

## THE MERGER

### Overview

The Company is seeking the adoption by Company stockholders of the merger agreement. Under the terms of the merger agreement, subject to the satisfaction or waiver of specified conditions, Sub will be merged with and into the Company. The Company will continue as the surviving corporation and will succeed to and assume all the rights and obligations of Sub and the Company in accordance with the DGCL, and will continue in existence as a wholly owned subsidiary of Parent. The Board has unanimously approved the merger agreement and unanimously recommends that Company stockholders vote “**FOR**” the proposal to adopt the merger agreement.

At the effective time, each share of Company common stock issued and outstanding immediately prior to the effective time (other than shares of Company common stock (i) that are held in the treasury of the Company, (ii) owned of record by the Company, (iii) owned of record by Parent, Sub or any of their respective subsidiaries (other than, in each case of clauses (i)-(iii), shares held on behalf of a third party), (iv) that are beneficially held or owned of record by any subsidiary of the Company and (v) held by stockholders who have not voted in favor of, or consented to the adoption of, the merger agreement and who have properly demanded appraisal of such shares and complied in all respects with all the provisions of the DGCL concerning the right of holders of shares to request appraisal of their shares) will be cancelled and cease to exist and will be automatically converted into the right to receive \$70.00 in cash per share, without interest thereon, subject to any required tax withholding in accordance with the terms of the merger agreement.

Following the completion of the merger, the Company will cease to be a publicly traded company.

### Background of the Merger

The Board, together with senior management, regularly reviews and assesses the Company’s strategic direction, financial performance and business plans and operations with a view towards strengthening the Company’s businesses and identifying opportunities to increase stockholder value, taking into account certain financial, industry-specific, competitive and other considerations. As part of this process, from time to time, the Board and senior management have reviewed potential strategic alternatives, including strategic acquisitions and divestitures.

During June 2020, management of the Company engaged in discussions with representatives of J.P. Morgan, a long-standing financial advisor to the Company, regarding ordinary course shareholder activism preparedness. In connection with these communications, on June 9, 2020, the Board held a meeting via videoconference, attended by members of senior management as well as representatives of J.P. Morgan and Faegre Drinker Biddle & Reath LLP, primary outside counsel to the Company (“*Faegre*”). At the meeting, representatives of J.P. Morgan and Faegre discussed with the Board potential structural responses available to the Board in the event of activist engagement, including the adoption of a shareholder rights plan. To enable the Board to respond promptly to potential coercive or disruptive actions by activist investors, the Board directed senior management and Faegre to prepare an updated shareholder rights plan that would be kept “on the shelf” unless formally adopted by the Board.

As part of its ongoing strategic planning process, during August 2020, the Board reviewed with members of senior management and the Company’s advisors various strategic initiatives to enhance the Company’s performance, implement cost savings, and improve the Company’s return on invested capital, as well as strategic alternatives the Company could evaluate, including combining its then-separate mission solutions and global defense systems business, transforming its transportation and defense businesses through various growth and operational enhancements, selling its defense business and acquiring a business in a related industry. On August 24, 2020, the Board held a meeting via videoconference, attended by members of senior management and representatives of certain of the Company’s advisors. At the meeting, the Board discussed, among other things, a review of certain strategic initiatives and potential strategic alternatives that may be available to the Company, including operational enhancements to the Company’s existing business, a combination of the Company’s existing defense business, the sale of the Company’s defense business, and a strategic acquisition in a related industry. The Board asked questions and discussed various initiatives members

of senior management and the Company's advisors. Following this discussion, senior management presented its "NextCubic" strategic plan, which was adopted by the Board.

On September 1, 2020, a representative of Elliott Investment Management L.P. contacted Bradley Feldmann, the Chief Executive Officer, President and Chairman of the Company ("**Mr. Feldmann**"), to inform the Company that certain of its affiliated investment funds (which we refer to, collectively, as "**Elliott**") had acquired direct ownership and derivative positions, including cash-settled swaps, which provided Elliott with an aggregate economic exposure comparable to an interest in approximately 13% of the Company common stock. The representative communicated Elliott's interest in acquiring the Company together with an affiliate of Veritas Capital Fund Management, L.L.C. (which we refer to as "**Veritas**") and indicating that Elliott preferred to have a private dialogue with the Company. Elliott also requested a follow-on meeting to discuss its potential interest in acquiring the Company. Mr. Feldmann indicated that he would share Elliott's request with the Board. The closing price of the Company's common stock on the NYSE on this date was \$48.24 per share.

On September 4, 2020, the Board held a meeting via videoconference, attended by members of senior management and, among others, representatives of J.P. Morgan, Faegre and Spotlight Advisors, special situations advisor to the Company ("**Spotlight Advisors**"). At the meeting, representatives of Faegre reviewed with the Board its fiduciary duties. The Board discussed, among other things, Elliott's outreach to Mr. Feldmann and stated economic interest in the Company. Representatives of J.P. Morgan, Spotlight Advisors and Faegre discussed with the Board an overview of Elliott's recent investments and potential responses by the Company in connection with Elliott's acquisition of economic exposure comparable to an interest in approximately 13% of the Company common stock, including considerations regarding the implementation of a limited-duration shareholder rights plan. Following these discussions, in light of J.P. Morgan's qualifications, expertise, reputation and knowledge of the Company's business and financial profile, as well as its prior discussions with the Board regarding potential responses to investors, the Board determined to engage J.P. Morgan as the Company's financial advisor to assist the Board in evaluating strategic responses to Elliott.

On September 10, 2020, representatives from Elliott contacted Mr. Feldmann, again reiterating the desire of Elliott and Veritas to meet with representatives of the Company to discuss next steps.

On September 11, 2020, the Board held a meeting via videoconference (the "**September 11 Meeting**"), at which members of senior management were present for all or portions of the meeting. At the September 11 Meeting, the Board and senior management discussed the continuing preparation and development of the Company's business plan and projections of forecasted performance used by the Company in the ordinary course of operating its business and measuring performance. Following such discussions, the Board, members of senior management and representatives from J.P. Morgan, Faegre and Spotlight Advisors discussed developments regarding Elliott's outreach to the Company, including Elliott's September 10 communication. After these discussions, the Board recommended that Mr. Feldmann meet with representatives from Elliott and Veritas on September 17, 2020.

On September 14, 2020, the Company publicly announced its "NextCubic" strategy including, among other things, various initiatives intended to enhance cost savings and focus on margin improvement.

On September 15, 2020, the Company engaged Sidley Austin LLP ("**Sidley**") as counsel to the Company to assist in its response to Elliott's outreach. On September 16, 2020, the Company formally engaged J.P. Morgan.

On September 17, 2020, Mr. Feldmann, Mr. Aga, Chief Financial Officer, Ms. Nielsen, Vice President of Investor Relations ("**Ms. Nielsen**") and Mr. Bishop, Vice President of Corporate Development, joined a videoconference call with representatives from Veritas and Elliott (the "**September 17 Meeting**"), during which Veritas and Elliott reaffirmed their desire to acquire the Company, and Elliott informed the Company that it had increased its aggregate economic exposure comparable to an interest in approximately 15% of the Company's common stock. Representatives from Veritas and Elliott asked that Mr. Feldmann express to the Board their desire for the Company to enter into non-disclosure agreements to facilitate discussion regarding a possible acquisition of the Company. Mr. Feldmann indicated that he would discuss these requests with the Board. The closing price of the Company's common stock on the NYSE on this date was \$45.71 per share.

On September 20, 2020, the Board held a meeting via videoconference, attended by members of senior management of the Company and, among others, representatives of J.P. Morgan, Sidley, Aegre, Spotlight Advisors and Sloane & Co, public relations firm to the Company (“*Sloane*”). At the meeting, senior management of the Company presented to the Board the standalone business plan for fiscal years 2021-2025, including the NextCubic strategy initiatives (the “*Business Plan*”), and the five-year management projections for the Company’s forecasted performance (the “*financial projections*”) (such financial projections are summarized under “The Merger — Forward-Looking Financial Information”). The Board discussed with management and its advisors the process by which the projections had been prepared, the key assumptions underlying the Business Plan and financial projections, as well as potential downside risks and upside opportunities not included in the Business Plan or financial projections. Following these discussions, the Board approved the Business Plan and the financial projections. Additionally, the Board discussed various matters related to Elliott and Veritas, including the September 17 Meeting. Representatives of J.P. Morgan discussed with the Board the Company’s financial position and operations, and, at the request of the Board, preliminary financial analysis regarding the Company. Representatives from J.P. Morgan, Spotlight Advisors and Sidley reviewed and discussed with the Board potential responses to Elliott, including with respect to its non-public acquisition of an aggregate economic exposure comparable to an interest in approximately 15% of the Company common stock. In connection with its evaluation of whether to adopt a limited-duration shareholder rights plan, the Board discussed certain considerations regarding Elliott’s increased economic position, and various consequences to the Company and its stockholders if Elliott continued to increase its economic exposure with respect to the Company. Representatives of Sidley and Aegre reviewed with the Board their fiduciary duties, and representatives from J.P. Morgan and Sidley discussed with the Board the request by Elliott and Veritas to enter into a non-disclosure agreement to facilitate discussions regarding a possible acquisition of the Company. Following discussions with the Company’s advisors, the Board determined that it would not at that time enter into a non-disclosure agreement with Elliott or Veritas and approved and adopted a limited-duration shareholder rights plan, in addition to certain bylaw amendments, to provide the Board with time to make an informed evaluation of the consequences of Elliott’s recent acquisition of an aggregate economic exposure comparable to an approximately 15% interest in the Company common stock and deter Elliott and any third party from obtaining control of the Company at a price not in the best interest of the Company’s stockholders. The limited-duration shareholder rights plan (the “*rights agreement*”) is summarized in the section entitled “The Merger — Rights Plan Amendment,” beginning on page [•].

Prior to the opening of trading on the New York Stock Exchange on Monday, September 21, 2020, the Company announced that the Board had, in response to Elliott informing the Company privately that Elliott had acquired a direct ownership and derivatives position that provided an economic exposure comparable to an interest in approximately 15% of the Company common stock, adopted the rights agreement and declared a distribution of one right for each outstanding share of common stock. The Board also announced that it had not initiated a process to sell the Company and that, in its view, the Company’s standalone prospects would create significant value for the Company’s stockholders. Further, however, the Board stated that, consistent with its duties, the Board had and would review any proposal to significantly increase stockholder value. The per-share closing price of the Company’s common stock on the NYSE on Friday, September 18, 2020, preceding this announcement, was \$44.37.

Later on September 21, 2020, Elliott confirmed in a public statement that it had acquired an approximately 15% economic interest in the Company’s shares and had partnered with an unnamed private equity firm to pursue an acquisition of the Company (the “*September 21 Elliott Press Release*”). The closing price of the Company’s common stock on the NYSE on this date was \$59.56 per share.

Following the September 21 Elliott Press Release, on September 21, 2020, representatives of a strategic party, referred to as “*Strategic Party A*,” contacted J.P. Morgan regarding Strategic Party A’s interest in exploring a potential strategic transaction involving the Company. Mr. Feldmann informed the Board of the outreach from Strategic Party A and suggested that the Board discuss at a meeting of the Board to be scheduled later that week.

On September 22, 2020, Veritas delivered a non-binding indication of interest to the Company to acquire the Company for \$60.00 per share in cash, subject to the completion of confirmatory due diligence and negotiation of definitive documentation (the “*Veritas Initial Proposal*”). The Veritas Initial Proposal indicated that any

acquisition of the Company would be financed through a combination of equity and debt financing, with equity financing to be provided by both Veritas and Elliott. Management promptly forwarded the Veritas Initial Proposal to the Board. The per-share closing price of the Company's common stock on the NYSE on this date was \$54.73.

Later on September 22, 2020, multiple media outlets issued reports speculating that Veritas was Elliott's unnamed equity partner referenced in the September 21 Elliott Press Release, and that Veritas and Elliott had made a joint bid to acquire the Company. The Company declined to comment on these articles or subsequent market speculation, consistent with its corporate policy not to comment on market speculation or rumors.

On September 25, 2020, as directed by the Company, J.P. Morgan engaged in discussions with representatives of Strategic Party A to further discuss Strategic Party A's interest in exploring a potential transaction involving the Company. Representatives of Strategic Party A indicated they were primarily interested in the Company's defense business. Over the course of late September through early November, 2020, representatives of Strategic Party A communicated from time to time with representatives of the Company to indicate that Strategic Party A was continuing to evaluate its interest in a potential strategic transaction with the Company.

On September 27, 2020, the Board held a meeting via videoconference (the "**September 27 Meeting**"), attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Faegre, Spotlight and Sloane. At the September 27 Meeting, the Board discussed, among other things, the Veritas Initial Proposal to acquire the Company for \$60.00 per share. Representatives of Sidley and Faegre discussed with the members of the Board their fiduciary duties in connection with considering the Veritas Initial Proposal and other strategic alternatives. Representatives of J.P. Morgan discussed with the Board the Company's financial position and operations, an analysis of the Veritas Initial Proposal, and, at the request of the Board, a preliminary financial analysis of the Company on a standalone basis. Further, J.P. Morgan reviewed and discussed with the Board a range of potential strategic alternatives the Company could explore. Sidley discussed the expected terms and obligations of the parties that may be included in a negotiated non-disclosure agreement with Veritas and Elliott. Following discussion, the Board determined that, based on the Company's prospects and financial performance, the Company's current stock price, the Board's confidence in the Business Plan, including the NextCubic strategy initiatives, and the recommendations of senior management and the Company's advisors, it was in the best interests of the Company and its stockholders not to pursue the Veritas Initial Proposal. The Board directed J.P. Morgan to verbally communicate to Veritas that the \$60.00 per-share offer in the Veritas Initial Proposal was below a price at which the Board would further engage in discussions with Veritas or Elliott in connection with a potential acquisition of the Company, but that the Board would consider providing due diligence materials if Veritas substantially increased its offer price from that in the Veritas Initial Proposal. The Board also directed J.P. Morgan to prepare and present at a meeting of the Board scheduled for September 30, 2020 additional financial analyses and further analysis of potential strategic alternatives that the Company could evaluate.

On September 28, 2020, the Chief Executive Officer of a strategic party ("**Strategic Party B**") reached out to representatives of J.P. Morgan to discuss its interest in exploring a potential partnership or combination of the Company's transportation assets. Further substantive discussions with Strategic Party B failed to materialize.

Also on September 28, 2020, as directed by the Company, representatives of J.P. Morgan and Veritas discussed the Board's determination that, in light of the Business Plan and the Company's prospects and financial performance, the \$60.00 per-share offer in the Veritas Initial Proposal was substantially below a price at which the Board would further engage with Veritas. On September 29, 2020, representatives of Veritas orally indicated to J.P. Morgan that Veritas was willing to increase its offer to a range of \$65.00 to \$67.50 per share and would soon follow up with a written proposal reflecting that range.

On September 29, 2020, Veritas sent to the Company a revised non-binding indication of interest to acquire the Company at a price ranging from \$65.00-\$67.50 per share in cash, subject to the satisfaction of confirmatory due diligence and negotiation of definitive documentation (the "**Veritas First Revised Proposal**"). Management promptly forwarded the Veritas First Revised Proposal to the Board and suggested that the Board discuss its contents during a meeting of the Board scheduled for the following day. The closing price of the Company's common stock on the NYSE on this date was \$59.39 per share.

On September 30, 2020, the Board held a meeting via videoconference (the "**September 30 Meeting**"), attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Faegre,

Spotlight Advisors and Sloane. In response to the Board's direction at the September 27 Meeting, J.P. Morgan and the Company's advisors reviewed and discussed with the Board certain strategic alternatives, including remaining as a standalone Company and executing the Company's Business Plan, engaging in a sale of the Company, partitioning the Company into two publicly traded entities, pursuing a sale of one of the Company's business units, and partnering with a private equity firm to consummate a previously contemplated acquisition in a related industry. In each case, the Board discussed with senior management and the Company's advisors the potential benefits, financial perspectives, and key considerations with respect to such alternatives. The Board asked various questions with respect to such strategic alternatives, including upside potential with respect to the strategic alternatives and execution and other risks related to their implementation. Representatives of J.P. Morgan and members of senior management also discussed with the Board a summary of potential counterparties for a business combination, sale of the Company or sale of a business unit, and the potential process for soliciting interest with respect to such alternatives. Following these discussions, Mr. Feldmann and the Company's advisors discussed with the Board the Veritas First Revised Proposal offering a range of \$65.00-\$67.50 per share. The Board determined that, although the range in the Veritas First Revised Proposal did not include a price at which the Board was willing to transact, the meaningful increase in per-share consideration set forth in the Veritas First Revised Proposal was sufficient to justify providing Veritas with due diligence materials in an effort to further improve on its proposal. To facilitate those efforts, the Board authorized management to negotiate a customary non-disclosure agreement with Veritas and a related standstill agreement with Elliott given Elliott's anticipated significant equity participation in a potential acquisition of the Company by Veritas and Elliott. In addition, the Board requested that J.P. Morgan keep the Board informed of communications with parties expressing a potential interest in a strategic transaction with the Company. At the direction of the Company, J.P. Morgan began a targeted, confidential outreach to selected parties viewed as potentially interested in a strategic transaction with the Company.

On October 1, 2020, as directed by the Company, representatives of J.P. Morgan notified Veritas that the Board was willing to provide customary due diligence materials to Veritas to facilitate an improvement in the Veritas First Revised Proposal, subject to the execution of a mutually agreeable non-disclosure agreement.

On October 2, 2020, as directed by the Company, J.P. Morgan provided to Veritas a non-disclosure agreement prepared by Sidley, and also provided to Elliott a joinder to the standstill obligations of such non-disclosure agreement.

Also on October 2, 2020, as directed by the Company, representatives from J.P. Morgan reached out to a strategic party ("**Strategic Party C**") to discuss Strategic Party C's interest in exploring potential strategic partnership opportunities with the Company. Throughout October and early November, 2020, representatives from Strategic Party C had periodic conversations with senior management and representatives from J.P. Morgan, indicating that Strategic Party C was in the process of reviewing internally its interest in a potential transaction with the Company, and was continuing to evaluate potential advisors to assist with its review.

On October 4, 2020, representatives of Gibson, Dunn & Crutcher LLP ("**Gibson**"), counsel to Elliott, spoke on the phone with representatives of Sidley, indicating Elliott's desire to enter into a standalone non-disclosure agreement that would permit Elliott to receive due diligence materials in parallel with Veritas, given Elliott's anticipated significant equity participation in any potential acquisition of the Company by Veritas.

On October 8, 2020, the Board held a meeting via videoconference, attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Faegre, Spotlight Advisors, Sloane and the Company's outside compensation consultant. At the meeting, the Company's advisors provided an update to the Board of Sidley's engagement with both Veritas and Elliott regarding the status of non-disclosure agreement negotiations, indicating that a mutually agreeable non-disclosure agreement with Veritas, including a standstill, was substantially final. Sidley also discussed Elliott's request for access to the same confidential information received by Veritas and Elliott's position that it would not accept any standstill provision that would preclude it from exercising its right to nominate directors at the Company's 2021 annual meeting of stockholders. The Company's advisors reviewed with the Board potential responses to Elliott's position, including offering to increase the size of the Board to include an independent director mutually agreeable to both the Company and Elliott in exchange for the one-year standstill on director nominations. Following such discussions, the Board delegated to management the authority to finalize and execute the non-disclosure agreement with Veritas and directed Sidley to share a non-disclosure agreement with Elliott.



that was substantially similar to the non-disclosure agreement mutually agreed with Veritas, including a one-year standstill on director nominations. The Board also directed J.P. Morgan to communicate to Elliott that, in exchange for such one-year standstill, the Board would be willing to add an additional, independent director. The independent directors of the Board then met with certain members of senior management and the Company's advisors to review proposed revisions to the Company's Transition Protection Plan and certain equity award agreements to align the provisions therein with current market practice, after which the Board noted the advisability of adopting the recommended changes and referred the matter to the Executive Compensation Committee of the Board for further consideration and final action. The Executive Compensation Committee adopted the recommended changes to the Company's Transition Protection Plan and certain equity award agreements on October 10, 2020.

Following the meeting, Sidley shared with Elliott a non-disclosure agreement substantially similar to the non-disclosure agreement negotiated with Veritas, including a one-year standstill on director nominations and J.P. Morgan communicated to Elliott the Board's proposal regarding the addition of an independent director in exchange for a one-year standstill. Representatives from Elliott declined the Board's proposal.

Also on October 8, 2020, representatives of Elliott wrote to Mr. Feldmann, General David F. Melcher ("**Gen. Melcher**"), the Lead Independent Director of the Board, and the other members of the Board (the "**October 8 Letter**") to reaffirm that Elliott and Veritas remained interested in pursuing a transaction with the Company and express Elliott's desire to execute a non-disclosure agreement with a standstill that would not preclude Elliott from exercising its right to nominate directors at the Company's 2021 annual meeting of stockholders and begin diligence on the Company. After discussing over the phone with various members of the Board, consistent with the direction received in such conversations, Mr. Feldmann communicated to representatives of Elliott that Gen. Melcher and certain other members of the Board and senior management would meet with Elliott via videoconference the following morning.

During the evening of October 8, 2020, the Company and Veritas executed a non-disclosure agreement with a one-year standstill, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty.

On October 9, 2020, Gen. Melcher, Mr. Steven Norris ("**Mr. Norris**") and Ms. Nielsen discussed with Elliott the contents of Elliott's October 8 Letter. Elliott reaffirmed its desire to enter into a non-disclosure agreement with the Company in order to facilitate a potential improvement in the Veritas First Revised Proposal and stated that, although Elliott did not intend to propose a change to the composition of the Board or otherwise nominate directors at the 2021 annual meeting of stockholders, Elliott would require the ability to nominate directors at the 2021 annual meeting of stockholders in its capacity as a substantial stockholder of the Company. Elliott further suggested that access to due diligence materials in parallel with Veritas may be a means to improve Veritas's proposal. Following the conclusion of discussions, Gen. Melcher and Mr. Norris indicated that they would discuss Elliott's requests with the full Board.

Later that day, the Board held a meeting via videoconference attended by members of senior management and certain of the Company's advisors for all or portions of the meeting. Gen. Melcher and Mr. Norris discussed with the Board the call earlier in the day with Elliott, and the Company's advisors reviewed and discussed with the Board various alternatives to permit Elliott to engage in due diligence, a step viewed by the Board as critical to Veritas submitting an improved proposal. The Board determined that, in order to permit Veritas and Elliott to conduct concurrent due diligence, it was in the best interests of the Company to enter into a non-disclosure agreement with Elliott that would contain a limited-duration standstill that would preserve Elliott's right to nominate directors at the Company's 2021 annual meeting of stockholders.

On October 10, 2020, the Company executed a non-disclosure agreement with Elliott with such a limited-duration standstill (the "**Elliott NDA**"), including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty.

On October 16, 2020, the Company made available customary business, financial and legal due diligence materials to Veritas and Elliott and their respective advisors in a virtual data room.

Over the course of September 30, 2020 to October 19, 2020, as directed by the Company, representatives of J.P. Morgan had conversations with additional parties to determine whether such parties were interested in exploring a strategic transaction involving the Company. Including inbound communications following the

September 21 Elliott Press Release, J.P. Morgan had conversations with 25 parties on behalf of the Company, consisting of 16 industry participants or other operating companies and nine private equity firms (including Veritas and Elliott). Other than Veritas and Elliott, Strategic Party A and Strategic Party C, the parties in communication with J.P. Morgan had indicated they were not interested in pursuing a strategic transaction with the Company or were only potentially interested in a certain portion of the Company's business.

On October 19, the Board held a meeting via videoconference (the "**October 19 Meeting**"), attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Faegre, Spotlight Advisors and Sloane. Mr. Feldmann provided an update to members of the Board regarding discussions with parties potentially interested in a strategic transaction involving the Company, emphasizing that senior management and representatives of J.P. Morgan were continuing to evaluate potential strategic alternatives in addition to a transaction with Veritas and Elliott. J.P. Morgan provided a further update to the Board regarding the status of its outreach efforts to the 25 third parties in connection with a potential strategic transaction, including the status of due diligence completed by Veritas, Strategic Party A and Strategic Party C, that 13 parties indicated they were not interested in pursuing a strategic transaction to acquire the Company, that five parties indicated they were only interested in certain of the Company's businesses, and that four parties were either unresponsive or had not engaged in substantive discussions with J.P. Morgan. The Board determined that J.P. Morgan should seek a revised proposal, including improved consideration, from Veritas in early November, following the substantive completion of Veritas's and Elliott's due diligence efforts on the Company. The Board then reviewed disclosure provided by J.P. Morgan as to certain material investment banking relationships with each of the potential counterparties discussed with the Board to date, including certain material investment banking relationships with Veritas. Following discussion, the Board concluded that none of the disclosures caused the Board to believe that J.P. Morgan would not be able to provide independent advice to the Company. The Board authorized management to engage J.P. Morgan to serve as its lead financial advisor in connection with further exploring strategic alternatives, including the potential sale of the Company. The Board selected J.P. Morgan as its financial advisor in connection with potential sale of the Company because of, among other things, J.P. Morgan's reputation, experience and familiarity with the Company and its business. The Board also considered that it could be useful in light of a potential business combination involving Elliott and Veritas to receive a second fairness opinion and requested that management propose potential financial advisors to undertake a second fairness analysis in the event any transaction involving a sale of the Company should move forward.

On October 20, 2020, the Company held a management presentation with representatives from Veritas and Elliott, during which members of senior management of the Company and the leaders of the Company's transportation systems segment (the "**Transportation Business**") and mission and performance solutions segment (the "**CMPS Business**") discussed the Company, its businesses, and prospects.

On October 22, 2020, a private equity sponsor ("**Sponsor Party A**") contacted J.P. Morgan to indicate its potential interest in a strategic transaction with the Company and requested access to various due diligence materials following the execution of a customary non-disclosure agreement. Later that day, at the direction of senior management and in accordance with previous guidance received from the Board regarding the scope and contents of key provisions to be included in non-disclosure agreements, J.P. Morgan provided a non-disclosure agreement prepared by Sidley to Sponsor Party A, containing terms similar to the non-disclosure agreement executed with Veritas, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty. On October 24, 2020, the Company executed a non-disclosure agreement with Sponsor Party A and began providing Sponsor Party A with diligence materials. On October 29, 2020, the Company held a management presentation with representatives from Sponsor Party A.

During early November, the Company provided additional due diligence materials to Veritas, Elliott and Sponsor Party A in response to their respective diligence requests. Additionally, management of the Company and various functional area experts of the Company participated in numerous videoconferences with representatives from Veritas and Elliott and their outside advisors.

On November 12, 2020, representatives of Strategic Party C delivered to the Company a non-binding indication of interest to acquire the Company for \$63.00 per share in cash, subject to the completion of confirmatory due diligence and negotiation of definitive documentation (the "**Strategic Party C Initial Proposal**"). The Strategic Party C Initial Proposal stated that any transaction would be subject to the receipt

of CFIUS regulatory approval and that Strategic Party C was primarily focused on the Transportation Business and would require a partner to concurrently acquire the CMPS Business. The Strategic Party C Initial Proposal indicated that Strategic Party C was in discussions with potential partners interested in potentially acquiring the CMPS Business, but did not provide any details as to the identity of those partners or the status of those discussions. Mr. Feldmann promptly provided the Strategic Party C Initial Proposal to the Board and indicated that he would schedule a special meeting of the Board to discuss its contents. The closing price of the Company's common stock on the NYSE on this date was \$64.44 per share.

On November 12, 2020, Sponsor Party A notified J.P. Morgan that it would no longer proceed with exploring the potential acquisition of the whole Company, indicating that it was unable to reach a valuation in excess of the Company's current trading price. However, representatives from Sponsor Party A later discussed with representatives from J.P. Morgan that Sponsor Party A may be interested in a transaction involving the Company's CMPS Business if there was a situation where a buyer for the whole Company was seeking a partner for the CMPS Business.

On November 15, 2020, the Board held a meeting via videoconference, attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Aegre, Spotlight Advisors and Sloane. At the meeting, the Company's advisors provided an update on the discussions with parties potentially interested in a strategic transaction involving the Company, including the status of Veritas's due diligence efforts and anticipated timing regarding Veritas's delivery of a revised indication of interest. Representatives of J.P. Morgan provided feedback received from other potentially interested parties, and discussed with the Board that, based on the responses received to date, aside from Veritas and Elliott and Strategic Party C, no other parties had expressed a credible interest in acquiring the whole Company. At the request of the Board, J.P. Morgan provided an overview of the Strategic Party C Initial Proposal received from Strategic Party C, including the requirement that Strategic Party C partner with a third party to concurrently acquire the Company's CMPS Business, and the fact that both Sponsor Party A and Strategic Party A had communicated to J.P. Morgan a potential interest in partnering with a third party such that they would only acquire the CMPS Business. The Board, management and the Company's advisors discussed the regulatory approvals that may be required in connection with a transaction involving Strategic Party C and the prospects of these approvals being obtained. The Board discussed with the Company's advisors various approaches to responding to the Strategic Party C Initial Proposal. Finally, representatives from Spotlight Advisors and Sidley discussed with the Board potential responses in the event Elliott were to nominate competing directors in connection with the 2021 annual meeting of stockholders. Following these discussions, the Board directed its advisors to provide Strategic Party C with access to customary diligence materials, subject to the satisfactory execution of a non-disclosure agreement, in an effort to encourage Strategic Party C to improve on the Strategic Party C Initial Proposal.

During the morning of November 16, 2020, as directed by the Company, J.P. Morgan provided to representatives of Strategic Party C a non-disclosure agreement prepared by Sidley, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty.

Later that day, representatives of Strategic Party A communicated with senior management of the Company to reaffirm its interest in a potential transaction involving the Company's CMPS Business and requested access to certain diligence materials of the Company. Aware that Strategic Party C was seeking a potential partner for the CMPS Business, at the direction of senior management, J.P. Morgan provided to representatives of Strategic Party A a non-disclosure agreement prepared by Sidley later that evening, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty.

On November 17, 2020, the Board held a regularly scheduled meeting via videoconference attended by members of senior management and, among others, representatives from J.P. Morgan, Aegre, Sidley and Spotlight Advisors for all or portions of the meeting. Representatives from J.P. Morgan reviewed with the Board the status of due diligence completed by Veritas, Strategic Party A and Strategic Party C, and noted that 21 parties had indicated they were no longer interested in acquiring the Company or were only potentially interested in acquiring certain portions of the Company and one party had been unresponsive. Representatives from Sidley reviewed with the Board the terms of a draft merger agreement, not yet shared with potential counterparties, and discussed the potential inclusion of a "go shop" provision that would enable the Company



and its advisors to affirmatively solicit proposals from potential counterparties following the execution of the merger agreement. Following such discussions, members of senior management presented the terms of a negotiated engagement letter with J.P. Morgan with respect to the exploration of strategic alternatives of the Company and the Board authorized senior management of the Company to enter into such engagement letter with J.P. Morgan, which was executed later that day. In addition, as was previously discussed on the October 19 Meeting, the Board also considered that it could be useful in light of a potential business combination involving Elliott and Veritas to obtain a second fairness opinion should the Company engage in a strategic transaction, and discussed with management the potential financial advisory firms that the Company could contact regarding providing such an opinion. Following discussion, the Board authorized senior management to negotiate an engagement letter with Raymond James in connection with a second fairness opinion. The Board selected Raymond James as its financial advisor because of, among other things, Raymond James's reputation, experience and familiarity with the industries in which the Company operates.

On November 18, 2020, the Company publicly announced its results for the fiscal year ended September 30, 2020 and held its fiscal year-end earnings call.

On November 21, 2020, the Company executed a non-disclosure agreement with Strategic Party C, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty ("**Strategic Party C NDA**"), and began providing Strategic Party C with access to various due diligence materials. On November 22, 2020, the Company held a management presentation with representatives from Strategic Party C, during which members of senior management of the Company discussed the Company's businesses and prospects. On November 23, 2020, as directed by the Company, J.P. Morgan delivered to Strategic Party C a process letter requesting, among other things, a revised indication of interest from Strategic Party C that would improve upon its per-share offer price contained in the Strategic Party C Initial Proposal and the clarification of key items in the Strategic Party C Initial Proposal, including Strategic Party C's proposed transaction structure and path to obtaining regulatory clearances. Further, the process letter requested that Strategic Party C provide a detailed timeline to execute a definitive agreement to acquire the Company and a comprehensive list of priority diligence items.

On November 24, 2020, as directed by the Company, J.P. Morgan made available to Strategic Party C certain due diligence items in respect of the Company. To facilitate the delivery of certain potentially sensitive information, on December 1, 2020, the Company and Strategic Party C executed a customary "clean team" agreement, and J.P. Morgan began providing additional due diligence materials at the request of senior management of the Company.

On December 1, 2020, in accordance with the terms of the Strategic Party C NDA, representatives of Strategic Party C notified both Sidley and J.P. Morgan of potential partners to concurrently acquire the CMPS Business, including Sponsor Party A and a strategic party ("**Strategic Party D**"), but did not request that any potential partners execute non-disclosure agreements with the Company to facilitate a partnership with Strategic Party C. None of the potential partners identified had expressed a current interest in acquiring the whole Company.

Later in the evening on December 1, 2020, the Company executed a non-disclosure agreement with Strategic Party A, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty, and as directed by the Company, J.P. Morgan began providing certain due diligence materials in respect of the Company to representatives of Strategic Party A.

On December 7, 2020, the Company held a management presentation regarding its CMPS Business with representatives from Strategic Party A, during which members of senior management of the Company discussed the various aspects of the CMPS Business's operations and prospects.

On December 9, 2020, representatives of Strategic Party C delivered to J.P. Morgan a revised non-binding indication of interest to acquire the Company at a range of \$64.00-\$68.00 per share, subject to certain conditions and qualifications (the "**Strategic Party C Revised Proposal**"). Representatives of Strategic Party C communicated to J.P. Morgan that, for purposes of the Strategic Party C Revised Proposal, Strategic Party C was contemplating that a potential partner interested in acquiring the CMPS Business would value the CMPS Business in the range of \$900 million to \$1.1 billion. J.P. Morgan delivered the Strategic Party C Revised

Proposal to members of senior management, and Mr. Feldmann promptly provided a copy of the Strategic Party C Revised Proposal to the Board. The closing price of the Company's common stock on the NYSE on this date was \$62.56 per share.

On December 11, 2020, following certain phone conversations between J.P. Morgan and representatives of Strategic Party C, Strategic Party C identified Strategic Party D as its preferred partner to acquire the CMPS Business among the four parties previously identified by Strategic Party C on December 1, 2020. Strategic Party D had not expressed an interest in potentially acquiring the whole Company. Strategic Party C requested that Strategic Party D be granted access to diligence materials and otherwise be permitted to engage in discussions to be a partner with Strategic Party C regarding its proposal to acquire the Company. At the direction of senior management of the Company, J.P. Morgan provided Strategic Party D with a non-disclosure agreement and related "clean team" agreement prepared by Sidley.

On December 14, 2020, representatives of Sponsor Party A indicated to J.P. Morgan, based on its limited due diligence review, a preliminary oral indication of interest to acquire the CMPS Business, in a potential partnership with a party seeking to acquire the whole Company, for \$850 million, subject to continued due diligence, further analysis and internal approvals.

During the evening of December 14, 2020, representatives from Veritas called J.P. Morgan to orally suggest a revised offer price of \$65.25 per share. Based on prior discussions with the Board and senior management, J.P. Morgan indicated that a per-share price of \$65.25 was not within a range the Board would find compelling. Representatives of Veritas indicated they would revisit their proposal with their investment committee and that a revised written proposal would be forthcoming. J.P. Morgan relayed this conversation to members of senior management and the Company's advisors, and Mr. Feldmann provided a summary of this communication to the Board shortly thereafter.

On December 15, 2020, representatives of Veritas provided a revised non-binding indication of interest to the Company, offering to acquire the Company for \$67.50 per share, subject to the completion of confirmatory due diligence and negotiation of definitive documentation (the "**Veritas Second Revised Proposal**"). Mr. Feldmann promptly provided a copy of the Veritas Second Revised Proposal to the Board. The closing price of the Company's common stock on the NYSE on this date was \$63.49 per share.

Also on December 15, 2020, the Company executed a non-disclosure agreement with Strategic Party D, including customary "sunset" carveouts should the Company enter into any agreement to consummate a change of control transaction with any other counterparty, contemplating that Strategic Party D would be provided due diligence materials and other confidential information in connection with a potential partnership with Strategic Party C to acquire the Company. As directed by the Company, J.P. Morgan began providing Strategic Party D with certain due diligence materials.

On Wednesday, December 16, 2020, the Board held a meeting via videoconference (the "**December 16 Meeting**"), attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Faegre, Spotlight Advisors and Sloane. At the meeting, the Board reviewed and discussed with the Company's advisors the Strategic Party C Revised Proposal and the Veritas Second Revised Proposal. Representatives of J.P. Morgan also reviewed the Company's current stock performance, recent multiples and certain operating metrics, Wall Street analysts' perspectives on the Company's November 2020 earnings announcement and other financial information, including preliminary financial analyses of the Company on a standalone basis. J.P. Morgan also discussed potential strategic alternatives currently available to the Company, including the potential transaction with Veritas and Elliott and the potential transaction with Strategic Party C involving a sale of the whole Company, and the interest of Sponsor Party A, Strategic Party A and Strategic Party D in potentially acquiring the CMPS Business in partnership with a party seeking to acquire the whole Company. J.P. Morgan noted that proposals from Strategic Party A and Strategic Party D were expected to be delivered within the next week. Following these discussions, members of the Board noted that, although the \$67.50 per-share offer in the Veritas Second Revised Proposal was at the high end of Veritas's previously provided range, the Board had previously communicated to Veritas through J.P. Morgan that it did not view such amount as value maximizing to the Company's stockholders. Following such discussions, members of senior management and representatives from Sidley and Spotlight Advisors discussed with the Board certain considerations with respect to the Company's 2021 annual meeting of stockholders, including various scenarios if the Company declined or was unable to execute a transaction with Veritas and Elliott.

Members of senior management and the Board discussed and expressed concern regarding the ongoing distraction of management from operating the Company and concerns regarding the attrition of key employees in light of Veritas's and Elliott's due diligence process and uncertainty among the Company's stakeholders caused by media reports following the September 21 Elliott Press Release. The Board then directed J.P. Morgan to communicate to Veritas that it would need to further improve upon the Veritas Second Revised Proposal if it desired to be successful in potentially acquiring the Company.

Following the December 16 Meeting, as directed by the Board, representatives of J.P. Morgan indicated to Veritas that the Board did not view the \$67.50 per-share price in the Veritas Second Revised Proposal as value maximizing to the Company's stockholders, and that Veritas's per-share price was meaningfully below the Company common stock's 52-week intra-day trading high.

Later on December 16, 2020, the Company held a management presentation with representatives from Strategic Party D, during which members of senior management of the Company discussed the Company's business and prospects. The following day, various due diligence materials were provided to Strategic Party D.

On December 19, 2020, in response to the Board's request that Veritas further improve its \$67.50 per-share offer price in the Veritas Second Revised Proposal, representatives of Veritas sent a letter to the Company containing a further revised non-binding indication of interest, offering to acquire the Company for \$70.00 per share (the "**Veritas Third Revised Proposal**"). Mr. Feldmann provided a copy of the Veritas Third Revised Proposal to the Board and engaged in various discussions with members of the Board regarding Veritas's improved proposal. Mr. Feldmann provided feedback to Veritas and Elliott that the Board was interested in their revised proposal but that they would need to complete due diligence in an expeditious manner. The closing price of the Company's common stock on the NYSE on Friday, December 18, 2020, the last trading day prior to the Veritas Third Revised Proposal, was \$59.91 per share.

On December 20, 2020, following further discussions between Mr. Feldmann and various members of the Board and the Company's advisors, consistent with the direction provided by such Board members, Mr. Feldmann directed Sidley to share a draft merger agreement, consistent with the merger agreement reviewed with the Board, with Skadden, Arps, Slate, Meagher & Flom LLP ("**Skadden**"), counsel to Veritas. Among other terms, the proposed agreement included a 60-day "go-shop" period, a "two-tiered" Company termination fee with a lower Company termination fee payable for terminations during the "go-shop" period (as well as after the "go-shop" period for an exempted person) and customary matching rights for Parent in response to alternative superior proposals. The proposed merger agreement also contemplated that Parent would be required to take any and all actions to obtain antitrust and other regulatory approvals (a so-called "hell or high water" regulatory approvals provision), customary cooperation covenants in connection with Parent's third-party financing and that Parent would be obligated to pay a reverse termination fee of 10% of the Company's enterprise value if the transaction were terminated due to Parent's breach or a failure of Parent's financing.

On December 21, 2020, representatives of Strategic Party A indicated to J.P. Morgan that it was no longer interested in a strategic transaction involving the Company or the CMPS Business. Also on December 21, 2020, representatives from the Company engaged in a financial due diligence call with representatives from Strategic Party D.

Later on December 21, 2020, representatives of J.P. Morgan and Veritas discussed the process and timeline that would be necessary to implement an expeditious signing, assuming the satisfactory negotiation of the merger agreement and approval by the Board. Veritas indicated that a number of agendas for substantive discussion with the Company's functional area teams would be coming prior to the December 25<sup>th</sup> holiday, and that Veritas would provide draft financing commitment letters by the end of the month.

On December 29, 2020, representatives of Strategic Party D indicated to J.P. Morgan, based on its limited due diligence review, a preliminary oral indication of interest to acquire the CMPS Business, in partnership with Strategic Party C, for a range of approximately \$850 million to \$950 million, subject to continued due diligence, further analysis and internal approvals.

Over the remaining course of late December 2020 through early January 2021, representatives from the Company, J.P. Morgan and Veritas engaged in a number of due diligence calls, and the Company provided additional diligence information to Veritas and its advisors. Additionally, representatives of Sidley and

Skadden negotiated various terms and provisions of the merger agreement, including the “go-shop” provision, termination fees payable by both the Company and Veritas, and various ancillary documents related to the merger agreement. On January 4, 2021, Veritas provided drafts of Parent’s debt commitment letter.

On January 11, 2021, the Board held a meeting via videoconference (the “*January 11 Meeting*”), attended by members of senior management and representatives of J.P. Morgan, Sidley and Faegre. At the meeting, J.P. Morgan provided an update on discussions with the parties that had continued to express an interest in acquiring the Company, and discussed with the Board Sponsor Party A’s preliminary oral indication of interest to acquire the CMPS Business for approximately \$850 million and Strategic Party D’s preliminary oral indication of interest to acquire the CMPS Business for a range of approximately \$850 million to \$950 million, in each case subject to various conditions including the completion of satisfactory due diligence and receipt of appropriate internal approvals. J.P. Morgan also observed the lengthy period since Elliott publicly expressed its interest in acquiring the Company in the September 21 Elliott Press Release and the fact that, notwithstanding substantial outreach from J.P. Morgan and meaningful engagement by the Company with potential counterparties, no other potential acquirer had made an acquisition proposal viewed as attractive by the Board. J.P. Morgan also provided an overview of Veritas’s debt commitment letter. The Board discussed the current workstreams of Veritas, Strategic Party C, Sponsor Party A and Strategic Party D, including the fact that Veritas had substantially completed its diligence efforts and had provided debt financing commitments, suggesting it was far ahead of other parties in its ability to execute a transaction. Representatives of Sidley reviewed with the Board the current draft of the merger agreement being negotiated with Veritas and key unresolved issues, including the ability of the Company to pay regular dividends during the pendency of the merger, Veritas’s desire to remove the “go-shop” in favor of a lower Company termination fee should the Company accept a superior proposal, various triggering events with respect to both the Company’s and Veritas’s payment of their respective termination fees, and provisions viewed by Sidley as introducing execution risk. The Board asked Sidley questions regarding the open legal issues and provided direction with respect to certain negotiating matters. Following these discussions, the Board discussed, among other things, their desire to continue advancing discussion with Veritas while encouraging Strategic Party C to submit an improved proposal. The Board also discussed Veritas’s opposition to the “go-shop” provision. In such discussion, the Board considered the fact that there had been a public announcement on September 21, 2020 regarding Elliott’s interest in acquiring the Company, the industry participants and financial buyers that J.P. Morgan had contacted regarding their interest in pursuing a strategic transaction with the Company and that only two of those parties continued to engage in discussions with the Company regarding an acquisition of the entire Company, and only two parties continued to engage in discussions with the Company regarding a potential acquisition of the CMPS Business. Finally, the Board discussed that generating a superior proposal during the “go-shop” period appeared unlikely given the limited number of counterparties having expressed an interest in acquiring the whole Company over the lengthy period since the September 21 Elliott Press Release.

Over the course of January 11, 2021 to January 17, 2021, representatives of Sidley and Skadden continued to negotiate the merger agreement and various ancillary agreements, but were unable to resolve a number of material issues in the merger agreement discussed with the Board.

On January 12, 2021, representatives of Strategic Party D indicated to J.P. Morgan that they were no longer interested in pursuing a strategic transaction with the Company, including in partnership with Strategic Party C.

On January 17, 2021, at the request of Veritas, senior management of the Company, representatives of Veritas, and representatives from Sidley and Skadden discussed certain diligence matters concerning the Company.

On January 18, 2021, Mr. Feldmann communicated to Veritas the Board’s view that Veritas must make meaningful progress as soon as possible to avoid disruption of the Company’s senior management team and minimize the risk of attrition of key employees.

On January 20, 2021, representatives of Strategic Party C contacted senior management of the Company to, among other things, reconfirm its interest exploring a strategic transaction with the Company, suggest that it would be able to materially improve upon its previous per-share range of \$64.00-\$68.00 set forth in the Strategic Party C Revised Proposal, and indicated that it was willing to dedicate resources to move at a more rapid pace than it had been previously. Senior management of the Company expressed to Strategic Party C

that it would need to complete due diligence efforts on an expedited basis, particularly given its access to diligence materials since November 24, 2020, and requested a detailed timeline to present the Board with an executable transaction.

On January 21, 2021, representatives of Strategic Party C provided to the Company and J.P. Morgan a revised non-binding indication of interest to acquire the Company, with a per-share price ranging from \$72.00 to \$75.00 per share in cash, subject to the completion of confirmatory due diligence and negotiation of definitive documentation and satisfaction of other conditions (the “*Party C Final Proposal*”). In response to prior concerns raised by senior management and the Company’s advisors regarding Strategic Party C’s indication that it would require a partner to acquire the CMPS Business, the Party C Final Proposal indicated that Strategic Party C would be the sole counterparty to any definitive documentation to acquire the Company and would not make the consummation of any acquisition conditional upon engaging a partner to acquire the CMPS Business. However, the Party C Final Proposal did not provide a clear path for the parties to seek and obtain regulatory approvals in the absence of a partner, or a timeline to complete Strategic Party C’s diligence efforts and related workstreams. Management promptly provided the Party C Final Proposal to the Board. The closing price of the Company’s common stock on the NYSE on this date was \$65.74 per share.

Later in the morning of January 21, 2021, the Board held a previously scheduled meeting via videoconference (the “*January 21 Meeting*”), attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Aegre, Spotlight Advisors and Sloane. At the meeting, Mr. Feldmann provided a status update of his various conversations with representatives of Veritas and Elliott. Mr. Feldmann also discussed with the Board his recent exchanges with the Senior Executive of Strategic Party C regarding Strategic Party C’s interest in acquiring the Company. The Board discussed with senior management and the Company’s advisors the Party C Final Proposal from Strategic Party C, including the increased range of \$72.00 to \$75.00 per share, inquiring as to whether Strategic Party C had materially advanced efforts to align with a partner to acquire the CMPS Business, notwithstanding the fact that Strategic Party C had indicated it would be the sole counterparty to a transaction with the Company. Following such discussions, J.P. Morgan provided an update to the Board regarding the status of Veritas’s recent efforts to finalize its process and present the Board with an executable transaction. The Board considered J.P. Morgan’s view that, based on its discussions with Veritas and its analysis of Parent’s financing structure, including the pro forma leverage ratios and free cash flows that would be available to Veritas following a closing, Veritas was unlikely to increase its price above \$70.00 per share. Representatives of Sidley then discussed with the Board the remaining key issues in the merger agreement. Following these discussions, the Board directed senior management to advise Veritas and Elliott that they must conclude their remaining workstreams promptly and present the Board with an executable transaction in the immediate near term in order to avoid disruption of the Company’s senior management team and minimize the risk of attrition of key employees. The Board also requested that Sidley communicate to Skadden the Board’s positions with respect to key legal issues. Finally, the Board directed Mr. Feldmann and J.P. Morgan to contact Strategic Party C and its representatives to clarify certain items in the Party C Final Proposal to better evaluate its contents.

Following the January 21 Meeting, Mr. Feldmann contacted representatives of Veritas and Elliott, stating that senior management and the Company’s advisors had provided an update to the Board regarding the status of Veritas’s engagement that morning and reemphasizing the Board’s desire for Veritas to complete its workstreams in the immediate near term. Mr. Feldmann also relayed the Board’s positions with respect to the remaining items in the merger agreement, including (i) that the Company should be permitted to pay its ordinary course dividends in the period between sign to close, (ii) that Veritas was introducing execution risk by requiring certain third-party consents and license transfers as various closing conditions and (iii) that Veritas was introducing potential regulatory risks by seeking the ability to engage in certain transactions in the Company’s industry during the pendency of the merger.

Later on January 21, 2021, Mr. Feldmann corresponded with the Senior Executive of Strategic Party C, requesting clarification regarding the range set forth in such proposal, in addition to further information regarding Strategic Party C’s transaction structure and analysis of certain regulatory considerations. Given concerns regarding the delayed process and Strategic Party C’s diligence efforts to date, Mr. Feldmann also requested a detailed workplan showing the ability of Strategic Party C to deliver and executable transaction by January 31, 2021.



On January 22, 2021, Skadden provided to Sidley a revised draft of the merger agreement. The mark-up contemplated that, among other things (i) the Company would not be entitled to a “go-shop” provision and a two-tier Company termination fee, but instead would be subject to customary window-shop provisions with a 2% Company termination fee in the event of termination of the merger agreement by the Company to enter into a superior proposal, (ii) a reverse termination fee of 5.0% of the equity value of the Company if the merger agreement were terminated due to Parent’s breach or a failure of Parent’s financing, (iii) the inclusion of third-party consents and license transfers as a condition to the consummation of the merger and (iv) the Company would not be permitted to pay dividends (including ordinary course dividends) during the pendency of the transaction without Parent’s consent. In response to Skadden’s revised draft of the Merger Agreement, Sidley indicated that it would report Veritas’s positions to the Board at a previously scheduled meeting on January 24, 2021. Later that evening, Skadden responded that Veritas would accept the Board’s ability to pay its ordinarily scheduled dividends during the pendency of the merger, but that Veritas’s positions otherwise remained unchanged.

Later on January 22, 2021, the Senior Executive of Strategic Party C corresponded with Mr. Feldmann, providing preliminary responses to the questions initially raised by Mr. Feldmann the day before. The Senior Executive of Strategic Party C explained that, without further diligence efforts, Strategic Party C would be unable to narrow its per-share range provided in the Party C Final Proposal. In response to Mr. Feldmann’s questions regarding transaction structure and regulatory considerations, the Senior Executive of Strategic Party C indicated that they would not be able to provide a comprehensive analysis of those matters until they determined the appropriate partner to acquire the Company’s CMPS Business and requested permission from the Company to engage in discussions with Sponsor Party A regarding a potential partnership. Mr. Feldmann shared and discussed the responses with the Company’s advisors.

On the morning of January 23, 2021, Skadden provided to Sidley incremental updates to the merger agreement mark-up circulated the day before, largely clarifying Veritas’s positions with respect to certain matters previously discussed between Skadden and Sidley.

On January 23, 2021, Mr. Feldmann replied to the Senior Executive of Strategic Party C, seeking further clarification of Strategic Party C’s view regarding regulatory considerations and requested a detailed workplan and timeline. Further, given that Sponsor Party A had indicated a preliminary valuation of the CMPS Business at approximately \$850 million and Strategic Party D had indicated a preliminary valuation of the CMPS Business ranging from approximately \$850 million to \$950 million, Mr. Feldmann also inquired as to whether an \$850 million valuation of the CMPS Business would impact the Party C Final Proposal of \$72.00 to \$75.00 per share.

On the evening of January 23, 2021, Mr. Feldmann, with input from certain of the Company’s advisors, provided an update to the Board on recent discussions with Veritas and Strategic Party C in anticipation of a meeting of the Board to be held the following day. Mr. Feldmann also noted that, although Veritas had accepted the Company’s ability to pay ordinary course dividends during the pendency of the merger subject to a specified cap, certain key issues in the merger agreement remained open, including Veritas’s requirement for certain conditions to closing. Finally, Mr. Feldmann provided an update of communications with Strategic Party C since the Party C Final Proposal, and provided the Board with copies of written responses from Strategic Party C to the questions posed by Mr. Feldmann.

On the morning of January 24, 2021, representatives of Strategic Party C provided to Mr. Feldmann and J.P. Morgan an indicative process timeline, suggesting a minimum of four weeks of workstreams, including due diligence efforts for both Strategic Party C and its partner, structuring and documentation discussions with a potential partner for the CMPS Business, and contract negotiations with the Company. Strategic Party C did not provide a response as to how an \$850 million valuation of the CMPS Business would impact the Party C Final Proposal, instead requesting permission from the Company to engage in discussions with Sponsor Party A regarding a possible partnership. Mr. Feldmann shared the indicative process timeline with the Board and suggested they discuss at a meeting scheduled for later that day.

Later on January 24, 2021, the Board held a meeting via videoconference (the “*January 24 Meeting*”), attended by members of senior management and, among others, representatives of J.P. Morgan, Sidley, Faegre, Spotlight Advisors and Sloane. At the meeting, Sidley reviewed and discussed with the Board their fiduciary duties in considering and evaluating a possible transaction. Representatives of J.P. Morgan then provided the

Board with a comprehensive update of the status of Veritas's process, including that Veritas had substantially finalized its due diligence efforts, had arranged for financing commitments and had completed investment committee approval. The Board considered and discussed with senior management and the Company's advisors the view of J.P. Morgan that, given the financing structure proposed by Veritas and in light of the pro forma leverage ratios and free cash flows that would be available following a closing, it would be unlikely that Veritas would be in a position to offer per-share consideration in excess of \$70.00. Representatives of J.P. Morgan then reviewed and discussed with the Board an updated overview of the Party C Final Proposal, including the indicative process timeline submitted earlier that morning suggesting a minimum of four weeks of due diligence efforts with parallel contract negotiations.

The Board then discussed with senior management and the Company's advisors certain concerns regarding the Party C Final Proposal, including (a) the fact that, notwithstanding Strategic Party C's confirmation that it would not require a partner to acquire the CMPS Business, Strategic Party C had not provided a clear path to achieve regulatory approvals absent such partner, (b) the Board's view that Strategic Party C had not substantially completed diligence and would require meaningful time to do so, (c) the fact that the timeline provided by Strategic Party C indicated it would need to engage in material structuring discussions with a potential partner and (d) continued employee retention challenges in the event the Company's evaluation of strategic alternatives was not publicly concluded in the near term. The Board also discussed and considered J.P. Morgan's view that, in light of the concerns previously discussed by the Board, it was uncertain that Strategic Party C would be able to deliver an executable transaction in the near term and that delaying a possible transaction with Veritas to advance Strategic Party C's various workstreams may cause Veritas to withdraw its proposal.

Sidley then discussed with the Board the latest draft of the merger agreement received from Skadden, including the material provisions still to be negotiated. Sidney noted, among other things, that Veritas would now permit the Company to pay ordinary course dividends during the pendency of the merger and that, although Veritas continued to resist the inclusion of a "go-shop" provision, Veritas had proposed a Company termination fee of 2% in the event the Company entered into an alternative superior proposal following execution of the merger agreement. The Board discussed Veritas's insistence on certain closing conditions and the status of certain regulatory covenants, including those with respect to Veritas's ability to make acquisitions or material investments following the execution of the merger agreement. Following these discussions, the Board directed Sidney to continue negotiations with Skadden in an effort to enhance closing certainty in the merger agreement and determined that, given the low Company termination fee, the publicity surrounding a potential transaction in light of the September 21, 2020 public disclosures, and the lack of attractive proposals notwithstanding meaningful outreach by J.P. Morgan to third parties, the Board would accept forgoing a "go-shop" provision if the parties could otherwise reach agreement to minimize execution and closing risk. In furtherance thereof, the Board further directed Sidney to indicate to Skadden that, if certain closing conditions were dropped, the Board may be open to permitting Veritas to engage in certain transactions within similar industries during the pendency of the merger. Additionally, the Board directed Sidney to further engage with Strategic Party C's counsel to discuss the indicative process timeline, gain a clearer understanding of Strategic Party C's view of its proposed transaction structure both with the Company and its potential partner, and evaluate Strategic Party C's approach to certain regulatory considerations in respect of an acquisition of the Company.

Following those discussions, Spotlight Advisors and Sidney reviewed with the Board its obligations under the Elliott NDA with respect to providing Elliott notice of the 2021 annual meeting of stockholders for purposes of opening Elliott's director-nomination window. The Board then determined that senior management and the Company's advisors should proceed as previously discussed at the meeting and directed Mr. Feldmann to cause the Company's advisors to work expeditiously with Strategic Party C to improve its proposal.

Following the January 24 Meeting, Mr. Feldmann communicated with the Senior Executive of Strategic Party C, acknowledging that Sidney would provide amendments to the non-disclosure agreements executed by both Strategic Party C and Sponsor Party A to permit them to discuss a potential partnership with respect to acquiring the Company. Mr. Feldmann also requested agendas for key functional diligence calls and asked Strategic Party C to prioritize diligence efforts that would enable Strategic Party C to refine its valuation range and deliver a per-share offer price.

Later on January 24, 2021, at the request of senior management and consistent with the direction of the Board, Sidney also delivered to Strategic Party C's counsel a draft merger agreement, substantially similar to the draft originally provided to Skadden on December 20, 2020.

During the week of January 25, 2021, senior management and other representatives of the Company met with representatives of Strategic Party C in 12 management sessions to, among other things, respond to Strategic Party C's due diligence inquiries and discuss various aspects of the Company's business and operations. Additionally, representatives of the Company provided additional diligence materials and written responses to Strategic Party C's due diligence inquiries and, at the request of Strategic Party C, provided additional personnel with access to a virtual data room containing the Company's diligence materials.

On January 25, 2021, each of Strategic Party C and Sponsor Party A executed amendments to their respective non-disclosure agreement with the Company to permit them to discuss a potential partnership in connection with acquiring the Company. Mr. Feldmann and the Senior Executive of Strategic Party C also corresponded regarding various due diligence matters and the provision of due diligence materials to key employees identified by Strategic Party C.

Later on January 25, 2021, Sidley corresponded with Skadden, explaining that, if Veritas were to concede and agree to the deletion of certain closing conditions, the Board would consider various approaches to the regulatory covenants and reverse termination fee triggers requested by Veritas. Sidley and Skadden later discussed the Board's position over the phone.

Over the course of January 25, 2021 through January 27, 2021, each of Sidley and Strategic Party C's counsel discussed on various phone calls key considerations with respect to Strategic Party C's proposal to acquire the Company, including Strategic Party C's view regarding a path to obtain regulatory approvals and mitigate execution risk. In the course of these discussions, when asked about the absence of a partner to acquire the CMPS Business, counsel to Strategic Party C indicated that Strategic Party C was still discussing various structuring considerations, including a concurrent signing with a partner to acquire the CMPS Business. Representatives of Sidley asked Strategic Party C's counsel whether a definitive agreement with the Company would contain certain reverse termination fees and a "hell or high water" regulatory approvals provision, but Strategic Party C's counsel indicated that Strategic Party C was still evaluating those provisions. Sidley also encouraged Strategic Party C's counsel to provide a mark-up to the draft merger agreement.

On January 26, 2021, Skadden provided Sidley with drafts of the equity commitment letter and limited guarantee to be entered into by Parent and certain affiliates of Veritas.

On January 27, 2021, Veritas provided to J.P. Morgan a list of the Company's key customers it would like to brief regarding its potential acquisition of the Company. At the direction of senior management, Sidley called Skadden to indicate that the Company would not permit Veritas to engage in calls with key customers unless and until the merger agreement and key documentation, including Veritas's equity commitment letters and other ancillary documentation, were substantially final.

Later in the evening of January 27, 2021, following a series of phone conversations between Sidley and Skadden, Sidley provided a revised draft of the merger agreement to Skadden, removing the "go-shop" provision and the third-party consents and certain license transfers as conditions to closing and requiring Parent to pay a reverse termination fee of 7% of equity value if certain regulatory approvals were not received by the Outside Date and the merger agreement were terminated in accordance with certain specified terms.

Over the course of the evening of January 27, 2021 and January 28, 2021, Sidley and Skadden negotiated various provisions of the merger agreement, the limited guarantees, and equity commitment letters and other ancillary agreements.

On January 29, 2021, Skadden provided to Sidley a revised mark-up of the merger agreement, proposing a reverse termination fee of 5% of equity value if certain regulatory approvals were not received by the Outside Date and the merger agreement was terminated in accordance with its terms, but containing triggering mechanics for such payment that materially differed from those included in Sidley's mark-up provided on January 27, 2021. The mark-up also accepted the deletion of certain conditions to close.

Throughout the course of the day on January 30, 2021, Sidley and Skadden, with input from senior management of the Company and Veritas, respectively, discussed and resolved the majority of open issues remaining in the merger agreement. Sidley and Skadden acknowledged that the amount of the reverse termination fee remained open and would be a topic for discussion and consideration by the Board. Later that evening, Sidley sent a revised draft of the merger agreement to Skadden, reflecting the day's discussions, and

Sidley and Skadden scheduled a call to finalize remaining items in the merger agreement and ancillary agreements the following morning in advance of a meeting scheduled for January 31, 2021.

In the evening of January 30, 2021, Sidley spoke with Strategic Party C's counsel, discussing Strategic Party C's transaction structure and whether the Company would be open to a covenant to assist Strategic Party C in selling the Company's CMPS business to its partner. Sidley again encouraged Strategic Party C's counsel to provide a mark-up to the draft merger agreement.

Also in the evening of January 30, 2021, the Senior Executive of Strategic Party C indicated to management of the Company that Strategic Party C would not be able to provide an executable transaction in advance of the Company's previously requested date of January 31, 2021.

Early in the morning on Sunday, January 31, 2021, Sidley and Skadden resumed their discussions regarding the merger agreement, resolving open points, such that the merger agreement, other than the amount of the reverse termination fee, was viewed as substantially final and actionable for the Board.

Later in the morning of January 31, 2021, shortly in advance of the meeting of the Board, Mr. Feldmann received a call from a representative of Veritas. The representative indicated, among other things, that although Veritas believed the negotiations regarding the merger agreement were nearly complete, Veritas was no longer prepared to pay the \$70.00 per share set forth in the Veritas Third Revised Proposal and would only pay \$65.00 per share due to certain discoveries impacting Veritas's valuation of the Company during Veritas's diligence process. Mr. Feldmann stated that he would share Veritas's decrease in per-share consideration with the Board at the scheduled meeting later that morning. Following the call with the representative from Veritas, Mr. Feldmann received a call from a representative of Elliott, explaining that Elliott was supportive of the revised \$65.00 offer. Mr. Feldmann responded that he would discuss with and take direction from the Board in light of these new events, but doubted that the Board would approve a sale of the Company at anything less than the \$70.00 offer price that had been previously communicated to the Board. In his conversations with both representatives from Veritas and Elliott, Mr. Feldmann for the first time indicated there were other parties interested in strategic transactions with the Company. Following this communication with Elliott, a representative from Veritas called back and suggested that they would add a go-shop provision to their \$65.00 per-share offer. The closing price of the Company's common stock on the NYSE on Friday, January 29, 2021, was \$61.18 per share.

Midday on January 31, 2021, the Board held a meeting via videoconference (the "**January 31 Meeting**"), attended by members of senior management and representatives of J.P. Morgan, Sidley, Faegre, Spotlight Advisors and Sloane. Among other discussions, Mr. Feldmann provided an overview of recent events in connection with the parties potentially interested in a strategic transaction involving the Company, stating that the Senior Executive of Strategic Party C had indicated that Strategic Party C and Sponsor Party A would need an undetermined amount of additional time to complete their due diligence efforts and begin negotiation of a merger agreement. Mr. Feldmann also discussed the revised valuation proposal conveyed by representatives from Veritas and Elliott earlier that day. Sidley then discussed with the Board the status of the merger agreement negotiations with Veritas. The Board asked questions of senior management and the Company's advisors regarding these developments, ultimately determining that it would not proceed with a transaction at \$65.00 per share, but that Veritas should retain access to the virtual data room in an effort to cause it to reconsider its prior \$70.00 per-share offer price. Further, the Board also determined that the Company should continue facilitating Strategic Party C's due diligence efforts to allow Strategic Party C an opportunity to provide the Board with greater clarity regarding the Party C Final Proposal.

Following the January 31 Meeting, Mr. Feldmann and the Senior Executive of Strategic Party C spoke over the phone to discuss Strategic Party C's due diligence efforts and expected timeline to refine the Party C Final Proposal, including a mutually stated desire to present the Board with an actionable proposal within two weeks.

Later on January 31, 2021, Elliott again contacted Mr. Feldmann and Gen. Melcher, encouraging the Board to accept Veritas's revised offer at \$65.00 per share.

During the evening on January 31, 2021, the Company provided notice to Elliott regarding the date of the Company's 2021 annual meeting of stockholders as required by the Elliott NDA, opening Elliott's 10-day window to nominate director candidates for the 2021 annual meeting of stockholders.

On February 1, 2021, in response to Elliott's communications from the day before, Mr. Feldmann returned a call from a representative of Elliott. In the conversation that followed, Elliott inquired what it would take for the Board to approve a transaction. Mr. Feldmann reiterated a number of times that the Board had been interested in evaluating a transaction at the \$70.00 per-share price previously communicated on December 19, 2020.

Over the course of February 2, 2021, J.P. Morgan and members of management provided additional diligence items to Strategic Party C in response to due diligence requests and clarifications sought by Strategic Party C and its advisors. Further, Sidley engaged in various discussions with Strategic Party C's counsel regarding legal considerations with respect to the Company's operations. Strategic Party C's counsel also provided on behalf of Strategic Party C a timeline to present the Board with an actionable transaction within two weeks.

During the evening of February 2, 2021, a representative from Veritas called Mr. Feldmann to discuss Veritas's continued interest in acquiring the Company. The representative indicated that, despite the revised \$65.00 per-share price disclosed in advance of the January 31 Meeting, Veritas was willing, upon further consideration, to acquire the Company for \$70.00 per share. Mr. Feldmann informed the Board that Veritas had changed its offer price to \$70.00 per-share. The closing price of the Company's common stock on the NYSE on this date was \$62.51 per share.

On February 3, 2021, a representative from Elliott contacted Mr. Feldmann, expressing his support of Veritas's revised \$70.00 per-share offer. Elliott then followed with an email to Mr. Feldmann, Gen. Melcher and Ms. Hageman, requesting an extension of the director nomination deadline applicable to Elliott pursuant to the Elliott NDA and expressing a desire for the Board to execute a transaction that week or otherwise face a genuine possibility of a transaction with Veritas falling away. Mr. Feldmann shared Elliott's email with the Board.

On February 3, 2021, members of the Board met via videoconference, also attended by Ms. Hageman. Senior management updated the directors on the status of Strategic Party C's recent diligence efforts and summarized his communications with Veritas and Elliott over the prior two days. Mr. Feldmann indicated that both representatives from Veritas and Elliott had suggested that Veritas was committed to resolving all outstanding issues in the merger agreement in an expedited manner. Members of the Board asked Mr. Feldmann various questions with respect to each of Veritas and Strategic Party C. After further discussion and given uncertainty regarding Strategic Party C's proposal, including the fact that (a) Strategic Party C had yet to partner with a party to acquire the CMPS Business, provide a detailed commitment of the actions it would take to obtain regulatory approvals in the absence of a partner, or otherwise describe contractual protections in favor of the Company to mitigate execution risk, (b) Strategic Party C had not yet provided a mark-up of or otherwise meaningfully engaged on the merger agreement, (c) Strategic Party C had not refined its offer of \$72.00 to \$75.00 per share, and (d) further delay to accommodate Strategic Party C may risk Veritas withdrawing its proposal, the Board determined that management and the Company's advisors should reengage with Veritas at a \$70.00 per-share price and proceed to finalize the various transaction documentation. In light of these considerations and previous discussions with J.P. Morgan regarding its view that Veritas may withdraw its proposal if the process was further delayed, the Board asked that senior management and the Company's advisors encourage Strategic Party C to further expedite its process. The Board acknowledged that, should Strategic Party C strengthen its proposal and minimize execution risk in advance of the two-week schedule previously delivered by Strategic Party C, the Board would continue to evaluate Strategic Party C as a potential acquiror if it appeared to be in the best interest of the Company's stockholders.

On February 3, 2021, following the Board meeting, senior management communicated with representatives of Strategic Party C, indicating that Strategic Party C would need to submit an actionable proposal to the Board in advance of February 7, 2021 if it desired to be successful in potentially acquiring the Company.

Over the next three days, the Company and Veritas worked to finalize the merger agreement, voting agreement, debt and equity commitment letters and the limited guarantees, except for the amount of the reverse termination fee in the merger agreement.

On February 6, 2021, the Senior Executive of Strategic Party C contacted Mr. Feldmann to indicate that Strategic Party C would not be able to submit a revised proposal or mark-up of the merger agreement prior to February 7, 2021.



On Sunday, February 7, 2021, the Board held a meeting via videoconference (the “**February 7 Meeting**”), attended by members of senior management and representatives of J.P. Morgan, Raymond James, Sidley, Faegre, Spotlight Advisors and Sloane. At the outset of the meeting, members of the Board and Ms. Hageman met in executive session to, among other things, review with the members of the Board their fiduciary duties in considering a potential transaction with Veritas and certain relationship disclosures provided by J.P. Morgan and Raymond James as to certain material investment banking relationships with each of the parties potentially interested in a strategic transaction with the Company, including Veritas, Elliott, Strategic Party C, and Sponsor Party A. Following the discussion, the Board concluded that none of the disclosures caused the Board to believe that J.P. Morgan or Raymond James would not be able to provide independent advice to the Company. Senior management and representatives of J.P. Morgan then reviewed with the Board the status of Strategic Party C’s workstreams. Sidley reviewed with the Board the changes from the last version of the Veritas transaction documents that the Board had reviewed and discussed and summarized the resolution of the remaining open issues, including Veritas’s request for a reverse termination fee equal to 5% of the Company’s equity value. Also at this meeting, representatives of J.P. Morgan reviewed J.P. Morgan’s financial analysis of the merger consideration with the Board and rendered J.P. Morgan’s oral opinion (subsequently confirmed by delivery of its written opinion) to the Board (in its capacity as such) on February 7, 2021 that, as of such date, and based upon and subject to the factors and assumptions set forth in its written opinion, the merger consideration to be paid to the holders of the Company common stock in the merger was fair, from a financial point of view, to such holders. Raymond James then presented its financial analysis of the merger consideration with the Board and rendered an oral opinion, confirmed by delivery of a written opinion dated February 7, 2021, to the Board to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as described in the opinion, the merger consideration to be received by holders of Company common stock (other than holders of Excluded Shares as defined in the Raymond James opinion) pursuant to the merger agreement was fair, from a financial point of view, to such holders. Senior management also discussed with the Board a summary of additional factors to assist the Board in its assessment of the transaction, including certain risks that could materially affect the Company’s actual future performance.

After discussing potential factors in favor of and against the proposed transaction with Veritas, including various factors that the Board had considered and weighed throughout the process, and the likelihood of Strategic Party C making a firm and compelling offer with limited near-term and long-term execution risk, the Board then determined that the merger agreement and related merger with Parent were fair to, advisable, and in the best interests of the Company and its stockholders and unanimously adopted resolutions approving the merger agreement, related ancillary agreements, and the transactions contemplated thereby, and recommended that the Company’s stockholders vote to approve the merger agreement.

Shortly following the February 7 Meeting, the parties exchanged executed copies of the merger agreement and other related ancillary agreements, including the voting agreement, debt commitment letter, equity commitment letters and limited guarantees.

On the morning of Monday, February 8, 2021 and prior to the opening of trading on the NYSE, the parties announced the execution of the merger agreement.

### **Recommendation of the Board**

At the special meeting of the Board on February 7, 2021, after careful consideration, and for the reasons summarized in the section entitled “— Reasons for Recommending the Adoption of the Merger Agreement” below, the Board unanimously:

- approved and declared fair and advisable the merger and the execution, delivery, and performance by the Company of the merger agreement and the consummation by the Company of the transactions contemplated by the merger agreement, including the merger;
- determined that the Company’s entry into the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the merger, are in the best interests of the Company and its stockholders;
- directed that the merger agreement be submitted to a vote of the stockholders of the Company to be adopted; and

- subject to the conditions in the merger agreement, including receiving the affirmative vote of the holders of a majority of the outstanding shares of Company common stock entitled to vote thereon to adopt the merger agreement, recommended the approval and adoption of the merger agreement by the stockholders of the Company.

### **Reasons for Recommending the Adoption of the Merger Agreement**

In evaluating the merger agreement and the transactions contemplated thereby, the Board consulted with the Company's senior management team and outside legal, financial and strategic advisors and, in determining that the proposed merger and other transactions contemplated by the merger agreement are fair to, advisable, and in the best interests of the Company and its stockholders, considered and evaluated numerous factors over the course of approximately 16 meetings of the Board beginning in September 2020, including the following material factors, each of which the Board believes supports its unanimous determinations:

- **Per-Share Merger Consideration.** The Board evaluated the attractiveness of the per-share merger consideration and the financial terms of the merger agreement. In particular, the Board considered the following:
  - The per-share merger consideration represented:
    - A 57.8% premium over the closing price of the Company common stock on September 18, 2020, the last trading day prior to the Company's announcement of third-party interest in potentially acquiring the Company;
    - A 39.1% premium over the 52-week volume weighted average trading price as of February 5, 2021, the last trading day prior to the Board's approval of the merger agreement;
    - A 10.6% premium over the closing price of the Company common stock on February 5, 2021; and
    - An implied enterprise value of \$2.825 billion, which represents a multiple of 17.8x fiscal year 2020 EBITDA and 15.7x fiscal year 2021 projected EBITDA.
  - The Board also considered that the cash consideration represents immediate and certain value and liquidity upon the closing in comparison to the risks and uncertainty that would be inherent in remaining a stand-alone company or pursuing a transaction in which all or a portion of the consideration is payable in stock.
- **Historical Performance, Stand-Alone Prospects and Strategic Alternatives.**
  - The Board considered the Company's recent and historical financial condition, results of operations and business, including the Company's first quarter fiscal year 2021 performance, the drivers of that performance and expectations as to the likelihood of sustainability of that performance.
  - The Board considered the Company's competitive position in the industries in which it operates, the Company's recent and historical performance relative to other companies in the industries in which it operates, and trends in the industries in which it operates.
  - The Board considered management's stand-alone Business Plan, including the "NextCubic" strategic initiatives intended to enhance growth and drive cost savings and margin improvement, and the financial projections, as well as the risks and uncertainties associated with the Company's ability to achieve the results contemplated by the Business Plan and meet such financial projections if the Company were to continue to operate as a stand-alone company. The Board also considered potential downside risks and upside opportunities not included in the Business Plan or financial projections and the Company's historic performance relative to prior management forecasts.
  - The Board also took into account the current state of the U.S. and global economies and general industry and market trends and conditions, the impact of, and uncertainties underlying, projected macroeconomic conditions in the near term and long term on the performance of the Company as a stand-alone company, including the impacts of government elections and election cycles on defense spending, the impacts of fiscal stimuli and responses to COVID-19 on future government

spending with respect to transportation infrastructure and defense, and the near-term and long-term impacts of COVID-19 on city and metropolitan transportation budgets and ridership trends.

- The Board considered potential strategic alternatives the Company could pursue, including (i) remaining as a stand-alone company and executing the Company's Business Plan, including the "NextCubic" strategy initiatives, (ii) partitioning the Company into two publicly traded entities, (iii) pursuing a sale of one of the Company's business units, and (iv) partnering with a private equity firm to consummate a previously contemplated acquisition in a related industry, the potential stockholder value that might result from such alternatives, and the Board's view that none of these alternatives was reasonably likely to present superior opportunities for the Company to create greater value for stockholders, taking into account risks of execution as well as business, competitive, financial, industry, market and regulatory risks.
- The Board considered the Company's near-term and longer-term prospects as a stand-alone company and considered the possibility that, if the Company did not enter into a merger agreement with Parent, the value of Company common stock could be significantly lower than the value of the per-share merger consideration.
- The relationship of the per-share merger consideration to the likely trading price of Company common stock if Elliott had not reported its investment in the Company or if Elliott had subsequently reported a sale of its position in the Company. In addition, the Board considered certain publicly available analyst research share price targets for Company common stock prior to the disclosure of third-party interest in potentially acquiring the Company, and following the disclosure of the "NextCubic" strategic initiatives, noting that these share price targets ranged from \$48.00 to \$62.00 per share of Company common stock compared to the per share merger consideration of \$70.00 in cash.
- **Potentially Interested Parties; Course of Negotiations.**
  - The Board considered that, over the course of more than five months, the Company and J.P. Morgan conducted direct outreach to (or otherwise had discussions with) potential financial and strategic parties, including 16 strategic parties and nine financial sponsors, that the Company and its advisors believed were likely to be most interested in pursuing a potential strategic transaction with the Company at an attractive valuation.
  - The Board also considered that, given the publicity surrounding the Company's announcement of the rights agreement, the September 21 Elliott Press Release and the numerous reports in the media speculating that Elliott had partnered with Veritas to acquire the Company in the months leading up to the date on which the merger agreement was signed, any potentially interested counterparties who were not contacted by the J.P. Morgan or senior management had an opportunity to inquire about a potential sale of the Company or other strategic alternatives.
  - The Board also considered that (a) only Veritas and Strategic Party C had submitted formal, written indications of interest to acquire the Company, (b) only Veritas was in a position to sign a definitive agreement to acquire the Company at the time the Board approved the merger agreement and (c) only two other parties made oral indications of interest to acquire the CMPS Business in potential partnership with Strategic Party C through communications to the Company's financial advisor, one of which was ultimately withdrawn.
  - The Board considered that Strategic Party C ultimately informed the Company it would not be in a position to sign a definitive agreement on the timeline proposed by the Board. In addition, the Board considered the uncertainty regarding whether Strategic Party C would be in a position to sign a definitive agreement in the near term, or at all, and, after consulting with J.P. Morgan, the concern that if the Board were to delay further to accommodate Strategic Party C in the hope that Strategic Party C would submit an actionable proposal, Veritas may withdraw its proposal. As a result, given the uncertainty and concerns, the Board determined it was in the best interest of the Company's stockholders not to delay the execution of the merger agreement with Veritas. As part of its deliberation, the Board considered that (a) Strategic Party C had yet to partner with a party to acquire the CMPS Business, provide a detailed commitment of the actions it would take to

obtain regulatory approvals in the absence of a partner, or otherwise describe contractual protections in favor of the Company to mitigate execution risk and (b) Strategic Party C had not yet provided a mark-up of or otherwise meaningfully engaged on the merger agreement.

- The Board also took note of the terms of the merger agreement, including that if an interested party were to submit a proposal that the Board determined was a superior proposal (as described in the section entitled “The Agreement and Plan of Merger — Restriction on Solicitation of Competing Proposals,” beginning on page [•]) the Board could, prior to the stockholders adopting the merger agreement and subject to complying with the terms and conditions of the merger agreement, including paying the termination fee of \$45.45 million, terminate the merger agreement and cause the Company to enter into a definitive agreement for such superior proposal if the Board determined in its good faith judgment, after consultation with its outside financial advisors and outside legal counsel, that the failure to do so would be reasonably likely to be inconsistent with its fiduciary duties under applicable law. The Board considered its view that the terms of the merger agreement were unlikely to deter any interested parties from making a proposal to the Company.
- **Course of Negotiations.** The Board considered the course of negotiations with Veritas, including the increase in the Veritas Initial Proposal from \$60.00 per share to \$65.00-\$67.50 per share, the further refinement of Veritas’s range from \$65.00-\$67.50 to \$67.50 per share, and the final increase to \$70.00 per share in the Veritas Third Revised Proposal, and in addition, after consulting with J.P. Morgan, that Veritas would be unlikely to further increase its \$70.00 per-share proposal given the financing structure proposed by Veritas and in light of the pro forma leverage ratios and free cash flows that would be available following a closing. In light of the foregoing, the Board believed that Veritas’s \$70.00 per-share offer was the highest price that Veritas was willing to pay for the Company.
- **Opinions of the Company’s Financial Advisors.** The Board considered the separate financial analyses and separate oral opinions of J.P. Morgan and Raymond James (subsequently confirmed by delivery of their respective separate written opinions) to the Board (in its capacity as such) on February 7, 2021 that, as of such date, and based upon and subject to the factors and assumptions set forth in each respective separate written opinion, the merger consideration to be paid to the holders of the Company common stock in the merger was fair, from a financial point of view, to such holders, as more fully described in the section entitled “The Merger — Opinion of J.P. Morgan,” beginning on page [•], and *Annex B* to this proxy statement and the section entitled “The Merger — Opinion of Raymond James,” beginning on page [•], and *Annex C* to this proxy statement.
- **The Merger Agreement.** The Board considered the general terms and conditions of the merger agreement and the course of extensive negotiations of the key provisions thereof with Veritas, including the Company’s and Parent’s respective representations, warranties and covenants, the conditions to their respective obligations to consummate the merger and their ability to terminate the merger agreement (as described in the section entitled “The Agreement and Plan of Merger — Conditions to the Merger,” beginning on page [•]). In particular, the Board considered the following:
  - *Conditions to Closing the Merger; Likelihood of Closing.* The Board considered that the proposed merger was likely to be consummated, including that the merger agreement is subject to limited closing conditions that are customary in nature, Parent’s obligations to use reasonable best efforts to consummate the merger and its obligation to take all actions necessary to obtain all consents or approvals in connection with certain competition or antitrust laws and investment screening laws, the expectation that the proposed merger will be approved by the Company’s stockholders and that no non-governmental third-party consents are conditions to the consummation of the proposed merger.
  - *Specific Performance.* The Board considered the Company’s right, pursuant and subject to the merger agreement, to seek specific performance to cause the closing to occur if the debt financing is available.
  - *No Financing Condition; Ability to Finance.* The Board considered that the proposed merger is not subject to a financing condition and, in particular, that Parent has obtained committed debt financing for the transaction from reputable financial institutions and committed equity financing,

the limited number and nature of the conditions to the debt and equity financing and the obligation of Parent to use reasonable best efforts to consummate the debt and equity financing, and the Company's ability to cause the equity financing sources to fund their contributions as contemplated by the merger agreement and the equity commitment letters, provided that the debt financing has been funded or will fund if the equity funds and all the conditions to closing are satisfied. The Board also considered the requirement that, if the debt financing is not obtained, Parent has an obligation to use reasonable best efforts to obtain alternative financing. The Board considered that the terms of the debt commitment letters made it reasonably likely the debt financing would be consummated.

- *Parent Termination Fees.* The Board also considered the requirement that, if the Company terminates the merger agreement for Parent's failure to close when required or for Parent's material breach, or if either of the parties terminate the merger agreement for failure to obtain certain antitrust approvals at the outside date, Parent will pay the Company a termination fee of \$113.64 million. The Board also considered that both the Veritas Sponsor and the Elliott Sponsors have delivered executed limited guarantees to the Company guaranteeing the due and punctual payment to the Company of the Parent termination fee based on their respective pro forma ownership percentages of Parent, certain reimbursement and indemnification obligations related to the debt financing and certain payment and reimbursement obligations specified in the merger agreement that may be owed by Parent pursuant to the merger agreement.
- *Ability of the Board to Engage in Passive Discussions Involving Competing Proposals.* The Board considered the provisions of the merger agreement that provide for the Company's ability, under certain circumstances and subject to the terms and conditions of the merger agreement, to furnish information to and conduct negotiations with a third party, if the Board determines in good faith that such third party has made a competing proposal that is or would reasonably be expected to lead to a superior proposal (as described in the section entitled "The Agreement and Plan of Merger — Restriction on Solicitation of Competing Proposals," beginning on page [•]) if the failure to do so would be reasonably likely to be inconsistent with the Board's fiduciary duties under applicable law.
- *Ability of the Board to Change Board Recommendation; Ability to Terminate the Merger Agreement.* The Board considered the provisions of the merger agreement that provide:
  - that, in certain circumstances and subject to the terms and conditions of the merger agreement, the Board is permitted to change the Board recommendation and is permitted to terminate the merger agreement to enter into an agreement with respect to a superior proposal if the Board concludes that failure to do so would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, subject to complying with Parent's "match rights" and payment to Parent of the Company termination fee of \$45.45 million, as further described in the section entitled "The Agreement and Plan of Merger — Expenses; Termination Fees," beginning on page [•]; and
  - that, in certain other circumstances not related to a superior proposal and subject to the terms and conditions of the merger agreement, the Board is permitted to change the Board recommendation in response to an intervening event (as described in the section entitled "The Agreement and Plan of Merger — Obligations of the Board with Respect to Its Recommendation," beginning on page [•]) if the Board concludes that failure to do so would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, which would result in Parent having the right to terminate the merger agreement at which time the Company would be required to pay Parent the Company termination fee of \$45.45 million, as further described in the section entitled "The Agreement and Plan of Merger — Expenses; Termination Fees," beginning on page [•].
- *Appraisal Rights.* The Board considered that the merger agreement must be approved by the Company's stockholders and that the Company's stockholders have the right to exercise appraisal rights under Section 262 of the DGCL rather than accept the merger consideration, which Section 262 provides such stockholders who have complied with the requirements of the DGCL with an opportunity to have the Court of Chancery determine the fair value of their shares of



Company common stock, which may be more than, less than or the same as the amount such stockholders would have received under the merger agreement.

- The Board also considered its belief that the terms of the merger agreement were reasonable and would not discourage other potential acquirers from making an alternative proposal to acquire the Company.

In the course of its deliberations, the Board also considered certain risks and other potentially negative factors concerning the transactions contemplated by the merger agreement, including:

- *No Direct Ongoing Participation in the Surviving Corporation's Potential Upside.* Following the merger, the Company will no longer exist as an independent public company and existing stockholders of the Company would not have the opportunity to continue participating in the surviving corporation's upside as a stand-alone company, including future earnings or growth of the surviving corporation or synergies that may result from the consummation of transactions including acquisitions or other business combinations.
- *Taxable Consideration.* For U.S. federal income tax purposes, the merger consideration will be taxable to the Company's stockholders who are entitled to receive such consideration.
- *No Solicitation of Alternative Proposals.* The fact that the merger agreement precludes the Company from actively soliciting alternative proposals.
- *Specific Performance; Cap on Damages.* The Company is limited to seeking specific performance or the Parent termination fee in the event that Parent does not close when required, and the Company is not able to seek other monetary damages.
- *Interim Restrictions on Business.* The merger agreement generally requires the Company to use commercially reasonable efforts to conduct operations in all material respects in the ordinary course of business, maintain and preserve intact in all material respects (to the extent within its control) its business organization, and to maintain current relationships with significant customers, suppliers, distributors and other persons with whom it has material business relations pending consummation of the proposed merger, and restricts the Company, without Parent's consent, from taking certain specified actions until the proposed merger is completed, which restrictions may affect the Company's ability to execute its business strategies, respond effectively to competitive pressures and industry developments, pursue alternative business opportunities, make appropriate changes to its business and attain its financial and other goals, all of which may impact the Company's financial condition and results of operations.
- *Potential Failure to Consummate the Merger.* The proposed merger may not be consummated in a timely manner or at all, due to a failure of certain closing conditions, many of which are not within the Company's control, to be satisfied or (if permissible under applicable law) waived, including certain regulatory approvals. The Board weighed against this consideration the fact that the conditions are limited in nature as well as its views that required consents or approvals under applicable competition or antitrust laws and investment screening laws are likely to be obtained and the remedies available to the Company if Parent does not consummate the merger when the closing conditions are satisfied.
- *Transaction Expenses.* The significant costs involved in connection with entering into the merger agreement and completing the merger (many of which are payable whether or not the merger is consummated) and the substantial time and effort of the Company's management required to complete the merger, which may disrupt the Company's business operations.
- *Ongoing Relationships.* The fact that the announcement of the merger agreement and pendency of the merger, or the failure to consummate the merger, may cause harm to the Company's relationships with its employees (including making it more difficult to attract and retain key personnel and the possible loss of key management, technical, sales and other personnel), vendors and customers and may divert employees' attention away from the Company's day-to-day business operations.
- *Interests of Officers and Directors.* The Company's directors and executive officers may receive certain benefits that are different from, and in addition to, those of the Company's stockholders (such as change-in-control or termination payments).

The Board concluded that the potentially negative factors associated with the proposed merger were outweighed by the potential benefits that it expected the Company's stockholders would receive as a result of the proposed merger, including the belief that the proposed merger would maximize the value received by the Company's stockholders and eliminate the risks and uncertainties affecting the future prospects of the Company as a stand-alone company.

The foregoing discussion of the information and factors considered by the Board is not intended to be exhaustive but includes the material factors considered by the Board. In view of the wide variety of factors considered in connection with its evaluation of the proposed merger and the complexity of this matter, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and the Board recommendation. In addition, individual directors may have given different weights to different factors. The Board did not undertake to make any specific determination as to whether, or to what extent, any factor or any particular aspect of any factor, supported or did not support its ultimate determination. The Board based the Board recommendation on its consideration of the totality of the information presented to it, including the factors described above.

In considering the Board recommendation, the Company's stockholders should be aware that the executive officers and directors of the Company have certain interests, including financial interests, in the proposed merger that may be different from, or in addition to, the interests of the Company's stockholders generally. The Board was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated thereby, and in making the Board recommendation. For additional information, see the section entitled "The Merger — Interests of Directors and Executive Officers in the Merger," beginning on page [•].

### **Opinion of J.P. Morgan**

Pursuant to an engagement letter, the Company retained J.P. Morgan as its financial advisor in connection with the proposed merger.

At a meeting of the Board on February 7, 2021, J.P. Morgan rendered its oral opinion (subsequently confirmed by delivery of its written opinion) to the Board (in its capacity as such) that, as of such date, and based upon and subject to the factors and assumptions set forth in its written opinion, the per share merger consideration to be paid to the holders of the Company common stock in the proposed merger was fair, from a financial point of view, to such holders.

The full text of the written opinion of J.P. Morgan, dated February 7, 2021, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken, is attached as *Annex B* to this proxy statement and is incorporated herein by reference. The summary of the written opinion of J.P. Morgan set forth in this proxy statement is qualified in its entirety by reference to the full text of such opinion. The Company's shareholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the Board (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed merger, was directed only to the consideration to be paid to the holders of the Company common stock in the proposed merger and did not address any other aspect of the proposed merger. J.P. Morgan expressed no opinion as to the fairness of any consideration to be paid in connection with the proposed merger to the holders of any other class of securities, creditors or other constituencies of the Company, or as to the underlying decision by the Company to engage in the proposed merger. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The opinion does not constitute a recommendation to any shareholder of the Company as to how such shareholder should vote with respect to the proposed merger or any other matter.

In arriving at its opinion, J.P. Morgan, among other things:

- reviewed the merger agreement;
- reviewed certain publicly available business and financial information concerning the Company and the industries in which it operates;
- compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration paid for such companies;