managing Member

**WYNNEFIELD PARTNERS SMALL CAP VALUE,
L.P. I**

By: Wynnefield Capital Management, LLC,
its general partner

By: _____
Nelson Obus, Co-Managing Member

**WYNNEFIELD SMALL CAP VALUE OFFSHORE
FUND, LTD.**

By: Wynnefield Capital, Inc.

By: _____
Nelson Obus, President

FORM OF NOTICE OF EFFECTIVENESS
OF REGISTRATION STATEMENT

[Name and Address of Transfer Agent]

[Date]

Re: DLH Holdings Corp.

Dear []:

We are special counsel to DLH Holdings Corp., a New Jersey corporation (the "Company"), and have represented the Company in connection with the preparation of a Registration Statement pursuant to a Registration Rights Agreement between the Company and Wynnefield Partners Small Cap Value, LP, Wynnefield Partners Small Cap Value I LP, and Wynnefield Partners Small Cap Value Offshore Fund, Ltd. (the "Registration Rights Agreement") pursuant to which the Company agreed, among other things, to register the Registrable Securities (as defined in the Registration Rights Agreement), under the Securities Act of 1933, as amended (the "1933 Act") upon the demand of the Investor. In connection with the Company's obligations under the Registration Rights Agreement, on _____, 2016, the Company filed a Registration Statement on Form S-3 (File No. 333-_____) (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") relating to the Registrable Securities which may be sold under such Registration Statement by the selling stockholder(s) named therein.

In connection with the foregoing, we advise you that a member of the SEC's staff has advised us by telephone that the SEC has entered an order declaring the Registration Statement effective under the 1933 Act at _____, 2016 [DATE OF EFFECTIVENESS] and we have no knowledge, after telephonic inquiry of a member of the SEC's staff, that any stop order suspending its effectiveness has been issued or that any proceedings for that purpose are pending before, or threatened by, the SEC.

Very truly yours,

[Counsel]

By: _____

cc: [LIST NAMES OF HOLDERS]

FORM OF SELLING SECURITY HOLDER QUESTIONNAIRE

Schedule I

Standby Purchasers

Wynnefield Partners Small Cap Value, LP I

Wynnefield Partners Small Cap Value, LP

Wynnefield Small Cap Value Offshore Fund, Ltd

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Amendment No. 1 to Form S-3 and related Prospectus filed on August 10, 2016 of our report dated December 16, 2015, with respect to our audit of the consolidated financial statements of DLH Holdings Corp., included in its Annual Report on Form 10-K for the year ended September 30, 2015, as filed with the Securities and Exchange Commission.

We also consent to the reference to us under the caption "Experts" in this Registration Statement on Amendment No. 1 to Form S-3 and related Prospectus.

WithumSmith+Brown, PC

New York, New York
August 10, 2016



805 King Farm Boulevard
Suite 300
Rockville, Maryland 20850

☎ 301.231.6200
☎ 301.231.7630
www.aronsonllc.com
info@aronsonllc.com

CONSENT OF INDEPENDENT ACCOUNTANTS

DLH Holdings Corp.
Atlanta, Georgia

We hereby consent to the incorporation by reference in this Registration Statement on Amendment No. 1 to Form S-3 and related Prospectus filed on August 10, 2016 of our report dated February 24, 2016, related to our audit of the consolidated financial statements of Danya International, Inc. and Subsidiaries as of and for the years ended December 31, 2015 and 2014, including in the Current Report on Form 8-K/A filed by DLH Holdings Corp. on June 30, 2016.

We also consent to the reference to us under the caption "Experts" in this Registration Statement on Amendment No. 1 to Form S-3 and related Prospectus.

Aronson, LLC
Rockville, Maryland
August 10, 2016

**FORM OF INSTRUCTIONS
AS TO USE OF
DLH HOLDINGS CORP.
NON-TRANSFERABLE RIGHTS CERTIFICATES**

CONSULT THE INFORMATION AGENT, YOUR BANK OR BROKER AS TO ANY QUESTIONS

The following instructions relate to a rights offering (the "*Rights Offering*") by DLH Holdings Corp., a New Jersey corporation ("*DLH*"), to the holders of record (the "*Recordholders*") of its common stock, par value \$0.001 per share (the "*Common Stock*"), as described in the accompanying prospectus dated _____, 2016 (the "*Prospectus*"). Recordholders as of 5:00 p.m., New York City time, on _____, 2016 (the "*Record Date*") are receiving, at no charge, non-transferable subscription rights (the "*Rights*") to subscribe for and purchase shares of Common Stock (the "*Underlying Shares*"). In the Rights Offering, the total number of Underlying Shares available to our Recordholders as a group upon exercise of the Rights is _____.

Each Recordholder will receive one Right for each share of Common Stock owned of record as of 5:00 p.m., New York City time, on the Record Date. The Rights will expire if not exercised prior to 5:00 p.m., New York City time, on _____, 2016, unless extended (the "*Expiration Time*") by our board of directors in their sole discretion. Each Right allows the holder thereof to subscribe for _____ shares of Common Stock (the "*Basic Subscription Right*") at the cash price of \$_____ per full share (the "*Subscription Price*"). Accordingly, you will need to exercise _____ Rights to purchase one whole share of Common Stock at the subscription price of \$_____ per whole share. For example, if a holder of Rights owned 100 shares of Common Stock as of 5:00 p.m., New York City time on the Record Date, it would receive 100 Rights and would have the right to purchase _____ shares of Common Stock at the Subscription Price.

If a Rights holder purchases all of the shares of Common Stock available to it pursuant to its Basic Subscription Right, it may also exercise an over-subscription right (such shares, determined taking into account the limitation described in the remainder of this paragraph, the "*Over-Subscription Privilege*") to purchase any shares of Common Stock that are not purchased by stockholders through the exercise of their Basic Subscription Rights (the "*Unsubscribed Shares*"), subject to availability and allocation; provided, however, that aggregate purchase price of all shares of Common Stock purchased in this Rights Offering pursuant to the exercise of Basic Subscription Rights and the Over-Subscription Privilege may not exceed \$2,650,000. Further, DLH has implemented a limitation upon the subscription rights in the Over-Subscription Privilege which may be exercised by the subscribers in the Rights Offering. As a condition to the Rights Offering, and by signing the Election To Purchase, the Recordholder understands and agrees that: (i) it shall not have the right to purchase in the Over-Subscription Privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by such Recordholder as of the Record Date and (ii) DLH shall have the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

If sufficient shares are available for offer pursuant to the Rights Offering, DLH will seek to honor the oversubscription requests in full subject to the limitations described above. If, however, over-subscription requests exceed the number of shares available, we will allocate the available shares pro rata among the Rights holders exercising their Over-Subscription Privilege in proportion to the number of shares of Common Stock each Rights holder subscribed for under the Basic Subscription Right. If this pro rata allocation results in any Recordholder receiving a greater number of shares of Common Stock than such Recordholder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Recordholder will be allocated only that number of shares for which such Recordholder over-subscribed and the remaining shares will be allocated among the other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until either all available shares, or all shares validly requested pursuant to the Over-Subscription Privilege, have been allocated.

Each Rights holder will be required to submit payment in full for all the shares it wishes to buy with its Basic Subscription Right and pursuant to the Over-Subscription Privilege. Because DLH will not know the total number of Unsubscribed Shares prior to the Expiration Time, if a Rights holder wishes to maximize the number of shares it may purchase pursuant to the holder's Over-Subscription Privilege, the Rights holder will need to deliver payment in an amount equal to the aggregate Subscription Price for the number of shares of Common Stock such holder would like to purchase under its Basic Subscription Right and its Over-Subscription Privilege, such number of shares to be determined by the Rights holder based on the assumption that no stockholders other than such holder purchases any shares of Common Stock pursuant to their Basic Subscription Right and Over-Subscription Privilege.

Fractional Rights remaining after aggregating all of the Rights distributed to you will be rounded down to the nearest whole number to ensure that DLH offers no more than _____ shares of Common Stock in the Rights Offering. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

DLH will not be required to issue shares of Common Stock to you if the Subscription Agent does not receive your payment (whether delivered directly in case you are a Recordholder or indirectly through a Recordholder in the case you are a beneficial owner but not a Recordholder) and your properly completed Non-Transferable Rights Certificate(s) (as defined below) prior to the Expiration Time. DLH may extend the Expiration Time by giving oral or written notice to the Subscription Agent on or before the Expiration Time. If DLH elects to extend the Expiration Time, it will issue a press release announcing such extension no later than 9:00 a.m., New York City time, on the next business day after the most recently announced Expiration Time. The Rights will be evidenced by non-transferable Rights certificates (the "*Non-Transferable Rights Certificates*").

The number of Rights to which you are entitled under your Basic Subscription Right is printed on the face of your Non-Transferable Rights Certificate. You may purchase additional shares of Common Stock under your Over-Subscription Privilege subject to limitations described above. You should indicate your wishes with regard to the exercise of your Rights by completing the appropriate portions of your Non-Transferable Rights Certificate and returning the certificate to the Subscription Agent in the envelope provided.

YOUR NON-TRANSFERABLE RIGHTS CERTIFICATES AND SUBSCRIPTION PRICE PAYMENT FOR EACH RIGHT THAT IS EXERCISED PURSUANT TO THE BASIC SUBSCRIPTION RIGHT PLUS THE FULL SUBSCRIPTION PRICE FOR ANY ADDITIONAL SHARES OF COMMON STOCK SUBSCRIBED FOR PURSUANT TO THE OVER-SUBSCRIPTION PRIVILEGE, INCLUDING FINAL CLEARANCE OF ANY CHECKS, MUST BE RECEIVED BY THE SUBSCRIPTION AGENT, ON OR BEFORE THE EXPIRATION TIME. ONCE A RIGHTS HOLDER HAS EXERCISED THE BASIC SUBSCRIPTION RIGHT OR THE OVER-SUBSCRIPTION PRIVILEGE, SUCH EXERCISE MAY NOT BE REVOKED. RIGHTS NOT EXERCISED PRIOR TO THE EXPIRATION TIME OF THE RIGHTS OFFERING WILL EXPIRE.

1. Method of Subscription—Exercise of Rights.

To exercise Rights, complete your Non-Transferable Rights Certificate and send the properly completed and executed Non-Transferable Rights Certificate evidencing such Rights with any signatures required to be guaranteed so guaranteed, together with payment in full of the Subscription Price for each Underlying Share subscribed for pursuant to the Basic Subscription Right plus the full Subscription Price for any Unsubscribed Shares you elect to subscribe for pursuant to the Over-Subscription Privilege, to the Subscription Agent, on or prior to the Expiration Time. Payment of the aggregate Subscription Price will be held in a segregated account to be maintained by the Subscription Agent. **All payments must be made in U.S. dollars for the full number of Underlying Shares being subscribed for (a) by check or bank draft drawn upon a U.S. bank or postal, telegraphic or express money order payable to Continental Stock Transfer and Trust Company, as Subscription Agent, or (b) by wire transfer of immediately available funds, to the account maintained by the Subscription Agent for purposes of accepting subscriptions in the Rights Offering at JPMorgan Chase Bank at ABA No. 021000021, further credit to Account Number 475-587758, Account Name—Continental Stock Transfer and Trust as agent for DLH Holdings Corp. (the "*Subscription Account*").** Any wire transfer should clearly indicate the identity of the subscriber who is paying the Subscription Price by wire transfer. Payments will be deemed to have been received upon (i) clearance of any uncertified check, (ii) receipt by the Subscription Agent of any certified check or bank

draft drawn upon a U.S. bank or of any postal, telegraphic or express money order, (iii) receipt of collected funds in the Subscription Account designated above, or (iv) receipt of a certification from DLH indicating the amount of DLH indebtedness that has been offset on the books of DLH in payment of all or a portion of a Rights holder's Subscription Payment. If paying by uncertified personal check, please note that the funds paid thereby may take five or more business days to clear. Accordingly, Rights holders who wish to pay the aggregate Subscription Price by means of uncertified personal check are urged to make payment sufficiently in advance of the Expiration Time to ensure that such payment is received and clears by such date and are urged to consider payment by means of certified or cashier's check, money order or wire transfer of funds.

The Non-Transferable Rights Certificate and payment of the aggregate Subscription Price if by check or bank draft drawn upon a U.S. bank or postal, telegraphic or express money order, must be delivered to the Subscription Agent by hand delivery, first class mail or courier service to:

Continental Stock Transfer and Trust Company
17 Battery Place—8th Floor
New York, NY 10004
Attn: Corporate Actions Department

Telephone Number for Confirmation:
(917) 262-2378

Delivery to an address other than the address above does not constitute valid delivery.

If you have any questions, require assistance regarding the method of exercising Rights or require additional copies of relevant documents, please contact Continental Stock Transfer and Trust Company, which is also acting as our Information Agent. By making arrangements with your bank or broker for the delivery of funds on your behalf, you may also request such bank or broker to exercise the Non-Transferable Rights Certificate on your behalf.

If you do not indicate the number of Rights being exercised, or do not forward full payment of the Subscription Price, then you will be deemed to have exercised your Rights with respect to the maximum number of whole Rights that may be exercised with the aggregate Subscription Price you delivered to the Subscription Agent. If your aggregate Subscription Price is greater than the amount you owe for exercise of your Basic Subscription Right in full, you will be deemed to have exercised your Over-Subscription Privilege to purchase the maximum number of shares of Common Stock with your over-payment (subject to all prorations, adjustments, and limitations contemplated by the terms of the Rights Offering, as described in the Prospectus). If DLH does not apply your full Subscription Price payment to your purchase of shares of Common Stock, the excess subscription payment received by the Subscription Agent will be returned to you, without interest, as soon as practicable.

Brokers, custodian banks and other nominee holders of Rights who exercise the Basic Subscription Right and the Over-Subscription Privilege on behalf of beneficial owners of Rights will be required to certify to the Subscription Agent and DLH, in connection with the exercise of the Over-Subscription Privilege, as to the aggregate number of Rights that have been exercised pursuant to the Basic Subscription Right and the number of shares of Common Stock that are being subscribed for pursuant to the Over-Subscription Privilege by each beneficial owner of Rights (including such nominee itself) on whose behalf such nominee holder is acting.

DLH can also provide no assurances that each Rights holder will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of its Over-Subscription Privilege in full. DLH will not be able to satisfy a Right holder's exercise of the Over-Subscription Privilege if all of the Rights holders exercise their Basic Subscription Right in full, and DLH will only honor the exercise of an Over-Subscription Privilege to the extent sufficient Unsubscribed Shares are available, subject to the limitations set forth above.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to a Rights holder pursuant to the Over-Subscription Privilege is less than the amount such Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege, such Rights holder will be allocated only

the number of Unsubscribed Shares available to it, and any excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable. If a Rights holder properly exercises its Over-Subscription Privilege for an aggregate amount of shares that is less than or equal to the number of Unsubscribed Shares, such Rights holder will be allocated the number of Unsubscribed Shares for which such Rights holder actually paid in connection with the Over-Subscription Privilege. See “The Rights Offering — Over-Subscription Privilege.”

2. Issuance of Common Stock.

The following deliveries and payments will be made to the address shown on the face of your Non-Transferable Rights Certificate, unless you provide instructions to the contrary in your Non-Transferable Rights Certificate.

(a) *Basic Subscription Right.* As soon as practicable after the closing of the Rights Offering and the valid exercise of Rights, the Subscription Agent will mail to each Rights holder that validly exercises the Basic Subscription Right certificates representing shares of Common Stock purchased pursuant to the Basic Subscription Right.

(b) *Over-Subscription Privilege.* As soon as practicable after the closing of the Rights Offering (including after all prorations, adjustments, and limitations contemplated by the terms of the Rights Offering, as described in the Prospectus, have been effected), the Subscription Agent will mail to each Rights holder that validly exercises the Over-Subscription Right certificates representing the number of shares of Common Stock, if any, allocated to such Rights holder pursuant to the Over-Subscription Privilege.

(c) *Excess Cash Payments.* As soon as practicable after the Expiration Time and after all prorations and adjustments contemplated by the terms of the Rights Offering, as described in the Prospectus, have been effected, any excess subscription payments received in payment of the Subscription Price by the Subscription Agent will be mailed to each Rights holder, without interest.

3. No Sale or Transfer of Rights.

The Rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your Rights to anyone.

4. Execution.

(a) *Execution by Registered Holder.* The signature on the Non-Transferable Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Non-Transferable Rights Certificate without any alteration or change whatsoever. Persons who sign the Non-Transferable Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

(b) *Execution by Person Other than Registered Holder.* If the Non-Transferable Rights Certificate is executed by a person other than the holder named on the face of the Non-Transferable Rights Certificate, proper evidence of authority of the person executing the Non-Transferable Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

(c) *Signature Guarantees.* Your signature must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, if you specify special payment or delivery instructions. See the “Form of Election to Purchase” attached to your Non-Transferable Rights Certificate(s).

5. Method of Delivery.

The method of delivery of Non-Transferable Rights Certificates and payment of the aggregate Subscription Price to the Subscription Agent will be at the election and risk of the Rights holder. However, if you elect to exercise your Rights, DLH urges you to consider using a certified or cashier's check, money order, or wire transfer of funds to ensure that the Subscription Agent receives your funds prior to the Expiration Time. If you send an uncertified check, payment will not be deemed to have been received by the Subscription Agent until the check has cleared, but if you send a certified check, bank draft drawn upon a U.S. bank, a postal, telegraphic or express money order or wire or transfer funds directly to the Subscription Agent's account, payment will be deemed to have been received by the Subscription Agent immediately upon receipt of such instruments and wire or transfer. Any personal check used to pay for shares of Common Stock must clear the appropriate financial institutions prior to the Expiration Time. The clearinghouse may require five or more business days. Accordingly, Rights holders that wish to pay the aggregate Subscription Price by means of an uncertified personal check are urged to make payment sufficiently in advance of the Expiration Time to ensure such payment is received and clears by such date.

6. Special Provisions Relating to the Delivery of Rights through the Depository Trust Company.

In the case of Rights that are held of record through The Depository Trust Company ("DTC"), exercises of the Basic Subscription Right and pursuant to the Over-Subscription Privilege may be effected by instructing DTC to transfer Rights from the DTC account of such holder to the DTC account of the Subscription Agent, together with certification as to the aggregate number of Rights exercised subscribed for pursuant to the Basic Subscription Right and the number of Unsubscribed Shares subscribed for pursuant to the Over-Subscription Privilege by each beneficial owner of Rights on whose behalf such nominee is acting, and payment to the Subscription Agent of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Right and the Over-Subscription Privilege. See the Company's "Letter to Stockholders" and "Form of Election to Purchase" attached to your Non-Transferable Rights Certificate(s).

7. IRS Circular 230.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL, STATE OR LOCAL TAX PENALTIES, (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTION OR MATTERS DISCUSSED HEREIN, AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

8. Determinations Regarding the Exercise of Your Rights.

DLH will decide, in its sole discretion, all questions concerning the timeliness, validity, form, and eligibility of the exercise of your Rights. Any such determinations by DLH will be final and binding. DLH, in its sole discretion, may waive, in any particular instance, any defect or irregularity or permit, in any particular instance, a defect or irregularity to be corrected within such time as DLH may determine. DLH will not be required to make uniform determinations in all cases. DLH may reject the exercise of any of your Rights because of any defect or irregularity. DLH will not accept any exercise of Rights until all irregularities have been waived by DLH or cured by you within such time as DLH decides, in its sole discretion. Neither DLH, the subscription agent, nor the information agent will be under any duty to notify you of any defect or irregularity in connection with your submission of Non-Transferable Rights Certificates, and DLH will not be liable for failure to notify you of any defect or irregularity. DLH reserves the right to reject your exercise of Rights if DLH determines that your exercise is not in accordance with the terms of the rights offering, as set forth in the Prospectus and these Instructions for Use, or in proper form. DLH will also not accept the exercise of your Rights if DLH's issuance of shares of Common Stock to you could be deemed unlawful under applicable law.

NOTICE OF GUARANTEED DELIVERY FOR RIGHTS ISSUED BY DLH HOLDINGS CORP.

This Notice of Guaranteed Delivery must be used to exercise the subscription rights (the "Rights") pursuant to the rights offering (the "Rights Offering") as described in the prospectus dated _____, 2016 (the "Prospectus") of DLH Holdings Corp., a New Jersey corporation (the "Company"), *if* a holder of Rights *cannot* deliver the Rights Certificate and election form to the subscription agent listed below (the "Subscription Agent") at or before 5:00 p.m., Eastern time, on _____, 2016 (the "Expiration Time"). This Notice of Guaranteed Delivery must be delivered by facsimile transmission, first class mail, or overnight delivery to the Subscription Agent and must be received by the Subscription Agent at or before the Expiration Time.

Payment of the subscription price of \$ _____ per share of the Company's common stock subscribed for pursuant to the exercise of Rights must be received by the Subscription Agent in the manner specified in the Prospectus at or before the Expiration Time even if the completed Rights Certificate is being delivered pursuant to the guaranteed delivery procedures hereunder.

By mail, hand delivery or overnight courier to:

*By Facsimile Transmission:
(For Eligible Institutions Only)
(212) 616-7610*

Continental Stock Transfer & Trust Company
17 Battery Place, 8th Floor
New York, NY 10004
Attn: Corporate Actions Department
For Confirmation or Information:
Telephone: (917) 262-2378

DELIVERY OF THIS NOTICE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY.

Ladies and Gentlemen:

The undersigned hereby represents that the undersigned is the holder of a rights certificate (the "Rights Certificate") representing Rights and that the undersigned is not able to deliver a completed Rights Certificate to the Subscription Agent at or before the Expiration Time. The undersigned elects to exercise its Rights as follows:

Basic Subscription Right:

I hereby exercise _____ Rights (enter number of Rights you wish to exercise)

Therefore I apply for _____ new Common Shares (enter number of whole new Common Shares) at the Subscription Price of \$ _____ per share and I enclose the full Subscription Price for such new Common Shares of \$ _____ .

Over-Subscription Privilege:

If you fully exercise your Basic Subscription Right and wish to subscribe for additional shares, you may exercise your Over-Subscription Privilege. Exercise of your Over-Subscription Privilege is subject to limitation and allocation as described in the Prospectus and the enclosed instructions.

I apply for _____ new Common Shares (enter number of whole new Common Shares) at the Subscription Price of \$ _____ per share and I enclose the full Subscription Price for such new Common Shares of \$ _____.

Total Payment Required (sum of basic plus over-subscription amounts): \$ _____

The undersigned understands that payment of the full subscription price must be received by the Subscription Agent at or before the Expiration Time and represents that such payment, in the aggregate amount set forth above, either (check the appropriate box):

- Is being delivered to the Subscription Agent herewith; or
- Has been delivered separately to the Subscription Agent in the manner set forth below (check appropriate box and complete the information relating thereto):
 - Uncertified check (Payment by uncertified check will not be deemed to have been received by the Subscription Agent until such check has cleared. Holders paying by such means are urged to make payment sufficiently in advance of the Expiration Time to ensure that such payment clears by such time.)
 - Certified check
 - Bank draft (cashier's check)

Name of maker:
Date of check or draft:
Check or draft number:
Bank on which check is drawn:

Name(s):	Signature(s):	Address(es):	Telephone No.:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

GUARANTEE OF DELIVERY

The undersigned, a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, guarantees that the undersigned will deliver to the Subscription Agent the Rights Certificate representing the Rights being exercised hereby, with any required signature guarantee and any other required documents, no later than three business days following the date the Notice of Guaranteed Delivery was delivered.

Dated:

_____	_____
_____	_____
_____	_____

(Address)
(Telephone Number)

(Name of Firm)
(Authorized Signature)

The institution that completes this form must communicate the guarantee to the Subscription Agent and must deliver the Rights Certificate and election form to the Subscription Agent within three business days following the date the Notice of Guaranteed Delivery was delivered. Failure to do so could result in a financial loss to such institution.

**FORM OF LETTER
DLH HOLDINGS CORP.**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights
Distributed to Stockholders of Record of DLH Holdings Corp.

_____, 2016

Dear Stockholder:

This letter is being distributed by DLH Holdings Corp. ("DLH") to all holders of record of shares of its common stock, par value \$0.001 per share (the "Common Stock"), at 5:00 p.m., New York City time, on _____, 2016 (the "Record Date"), in connection with a distribution in a rights offering (the "Rights Offering") of non-transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock. The Rights and Common Stock are described in the accompanying offering prospectus covering the Rights and the shares of Common Stock issuable upon their exercise dated _____, 2016 (the "Prospectus").

In the Rights Offering, DLH is offering an aggregate of _____ shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., New York City time, on _____, 2016, unless extended (the "Expiration Time") by the board of directors in its sole discretion.

As described in the Prospectus, you will receive one Right for each share of Common Stock owned of record as of 5:00 p.m., New York City time, on the Record Date. Each Right allows you to subscribe for _____ shares of Common Stock (the "Basic Subscription Right") at the cash price of \$_____ per whole share (the "Subscription Price"). Accordingly, you will need to exercise _____ Rights to purchase one whole share of Common Stock at the subscription price of \$_____ per whole share. For example, if you owned 100 shares of Common Stock as of 5:00 p.m., New York City time on the Record Date, you would receive 100 Rights and would have the right to purchase _____ shares of Common Stock at the Subscription Price.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Right, you may also exercise an over-subscription right (the "Over-Subscription Privilege") to purchase shares of Common Stock that are not purchased by stockholders through the exercise of their Basic Subscription Rights (such shares, determined taking into account the limitation described in the remainder of this sentence, the "Unsubscribed Shares"), subject to availability and allocation; provided, however, that aggregate purchase price of all shares of Common Stock purchased in this Rights Offering pursuant to the exercise of Basic Subscription Rights and the Over-Subscription Privilege may not exceed \$2,650,000. Further, DLH has implemented a limitation upon the subscription rights in the Over-Subscription Privilege which may be exercised by the subscribers in the Rights Offering. As a condition to the Rights Offering, and by signing the Election To Purchase, the Recordholder understands and agrees that: (i) it shall not have the right to purchase in the Over-Subscription Privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by such Recordholder as of the Record Date and (ii) DLH shall have the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

If sufficient shares are available for offer pursuant to the Rights Offering, DLH will seek to honor the oversubscription requests in full subject to the limitations described above. If, however, over-subscription requests exceed the number of shares available, we will allocate the available shares pro rata among the Rights holders

exercising their Over-Subscription Privilege in proportion to the number of shares of Common Stock each Rights holder subscribed for under the Basic Subscription Right. If this pro rata allocation results in any Recordholder receiving a greater number of shares of Common Stock than such Recordholder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Recordholder will be allocated only that number of shares for which such Recordholder over-subscribed and the remaining shares will be allocated among the other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until either all available shares, or all shares validly requested pursuant to the Over-Subscription Privilege, have been allocated.

Each Rights holder will be required to submit payment in full for all the shares it wishes to buy with its Basic Subscription Right and pursuant to the Over-Subscription Privilege. Because DLH will not know the total number of Unsubscribed Shares prior to the Expiration Time, if a Rights holder wishes to maximize the number of shares it may purchase pursuant to the holder's Over-Subscription Privilege, the Rights holder will need to deliver payment in an amount equal to the aggregate Subscription Price for the number of shares of Common Stock such holder would like to purchase under its Basic Subscription Right and its Over-Subscription Privilege, such number of shares to be determined by the Rights holder based on the assumption that no stockholders other than such holder purchases any shares of Common Stock pursuant to their Basic Subscription Right and Over-Subscription Privilege.

Fractional Rights remaining after aggregating all of the Rights distributed to you will be rounded down to the nearest whole number to ensure that DLH offers no more than _____ shares of Common Stock in the Rights Offering. Any excess subscription payments received by Continental Stock Transfer and Trust Company (the "Subscription Agent") will be returned, without interest, as soon as practicable.

DLH can provide no assurances that you will actually be entitled to purchase the number of shares of Common Stock you request upon the exercise of your Over-Subscription Privilege. DLH will not be able to satisfy your exercise of the Over-Subscription Privilege if the Rights Offering is subscribed in full, and DLH will only honor the exercise of an Over-Subscription Privilege Right to the extent sufficient Unsubscribed Shares are available, subject to the limitations set forth above.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege is less than the amount you actually paid in connection with the exercise of the Over-Subscription Privilege, you will be allocated only the number of Unsubscribed Shares available to you, and any excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable. If you properly exercise your Over-Subscription Privilege for an aggregate amount of shares that is less than or equal to the number of Unsubscribed Shares, you will be allocated the number of Unsubscribed Shares for which you actually paid in connection with the Over-Subscription Privilege. See "The Rights Offering—Over-Subscription Privilege."

The Rights are evidenced by a non-transferable Rights certificate (the "Non-Transferable Rights Certificate") registered in your name and will cease to have any value at the Expiration Time. The reverse of the Non-Transferable Rights Certificate contains the form for exercising your Rights. To exercise your Rights, you should deliver the properly completed and duly signed Non-Transferable Rights Certificate, with full payment of the Subscription Price for each share of common stock subscribed for pursuant to the Basic Subscription Right and the Over-Subscription Privilege, to the Subscription Agent, as indicated in the Prospectus.

Enclosed are copies of the following documents:

1. The Prospectus;
2. A Non-Transferable Rights Certificate evidencing the Rights for which you are the holder of record;
3. Instructions as to the use of DLH, Inc. Non-Transferable Rights Certificates;

4. Notice of Guaranteed Delivery;
5. Notice of Tax Information; and
6. A return envelope addressed to Continental Stock Transfer and Trust Company, the Subscription Agent.

Your prompt action is requested. To exercise the Rights, you should deliver the properly completed and signed Non-Transferable Rights Certificate, with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Right and the Over-Subscription Privilege, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Non-Transferable Rights Certificate with payment of the Subscription Price, including final clearance of any checks, prior to the Expiration Time. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Time will expire.

Additional copies of the enclosed materials may be obtained from Continental Stock Transfer & Trust Company, the Information Agent. The Information Agent's telephone number is (917) 262-2378. Any questions or requests for assistance concerning the rights offering should be directed to the Information Agent.

Very truly yours,

DLH Holdings Corp.

NOTHING IN THE PROSPECTUS OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF DLH HOLDINGS CORP., THE SUBSCRIPTION AGENT OR ANY OTHER PERSON MAKING OR DEEMED TO BE MAKING OFFERS OF THE SECURITIES ISSUABLE UPON VALID EXERCISE OF THE RIGHTS OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE RIGHTS OFFERING EXCEPT FOR STATEMENTS MADE IN THE PROSPECTUS.

**FORM OF LETTER
FORM OF LETTER TO NOMINEE HOLDERS
WHOSE CLIENTS ARE BENEFICIAL HOLDERS**

DLH HOLDINGS CORP.

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights
Distributed to Stockholders
of DLH Holdings Corp.

, 2016

To Securities Dealers, Commercial Banks,
Trust Companies and Other Nominees:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering (the "*Rights Offering*") by DLH Holdings Corp. ("*DLH*") of shares of DLH common stock, par value \$0.001 per share (the "*Common Stock*"), pursuant to non-transferable subscription rights (the "*Rights*") distributed to all holders of record of shares of Common Stock at 5:00 p.m., New York City time, on _____, 2016 (the "*Record Date*"). The Rights and Common Stock are described in the accompanying offering prospectus covering the Rights and the shares of Common Stock issuable upon their exercise dated _____, 2016 (the "*Prospectus*").

In the Rights Offering, DLH is offering an aggregate of _____ shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., New York City time, on _____, 2016, unless extended (the "*Expiration Time*") by the board of directors in its sole discretion.

As described in the Prospectus, each beneficial owner of shares of Common Stock registered in your name or the name of your nominee is entitled to receive one Right for each share of Common Stock owned of record as of 5:00 p.m., New York City time, on the Record Date. Each Right allows the holder thereof to subscribe for _____ shares of Common Stock (the "*Basic Subscription Right*") at the cash price of \$ _____ per whole share (the "*Subscription Price*"). Accordingly, you will need to exercise _____ Rights to purchase one whole share of Common Stock at the subscription price of \$ _____ per whole share. For example, if a Rights holder owned 100 shares of Common Stock as of 5:00 p.m., New York City time on the Record Date, it would receive 100 Rights and would have the right to purchase _____ shares of Common Stock at the Subscription Price.

If a Rights holder purchases all of the shares of common stock available to it pursuant to its Basic Subscription Right, it may also exercise an over-subscription right (the "*Over-Subscription Privilege*") to purchase shares of Common Stock that are not purchased by stockholders through the exercise of their Basic Subscription Rights (such shares, determined taking into account the limitation described in the remainder of this sentence, the "*Unsubscribed Shares*"), subject to availability and allocation; provided, however, that aggregate purchase price of all shares of Common Stock purchased in this Rights Offering pursuant to the exercise of Basic Subscription Rights and the Over-Subscription Privilege may not exceed \$2,650,000. Further, DLH has implemented a limitation upon the subscription rights in the Over-Subscription Privilege which may be exercised by the subscribers in the Rights Offering. As a condition to the Rights Offering, and by signing the Election To Purchase, the Rights holder

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understands and agrees that: (i) it shall not have the right to purchase in the Over-Subscription Privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by such Rights holder as of the Record Date and (ii) DLH shall have the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

If sufficient shares are available for offer pursuant to the Rights Offering, DLH will seek to honor the oversubscription requests in full subject to the limitations described above. If, however, over-subscription requests exceed the number of shares available, we will allocate the available shares pro rata among the Rights holders exercising their Over-Subscription Privilege in proportion to the number of shares of Common Stock each Rights holder subscribed for under the Basic Subscription Right. If this pro rata allocation results in any Rights holder receiving a greater number of shares of Common Stock than such Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of shares for which such Rights holder over-subscribed and the remaining shares will be allocated among the other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until either all available shares, or all shares validly requested pursuant to the Over-Subscription Privilege, have been allocated.

Each Rights holder will be required to submit payment in full for all the shares it wishes to buy with its Basic Subscription Right and pursuant to the Over-Subscription Privilege. Because DLH will not know the total number of Unsubscribed Shares prior to the Expiration Time, if a Rights holder wishes to maximize the number of shares it may purchase pursuant to the Rights holder's Over-Subscription Privilege, the Rights holder will need to deliver payment in an amount equal to the aggregate Subscription Price for the number of shares of Common Stock such holder would like to purchase under its Basic Subscription Right and its Over-Subscription Privilege, such number of shares to be determined by the Rights holder based on the assumption that no stockholders other than such holder purchases any shares of Common Stock pursuant to their Basic Subscription Right and Over-Subscription Privilege.

Fractional Rights remaining after aggregating all of the Rights distributed to you will be rounded down to the nearest whole number to ensure that DLH offers no more than _____ shares of Common Stock in the Rights Offering. Any excess subscription payments received by Continental Stock Transfer and Trust Company (the "Subscription Agent") will be returned, without interest, as soon as practicable.

DLH can provide no assurances that each Rights holder will actually be entitled to purchase the number of shares of Common Stock such Rights holder requests upon the exercise of its Over-Subscription Privilege. DLH will not be able to satisfy a Rights holder's exercise of the Over-Subscription Privilege if the Rights Offering is subscribed in full, and DLH will only honor the exercise of an Over-Subscription Privilege to the extent sufficient Unsubscribed Shares are available, subject to the limitations set forth above.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to a Rights holder pursuant to the Over-Subscription Privilege is less than the amount such Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege, such Rights holder will be allocated only the number of Unsubscribed Shares available to it, and any excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable. If a Rights holder properly exercises its Over-Subscription Privilege for an aggregate amount of shares that is less than or equal to the number of Unsubscribed Shares, such Rights holder will be allocated the number of Unsubscribed Shares for which such Rights holder actually paid in connection with the Over-Subscription Privilege. See "The Rights Offering—Over-Subscription Privilege."

The Rights are non-transferable during the course of the Rights Offering.

DLH is asking persons who hold shares of Common Stock beneficially and who have received the Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent, incurred in connection with the exercise of the Rights will be for the account of the holder of the Rights, and none of such commissions, fees or expenses will be paid by DLH or the Subscription Agent.

Enclosed are copies of the following documents:

1. The Prospectus;
2. Instructions as to the Use of DLH Holdings Corp. Non-Transferable Rights Certificates;
3. A form of letter which may be sent to your clients for whose accounts you hold shares of Common Stock registered in your name or the name of your nominee (including a Beneficial Owner Election Form), with an attached form of instruction;
4. Nominee Holder Certification;
5. Notice of Tax Information; and
6. A return envelope addressed to Continental Stock Transfer and Trust Company, the Subscription Agent.

Your prompt action is requested. To exercise the Rights, you should deliver the properly completed and signed Nominee Holder Certification, with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Right and the Over-Subscription Right, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Nominee Holder Certification with payment of the Subscription Price, including final clearance of any checks, prior to the Expiration Time. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Time will expire.

Additional copies of the enclosed materials may be obtained from Continental Stock Transfer & Trust Co., Information Agent. The Information Agent's telephone number is (917) 262-2378. Any questions or requests for assistance concerning the rights offering should be directed to the Information Agent.

Very truly yours,

DLH Holdings Corp.

NOTHING IN THE PROSPECTUS OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF DLH HOLDINGS CORP., THE SUBSCRIPTION AGENT OR ANY OTHER PERSON MAKING OR DEEMED TO BE MAKING OFFERS OF THE SECURITIES ISSUABLE UPON VALID EXERCISE OF THE RIGHTS OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE RIGHTS OFFERING EXCEPT FOR STATEMENTS MADE IN THE PROSPECTUS.

**FORM OF LETTER
DLH HOLDINGS CORP.**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights
Distributed to Stockholders of DLH Holdings Corp.

, 2016

To Our Clients:

Enclosed for your consideration is a prospectus, dated _____, 2016 (the "*Prospectus*") which relates to the offering (the "*Rights Offering*") by DLH Holdings Corp. ("*DLH*") of shares of DLH's common stock, par value \$0.001 per share (the "*Common Stock*"), pursuant to non-transferable subscription rights (the "*Rights*") distributed to all holders of record of shares of Common Stock at 5:00 p.m., New York City time, on _____, 2016 (the "*Record Date*"). The Rights and Common Stock are described in the Prospectus.

In the Rights Offering, DLH is offering an aggregate of _____ shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., New York City time, on _____, 2016, unless extended (the "*Expiration Time*") by the board of directors in its sole discretion.

As described in the Prospectus, you will receive one Right for each share of Common Stock owned of record as of 5:00 p.m., New York City time, on the Record Date. Each Right allows you to subscribe for _____ shares of Common Stock (the "*Basic Subscription Right*") at the cash price of \$_____ per whole share (the "*Subscription Price*"). Accordingly, you will need to exercise _____ Rights to purchase one whole share of Common Stock at the subscription price of \$_____ per whole share. For example, if you owned 100 shares of Common Stock as of 5:00 p.m., New York City time on the Record Date, you would receive 100 Rights and would have the right to purchase _____ shares of Common Stock at the Subscription Price.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Right, you may also exercise an over-subscription right (the "*Over-Subscription Privilege*") to purchase shares of Common Stock that are not purchased by stockholders through the exercise of their Basic Subscription Rights (such shares, determined taking into account the limitation described in the remainder of this sentence, the "*Unsubscribed Shares*"), subject to availability and allocation; provided, however, that aggregate purchase price of all shares of Common Stock purchased in this Rights Offering pursuant to the exercise of Basic Subscription Rights and the Over-Subscription Privilege may not exceed \$2,650,000. Further, DLH has implemented a limitation upon the subscription rights in the Over-Subscription Privilege which may be exercised by the subscribers in the Rights Offering. As a condition to the Rights Offering, and by signing the Election To Purchase, the Rights holder understands and agrees that: (i) it shall not have the right to purchase in the Over-Subscription Privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by such Rights holder as of the Record Date and (ii) DLH shall have the right to instruct the Subscription Agent to reduce the amount of any over-subscription exercise in excess of the limitation set forth above.

If sufficient shares are available for offer pursuant to the Rights Offering, DLH will seek to honor the oversubscription requests in full subject to the limitations described above. If, however, over-subscription requests exceed the number of shares available, we will allocate the available shares pro rata among the Rights holders exercising their Over-Subscription Privilege in proportion to the number of shares of Common Stock each Rights

holder subscribed for under the Basic Subscription Right. If this pro rata allocation results in any Rights holder receiving a greater number of shares of Common Stock than such Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of shares for which such Rights holder over-subscribed and the remaining shares will be allocated among the other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until either all available shares, or all shares validly requested pursuant to the Over-Subscription Privilege, have been allocated.

You will be required to submit payment in full for all the shares you wish to buy with your Basic Subscription Right and pursuant to your Over-Subscription Privilege. Because DLH will not know the total number of Unsubscribed Shares prior to the Expiration Time, if you wish to maximize the number of shares you may purchase pursuant to your Over-Subscription Privilege, you will need to deliver payment in an amount equal to the aggregate Subscription Price for the number of shares of Common Stock you would like to purchase pursuant to your Basic Subscription Right and your Over-Subscription Privilege, such number of shares to be determined by you based on the assumption that no stockholder other than you has purchased any shares of Common Stock pursuant to the Basic Subscription Right and Over-Subscription Privilege. Fractional Rights remaining after aggregating all of the Rights distributed to you will be rounded down to the nearest whole number to ensure that DLH offers no more than _____ shares of Common Stock in the Rights Offering. Any excess subscription payments received by Continental Stock Transfer and Trust Company (the "*Subscription Agent*") will be returned, without interest, as soon as practicable.

DLH can provide no assurances that each Rights holder will actually be entitled to purchase the number of shares of Common Stock such Rights holder requests upon the exercise of its Over-Subscription Privilege. DLH will not be able to satisfy a Rights holder's exercise of the Over-Subscription Privilege if the Rights Offering is subscribed in full, and DLH will only honor the exercise of an Over-Subscription Privilege to the extent sufficient Unsubscribed Shares are available, subject to the limitations set forth above.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to a Rights holder pursuant to the Over-Subscription Privilege is less than the amount such Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege, such Rights holder will be allocated only the number of Unsubscribed Shares available to it, and any excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable. If a Rights holder properly exercises its Over-Subscription Privilege for an aggregate amount of shares that is less than or equal to the number of Unsubscribed Shares, such Rights holder will be allocated the number of Unsubscribed Shares for which such Rights holder actually paid in connection with the Over-Subscription Privilege. See "The Rights Offering—Over-Subscription Privilege."

The Rights are non-transferable during the course of the Rights Offering.

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES AND SALES OF RIGHTS MAY BE MADE ONLY BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. However, we urge you to read the Prospectus carefully before instructing us to exercise your Rights.

If you wish to have us, on your behalf, exercise the Rights for any shares of Common Stock to which you are entitled, please so instruct us by completing, executing and returning to us the instruction form on the reverse side of this letter. Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise Rights on your behalf in accordance with the provisions of the Rights Offering. **The Rights Offering will expire at the Expiration Time. Once you have exercised the Basic Subscription Right or the Over-Subscription Privilege, such exercise may not be revoked.**

Additional copies of the enclosed materials may be obtained from Continental Stock Transfer & Trust Company, the Information Agent. The Information Agent's telephone number is (917) 262-2378. Any questions or requests for assistance concerning the rights offering should be directed to the Information Agent.

BENEFICIAL OWNER ELECTION FORM

The undersigned acknowledge(s) receipt of your letter and the enclosed materials relating to the grant of transferable rights (the "Rights") to purchase shares of common stock, par value \$0.001 per share (the "Common Stock"), of DLH Holdings Corp. ("DLH").

With respect to any instructions to exercise (or not to exercise) Rights, the undersigned acknowledges that this form must be completed and returned such that it will actually be received by you by 5:00 p.m., New York City time, on _____, 2016, the last business day prior to the scheduled expiration date of the rights offering of _____, 2016 (which may be extended by DLH's board of directors in its sole discretion).

This will instruct you whether to exercise Rights to purchase shares of Common Stock distributed with respect to the shares of Common Stock held by you as record holder for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the prospectus dated _____, 2016 (the "Prospectus") and the related "Instructions as to Use of DLH Holdings Corp. Subscription Rights Certificates."

I (we) hereby instruct you as follows:

(CHECK THE APPLICABLE BOXES AND PROVIDE ALL REQUIRED INFORMATION)

Box 1. Please DO NOT EXERCISE RIGHTS for shares of Common Stock.

Box 2. Please EXERCISE RIGHTS for shares of Common Stock as set forth below:

	Number of Shares of Common Stock Subscribed For	x	Subscription Price	=	Payment
Basic Subscription Right	_____	x	\$ _____	=	\$ _____ (Line 1)
Over-Subscription Privilege*	_____	x	\$ _____	=	\$ _____ (Line 2)
Total Payment Required					\$ _____ (Sum of Lines 1 and 2)

*

The Over-Subscription Privilege may be exercised subject to the limitations that (i) if any Over-Subscription Privileges are exercised, DLH Holdings Corp. will not issue a number of shares in excess of _____ pursuant to the exercise of Basic Subscription Rights and the Over-Subscription Privilege and (ii) the I (we) shall not have the right to purchase in the Over-Subscription Privilege more than a number of shares in excess of the number of shares of Common Stock beneficially owned by me (us) as of the Record Date

Box 3. Payment in the following amount is enclosed: \$ _____

Box 4. Please deduct payment of \$ _____ from the following account maintained by you as follows:

(The total of Box 3 and Box 4 must equal the total payment specified above.)

Type of Account _____ Account No. _____

I (we) on my (our) own behalf, or on behalf of any person(s) on whose behalf, or under whose directions, I am (we are) signing this form:

- irrevocably elect to purchase the number of shares of Common Stock indicated above upon the terms and conditions specified in the Prospectus; and
- agree that if I (we) fail to pay for the shares of Common Stock I (we) have elected to purchase, you may exercise any remedies available to you under law.

Name of beneficial owner(s): _____

Signature of beneficial owner(s): _____

If you are signing in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or another acting in a fiduciary or representative capacity, please provide the following information:

Name: _____

Capacity: _____

Address (including Zip Code): _____

Telephone Number: _____



DLH HOLDINGS CORP.

NOMINEE HOLDER CERTIFICATION

The undersigned, a broker, custodian bank, trustee, depository or other nominee holder of non-transferable rights (the "Rights") to purchase shares of common stock ("Common Stock") of DLH Holdings Corp. ("DLH") pursuant to the rights offering described and provided for in the prospectus dated _____, 2016 (the "Prospectus"), hereby certifies to DLH and Continental Stock Transfer and Trust Company, as subscription agent for the rights offering, that (1) the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of Rights specified below pursuant to the basic subscription right (as defined in the Prospectus), and on behalf of beneficial owners of Rights who have subscribed for the purchase of additional shares of Common Stock pursuant to the over-subscription right (as defined in the Prospectus), the number of shares specified below pursuant to the over-subscription privilege, listing separately below each such exercised basic subscription right and the corresponding over-subscription privilege (without identifying any such beneficial owner), and (2) to the extent a beneficial owner has elected to subscribe for shares pursuant to the over-subscription privilege, each such beneficial owner's basic subscription right has been exercised in full:

	Number of Shares of Common Stock Owned on the Record Date	Rights Exercised Pursuant to Basic Subscription Right	Number of Shares Subscribed For Pursuant to Over-Subscription Right
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____

Provide the following information if applicable:

Depository Trust Company ("DTC")

Participant Number

[NAME OF NOMINEE]

By:

Name:

Title:

{N0112635 }

DTC Basic Subscription Confirmation Number(s):

{N0112635 }

**FORM OF NOTICE OF
IMPORTANT TAX INFORMATION**

This tax information is provided in connection with the prospectus of DLH Holdings Corp. (the "Company") dated _____, 2016 (the "Prospectus").

Under the United States federal income tax laws, dividend payments that may be made by the Company on shares of its common stock, \$0.001 par value per share (the "Common Stock" or "Common Shares"), issued upon the exercise of nontransferable subscription rights (the "Rights") may be subject to backup withholding. Generally, such payments will be subject to backup withholding unless the holder (i) is exempt from backup withholding or (ii) furnishes the payer with its correct taxpayer identification number ("TIN") and certifies, under penalties of perjury, that the number provided is correct and provides certain other certifications. Each holder that exercises Rights and wants to avoid backup withholding must provide Continental Stock Transfer & Trust Company (the "Subscription Agent"), as the Company's agent in respect of the exercised Rights (the "Requester"), with a properly completed Substitute Form W-9 (set forth below).

Certain holders (including, among others, certain foreign corporations and certain foreign individuals) are exempt from these backup withholding and reporting requirements. In general, in order for a foreign holder to qualify as an exempt recipient, that holder must submit a properly completed Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals) or Form W-8BEN-E Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) (each instead of a Form W-9), or other applicable Form W-8 signed under the penalties of perjury, attesting to that holder's foreign status. Such Form W-8BEN, W-8BEN-E or other applicable Form W-8 may be obtained from the Subscription Agent.

Although a foreign holder may be exempt from backup withholding, payments of dividends may be subject to withholding tax, currently at a 30% rate (or, if certain tax treaties apply such applicable lower rate). Exempt U.S. holders should indicate their exempt status on Form W-9 to avoid possible erroneous backup withholding. Holders are urged to consult their tax advisers to determine whether they are exempt from withholding and reporting requirements.

If backup withholding applies, the Company or the Subscription Agent, as the case may be, will be required to withhold (currently at a 28% rate) on any dividend payments made to a holder that exercises Rights. Backup withholding is not an additional tax. Rather, the amount of backup withholding can be credited against the U.S. federal income tax liability of the holder subject to backup withholding, provided that the required information is provided to the IRS. If backup withholding results in an overpayment of taxes, a refund may be obtained.

A holder that exercises Rights is required to give the Subscription Agent the TIN of the record owner of the Rights. If such record owner is an individual, the taxpayer identification number is generally the taxpayer's social security number. For most other entities, the TIN is the employer identification number. If the Rights are in more than one name or are not in the name of the actual owner, consult the Instructions on Form W-9 for additional guidelines on which number to report or consult your tax advisors to determine the correct number to report. If the Subscription Agent is not provided with the correct TIN in connection with such payments, the holder may be subject to a penalty imposed by the IRS.

If you do not have a TIN, consult your tax advisors or consult the Instructions on Form W-9 for instructions on applying for a TIN, write "Applied For" in the space for the TIN in Part 1 of the Form W-9 and sign and date the Form W-9. If you do not provide your TIN to the Subscription Agent within 60 days, backup withholding will begin and continue until you furnish your TIN to the Subscription Agent. Note: Writing "Applied For" on the form means that you have already applied for a TIN or that you intend to apply for one in the near future.

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SHAREHOLDER MUST COMPLETE SUBSTITUTE W-9 BELOW

PAYER'S NAME: DLH Holdings Corp.

Part 1 Taxpayer Identification No. – For All Accounts

SUBSTITUTE FORM W-9
Department of Treasury

Enter your taxpayer identification number in the appropriate box to the right. For most individuals and sole proprietors, this is your social security number. For other entities, it is your employer identification number. If awaiting a TIN, write "Applied For" in the space at the right and complete the Certificate of Awaiting Taxpayer Identification Number below. If you do not have a number, see "How to Obtain a TIN" in the enclosed Guidelines.

Social Security Number

OR

Employer Identification Number

Part II - For Payees Exempt From Backup Withholdings, see enclosed Guidelines.

Internal Revenue Service
Payer's Request for taxpayer
Identification Number (TIN)

Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine what number to enter.

Check appropriate box:

- Individual/Sole Proprietor
- Corporation
- Partnership
- Limited liability company. Enter tax classification (D = disregarded entity, C = corporation, P = partnership)
- Other (specify)
- Exempt from Backup Withholding

Part III Certification—Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number or I am waiting for a number to be issued to me;
- (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- (3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions - You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Signature: _____

Address: _____

Date: _____

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE
"APPLIED FOR" IN PART I OF THIS SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a Taxpayer Identification Number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that, notwithstanding the information I provided in Part III of the Substitute Form W-9 (and the fact that I have completed this Certificate of Awaiting Taxpayer Identification Number), 28% of all payments made to me pursuant to this Offer to Purchase shall be retained until I provide a Taxpayer Identification Number to the Payer and that, if I do not provide my Taxpayer Identification Number within sixty (60) days, such retained amounts shall be remitted to the IRS as backup withholding.

Signature: _____
Address: _____

NOTE: Failure to complete and return this form may result in backup withholding of any payments made to you pursuant to this Offer. Please review the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional details.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines for Determining the Proper Identification Number to Give the Payer

Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

For this type of account:	Give the SOCIAL SECURITY number of:
1. An individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account (1)
3. Husband and wife (joint account)	The actual owner of the account or, if combined funds, the first individual on the account (1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor (2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor (1)
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor or incompetent person (3)
7. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee (1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner (1)
	Give the EMPLOYER IDENTIFICATION number of:
For this type of account:	
8. Sole proprietorship or single-owner LLC	The owner (4)
9. A valid trust, estate or pension trust	The legal entity (5)
10. Corporate or LLC electing corporate status on Form 8832	The corporation
11. Association, club, religious, charitable, educational or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's SSN.
- (3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
- (4) You must show your individual name and you may also enter your business or "doing business as" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, the IRS encourages you to use your SSN.
- (5) List first and circle the name of the legal trust, estate or pension trust. (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when there is more than one name listed, the number will be considered to be that of the first name listed.

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service ("IRS") and apply for a number. These forms can also be obtained from the IRS's website (<http://irs.gov/formspubs/index.html>).

Payees Exempt from Backup Withholding

Payees specifically exempt from backup withholding on all payments include the following:

1. An organization exempt from tax under section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), an individual retirement plan or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States or any of their subdivisions or instrumentalities.
4. A foreign government, a political subdivision of a foreign government or any of their agencies or instrumentalities.
5. An international organization or any of their agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation.
7. A foreign central bank of issue.
8. A dealer in securities or commodities required to register in the United States, the District of Columbia or a possession of the United States.
9. A futures commission merchant registered with the Commodity Futures Trading Commission.
10. A real estate investment trust.
11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
12. A common trust fund operated by a bank under section 584(a) of the Code.

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13. A financial institution.
14. A middleman known in the investment community as a nominee or custodian.
15. A trust exempt from tax under section 664 or described in section 4947 of the Code.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441 of the Code.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one non-resident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) payments made by an ESOP.

Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- Payments of tax-exempt interest (including exempt-interest dividends under Section 852). Payments described in Section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under Section 1451.
- Payments made by certain foreign organizations.

The chart below shows three of the types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for...	THEN the payment is currently exempt for...
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13; also, a person who regularly acts as a broker and who is registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5

Exempt payees should file the Substitute Form W-9 to avoid possible erroneous backup withholding. FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM IN PART II, SIGN AND DATE THE FORM, AND RETURN IT TO THE PAYER. Foreign payees who are not subject to backup withholding should complete the appropriate IRS Form W-8 and return it to the payer.

Privacy Act Notice

Section 6109 of the Code requires most recipients of dividend, interest or other payments to give their correct taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of tax returns. It may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia and U.S. possessions to carry out their tax laws. It may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, and to federal law enforcement and intelligence agencies to combat terrorism.

Payees must provide payers with their taxpayer identification numbers whether or not they are required to file tax returns. Payers must generally withhold [28]% of taxable interest, dividend and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

- (1) **Penalty for Failure to Furnish Taxpayer Identification Number**—If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- (2) **Civil Penalty for False Information With Respect to Withholding**—If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.
- (3) **Criminal Penalty for Falsifying Information**—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

