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Merger Consideration

At the effective time, each outstanding share of our common stock will automatically be converted into the right to receive an amount in cash equal to \$10.05, without interest and less any applicable withholding taxes, other than the excluded shares and dissenting shares. Dissenting shares will not be converted into a right to receive the merger consideration but instead shall entitle such holder to the right to appraisal pursuant to Section 262 of the DGCL. See the section of this proxy statement titled “Appraisal Rights” beginning on page 101.

[Background of the Merger](#)

The Board, together with PAE’s management team (“management”), regularly reviews and assesses PAE’s performance, future growth prospects, business strategies, opportunities and challenges as part of its evaluation of PAE’s operational and financial performance, prospects and strategies for enhancing stockholder value. As part of that review process, the Board and management have regularly reviewed and considered PAE’s strategic direction and business objectives, including strategic opportunities that might be available to PAE, such as possible acquisitions, divestitures, business combination transactions and other financial and strategic alternatives.

The merger and the terms of the merger agreement are the result of arm’s-length negotiations conducted among representatives of PAE, Parent, Merger Sub and their respective financial and legal advisors. The following is a summary of the principal events, meetings, negotiations and actions among the parties leading up to the execution and public announcement of the merger agreement and relevant events since such date. The following chronology does not purport to catalogue every conversation among the Board, management or other representatives of PAE and other parties with respect to the merger or the opportunities alternative to the merger that were considered from time to time.

Members of the Board and management, as well as individuals affiliated with Platinum Equity, LLC (together with its affiliates, “Platinum Equity”), the indirect parent of PE Shay, have prior business relationships with Lindsay Goldberg & Co. LLC (“Lindsay Goldberg”) and its representatives as a result of the prior ownership of the PAE corporate group by an affiliate of Lindsay Goldberg.

The business currently conducted by PAE was founded in 1955 to provide services to the U.S. government in Asia. In 2006, Pacific Architects and Engineers Incorporated (now known as Pacific Architects and Engineers, LLC) and its subsidiaries (collectively, “Historical PAE”) were acquired by Lockheed Martin Corporation (“LMC”). During LMC’s ownership of Historical PAE, LMC broadened Historical PAE’s service capabilities and expanded Historical PAE’s infrastructure.

PAE Holding Corporation (“PAE Holding”) was incorporated in the state of Delaware in February 2011 by an affiliate of Lindsay Goldberg, and in April 2011, PAE Holding acquired Historical PAE from LMC. Lindsay Goldberg focused on expanding Historical PAE’s business, completing four acquisitions during the course of its ownership.

Shay Holding Corporation (“Shay”) was incorporated in the state of Delaware in January 2016 by an affiliate of Platinum Equity, and in March 2016, Shay’s indirect subsidiary acquired PAE Holding from Lindsay Goldberg. During Platinum Equity’s ownership period, Platinum Equity focused on improving Historical PAE’s operational performance.

Gores Holdings III, Inc. (“Gores Holdings”) was incorporated in the state of Delaware in October 2017 by an affiliate of The Gores Group LLC. Gores Holdings was founded as a special purpose acquisition company with the sole purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more target businesses.

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In February 2020, Gores Holdings and Shay completed a business combination, as a result of which Shay became a wholly owned direct subsidiary of Gores Holdings and Gores Holdings was renamed PAE Incorporated (the “SPAC combination”). As a result of the SPAC combination, Historical PAE became a subsidiary of a publicly traded company with its shares of Class A common stock listed on Nasdaq under the ticker symbol “PAE.”

On May 18, 2020, Russell Triedman, a managing partner of Lindsay Goldberg, contacted Marshall Heinberg, Chairman of the Board, and indicated that Parent was potentially interested in pursuing a strategic transaction with PAE.

On May 21, 2020, the Board held a meeting at which a representative of Morgan, Lewis & Bockius LLP, PAE’s outside corporate counsel (“Morgan Lewis”), was present, in which they discussed the May 18 phone call between Messrs. Triedman and Heinberg. Upon conclusion of the discussion, it was the consensus of the Board that Mr. Heinberg should have a follow-up conversation with Mr. Triedman regarding Parent’s potential interest in acquiring PAE.

In early June 2020, Messrs. Triedman and Heinberg further discussed Parent’s potential interest in acquiring PAE in an all-cash transaction.

On June 3, 2020, the Board held a meeting, at which a representative of Morgan Lewis was present, and at which the Board discussed the early June phone call between Messrs. Heinberg and Triedman. The Board engaged in discussions regarding that phone call and various potential next steps regarding Parent’s interest in a potential strategic transaction. The Board discussed whether to engage additional legal counsel and a financial advisor to assist the Board in conducting a process to evaluate such potential transaction. Upon conclusion of the discussion, it was the consensus of the Board that it would engage Latham & Watkins LLP (“Latham”) to assist the Board in conducting a process to evaluate the potential transaction with Parent. No action was taken by the Board with respect to engaging a financial advisor. The Board also authorized management to proceed with foundational steps relating to the potential transaction, such as entering into a nondisclosure agreement and similar preliminary agreements to facilitate information sharing, and engaging in due diligence discussions, with Parent and its affiliates, advisors and representatives.

PAE entered into a nondisclosure agreement with affiliates of Parent on June 11, 2020, which was subsequently amended on June 25, 2020, and which included customary non-disclosure and standstill provisions. The standstill provisions expired on September 11, 2021. The same parties entered into a “clean team” agreement on June 16, 2020.

In June and July 2020, representatives of PAE and Latham engaged in discussions regarding a potential transaction with representatives and affiliates of Parent and Parent’s outside counsel for the potential transaction with PAE, Cravath, Swaine & Moore LLP (“Cravath”). While the representatives of PAE and the representatives of Parent discussed the potential price at which Parent might be willing to acquire PAE, representatives of Parent did not submit a formal proposal to acquire PAE at a specified price during this period.

In July 2020, Messrs. Heinberg and Triedman had a phone call in which it became apparent that PAE and Parent would not be able to reach an agreement on the valuation of PAE. Following that discussion, PAE ceased all activities relating to a potential transaction between Parent and PAE.

On July 27, 2020, Mr. Charles Peiffer, Executive Vice President and Chief Financial Officer of PAE, sent representatives of Parent a written request to destroy or return all PAE confidential information provided during the discussions about the potential transaction. Representatives of Parent confirmed the destruction of such information on August 5, 2020.

In February 2021, Mr. Heinberg reached out to the chairman of the board of another government contractor (“Other Party A”) regarding a potential transaction. The discussions did not progress at that time.

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On March 16, 2021, PAE announced that Mr. Peiffer had been appointed by the Board to serve in the additional role of Interim President and Chief Executive Officer, effective March 19, 2021. Mr. Peiffer's appointment followed the resignation of Mr. John Heller as President and Chief Executive Officer.

On April 14, 2021, President Biden announced his intention to withdraw all U.S. forces from Afghanistan by September 11, 2021. At that time, approximately 11% of PAE's revenues for full year 2021 were planned to come from contracts for work in Afghanistan, including PAE's largest contract by revenue, the National Maintenance Strategy contract.

In April 2021, PAE representatives were approached by representatives of Other Party A regarding a potential stock-for-stock transaction that if consummated would have been considered a "merger of equals". Over the next several months, there were numerous discussions among representatives of PAE and Other Party A regarding such a potential transaction.

On April 28, 2021, representatives of PAE and Other Party A met to discuss Other Party A's capabilities.

On May 4, 2021, during PAE's regularly scheduled quarterly Board meeting on topics relating to PAE's business, the Board also discussed the potential transaction with Other Party A, and it was the consensus of the Board that management should continue taking the steps necessary to evaluate a potential transaction with Other Party A.

In May 2021, PAE engaged Morgan Stanley to act as a financial advisor with respect to the potential transaction with Other Party A. Morgan Stanley's engagement was later expanded to encompass other potential strategic transactions, and was subsequently confirmed by an engagement letter dated October 23, 2021.

On May 21, 2021, the Board of Directors met to discuss the potential transaction with Other Party A. The Board received a presentation from representatives of Morgan Stanley that contained a preliminary financial analysis of such potential transaction. After the Morgan Stanley representatives left the meeting, the Board authorized PAE representatives to meet with representatives of Other Party A and discuss a potential stock-for-stock transaction at a specified exchange ratio, provided that the determination of the methodology for the exchange ratio and various other issues, including the post-transaction board representation and management team, should be discussed at a later date. The closing price of PAE's common stock on Nasdaq on May 21, 2021 was \$8.33.

Representatives of PAE and Other Party A met on May 25, 2021 to discuss PAE's capabilities.

PAE and Other Party A entered into a confidentiality agreement on June 14, 2021, containing customary non-disclosure and standstill provisions. The standstill provisions expired on October 25, 2021.

In June 2021, a private equity firm ("Other Party B") contacted PAE to discuss the possibility of evaluating a potential strategic transaction with PAE.

At a Board meeting on July 9, 2021, Mr. Peiffer provided a summary of the discussions with management of Other Party A. A representative of Goodwin Procter LLP, PAE's outside corporate counsel ("Goodwin"), attended the Board meeting. Such representative of Goodwin was a partner of Morgan Lewis until joining Goodwin on July 1, 2021. The Board discussed the pros and cons of a potential transaction with Other Party A, including various strategic considerations, and matters relating to the overall timeline and process steps for such a potential transaction. The Board also discussed other potential alternative strategic transactions that PAE could consider pursuing. At the conclusion of the Board's discussion, the Board instructed management to continue taking the steps necessary to evaluate a potential transaction with Other Party A.

On July 22, 2021, the Board held another meeting to discuss the potential transaction with Other Party A. Members of management, a representative of Goodwin, and representatives of Morgan Stanley attended the

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meeting. Mr. Peiffer provided the Board with an update on due diligence, key terms of the potential transaction that were under consideration, and potential next steps. During the presentation, members of management provided an update on the discussions that representatives of PAE had had with representatives of Other Party A regarding overall vision and strategy for the potential combined company. In addition, members of management gave an update on the due diligence that had been conducted to date and the further due diligence that would need to be conducted prior to signing definitive documentation for such transaction. Representatives of Morgan Stanley provided the Board with information regarding the potential exchange ratio for the potential stock-for-stock transaction. The closing price of PAE's common stock on Nasdaq on July 22, 2021 was \$9.40. A representative of Morgan Lewis, which firm was now serving as merger and acquisition counsel to PAE, provided the Board with a summary of certain material terms of the draft merger agreement that had been circulated to the Board prior to the meeting. In the course of the meeting, the Board discussed various matters relating to the potential transaction, including the potential advantages and disadvantages of engaging in a transaction with Other Party A, various strategic considerations, and matters relating to the overall process of such potential transaction. A representative of Goodwin also discussed with the Board various matters relating to their fiduciary duties in connection with the potential transaction. At the conclusion of the Board's discussion, the Board unanimously agreed to instruct management to continue taking the steps necessary to pursue a potential transaction with Other Party A.

Between July 22, 2021 and July 30, 2021, representatives of PAE continued to have various communications with representatives of Other Party A about a potential stock-for-stock transaction.

On July 30, 2021, the Board held its regularly scheduled quarterly Board meeting on topics relating to PAE's business, which was also attended by representatives of management, a representative of Goodwin and representatives of Morgan Stanley, and at which the Board discussed the potential transaction with Other Party A and other matters relating to PAE's business. Representatives of Morgan Stanley provided an update on the potential transaction to the Board including, but not limited to, an update on the due diligence process. In the course of the presentation, the Board discussed various matters relating to the potential transaction, including the diligence that had been conducted to date, the further diligence that would need to be conducted, various financing considerations relating to such potential transaction, and matters relating to the overall timeline and process steps for such potential transaction.

Between July 30, 2021 and August 18, 2021, representatives of PAE continued to have various communications with representatives of Other Party A about a potential stock-for-stock transaction, including communications relating to due diligence matters.

On August 15, 2021, the Taliban took control of Kabul, the capital of Afghanistan, which created additional uncertainty regarding the future of the U.S. government's operations in Afghanistan and PAE's future revenues from contracts that were supporting such operations.

On August 16, 2021, in connection with the potential transaction with Other Party A and at the Board's request, Morgan Stanley provided the Company with information regarding Morgan Stanley's relationships with Other Party A and certain related persons.

On August 18, 2021, the Board held another meeting to discuss the potential transaction with Other Party A. Members of management, and representatives of Goodwin, Morgan Lewis and Morgan Stanley attended the meeting. Mr. Peiffer provided a summary of the discussions that management had had with representatives of Other Party A since the July 30, 2021 Board meeting. Representatives of Morgan Stanley provided an update on due diligence matters and summarized various open issues. The representatives of Morgan Stanley also summarized matters relating to the exchange ratio for the potential transaction, and provided a description of other government contractors' current multiples. The closing price of PAE's common stock on Nasdaq on August 18, 2021 was \$7.66. In addition, representatives of Morgan Stanley provided a preliminary analysis of the implied exchange ratio based on various assumptions and projections provided by PAE management, as well as a

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preliminary value creation analysis regarding projected annual synergies. Representatives of Morgan Stanley further identified for the Board key next steps regarding the potential transaction and discussed key open deal parameters relating to such potential transaction. In the course of the presentation, the Board discussed various matters relating to the potential transaction with Other Party A, including various valuation issues relating to such potential transaction, and matters relating to the overall process of such potential transaction.

Between August 18, 2021 and August 31, 2021, representatives of PAE continued to have various communications with representatives of Other Party A about a potential stock-for-stock transaction.

On August 30, 2021, U.S. forces completed the previously announced withdrawal from Afghanistan. PAE's contracts for work performed in Afghanistan were accordingly reduced in scope significantly or terminated.

On August 31, 2021, the Board held a meeting, which was also attended by members of management, as well as representatives of Goodwin and Morgan Lewis. At the meeting, Mr. Peiffer provided an update on the potential transaction with Other Party A. Messrs. Peiffer and Paul W. Cobb, Jr., PAE's Executive Vice President and General Counsel, provided information to the Board regarding the status of the merger agreement, as well as the due diligence process. Mr. Peiffer also provided the Board with an update on potential cost synergies and revenue synergies. Following the discussion, the Board unanimously agreed to instruct management to communicate to Other Party A that PAE would be willing to engage in a stock-for-stock transaction with Other Party A at an exchange ratio that would result in PAE stockholders owning 60% of the combined company and Other Party A's stockholders owning 40% of the combined company.

Following the August 31, 2021 Board meeting, representatives of PAE communicated to representatives of Other Party A that PAE was willing to engage in a stock-for-stock transaction at an exchange ratio that would result in PAE stockholders owning 60% of the combined company and Other Party A's stockholders owning 40% of the combined company. The closing price of PAE's common stock on Nasdaq on August 31, 2021 was \$6.69.

Between September 1, 2021 and September 9, 2021, representatives of PAE had various communications with representatives of Other Party A in which representatives of Other Party A indicated on multiple occasions that it was unwilling to engage in a stock-for-stock transaction at an exchange ratio that would result in PAE stockholders owning 60% of the combined company and Other Party A's stockholders owning 40% of the combined company.

In early September 2021, Messrs. Triedman and Peiffer discussed on a phone call the general state of the industry that PAE and Parent and their respective affiliates operate in, particularly in light of ongoing developments in Afghanistan.

On September 9, 2021, the Board held another meeting to discuss the potential transaction with Other Party A. Members of management and representatives of Goodwin, Morgan Lewis and Morgan Stanley attended the meeting. Mr. Peiffer updated the Board on his discussions with the Chief Executive Officer of Other Party A regarding the potential exchange ratio for the potential stock-for-stock transaction and other matters related to the potential transaction, including an update on overall negotiations. Representatives of Morgan Stanley provided an update on the potential transaction, supplementing the information provided by Mr. Peiffer. The representatives of Morgan Stanley discussed a potential transaction with an exchange ratio whereby PAE stockholders would own 55% of the combined company and Other Party A stockholders would own 45% of the combined company (the "potential exchange ratio") as compared to PAE's then-current plan to continue to operate as a stand-alone independent publicly traded company, including in light of various recent developments with respect to the Company and its stock price and the potential intangible benefits of the transaction, including scale and diversification. During Morgan Stanley's presentation, the Board discussed various matters relating to the potential transaction. After such discussion of various open matters with respect to the potential transaction and a comparison of the potential transaction to PAE's then-current plan to continue to operate as a stand-alone

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independent publicly traded company and various other strategic transactions that PAE could consider pursuing, the Board unanimously agreed to instruct management to communicate to Other Party A that PAE would be willing to engage in a transaction with Other Party A at the potential exchange ratio, subject to satisfactory resolution of the other open matters relating to the potential transaction.

Following the September 9, 2021 Board meeting, representatives of PAE communicated to representatives of Other Party A that it was willing to engage in a stock-for-stock transaction at the potential exchange ratio.

On September 14, 2021, PAE and Other Party B entered into a confidentiality agreement, which included customary non-disclosure and standstill provisions. The standstill provisions expire on September 14, 2023.

On September 15, 2021, Other Party A delivered a letter to PAE containing a proposal for a potential transaction at an exchange ratio that would result in PAE stockholders owning 52% of the combined company and Other Party A stockholders owning 48% of the combined company.

Also on September 15, 2021, the Board held a meeting, which was also attended by members of management, as well as representatives of Goodwin, Morgan Lewis and Morgan Stanley. The Board discussed various matters relating to the potential transaction with Other Party A, including the exchange ratio contained in Other Party A's letter received earlier that day. During the discussion, representatives of Morgan Stanley offered their views on the terms of Other Party A's proposal. At the conclusion of the discussion, it was the consensus of the Board that representatives of PAE should contact representatives of Other Party A to inform Other Party A that PAE was not prepared to engage in a transaction at the exchange ratio contained in Other Party A's letter and that representatives of PAE were authorized to take actions in an effort to continue to explore a potential transaction with Other Party A at an exchange ratio more favorable to PAE and its stockholders.

Following the September 15, 2021 Board meeting, representatives of PAE and representatives of Other Party A held further discussions in which representatives of PAE communicated to representatives of Other Party A that PAE was unwilling to engage in a stock-for-stock transaction at an exchange ratio that would result in PAE stockholders owning 52% of the combined company and Other Party A's stockholders owning 48% of the combined company. While those discussions did not result in an agreement on the exchange ratio, such representatives agreed that they should continue discussing the potential stock-for-stock transaction in the near future.

On September 22, 2021, management delivered a presentation on PAE's business to representatives of Other Party B.

Also on September 22, 2021, Mr. Triedman contacted Mr. Heinberg regarding a potential all-cash acquisition by Parent of all of the outstanding shares of PAE's common stock for a purchase price between \$8.50 and \$9.00 per share (assuming PAE's outstanding warrants and the rights of certain PAE stockholders to receive "earn out" shares would each be terminated for no consideration). The closing price of PAE's common stock on Nasdaq on September 21, 2021 was \$5.88 per share. Parent confirmed its offer in writing later that day (the "September 22 indication of interest"). The September 22 indication of interest provided that the acquisition would not be subject to a financing condition, and would be financed through Parent's cash on hand, borrowings under Parent's existing credit facilities, and equity financing from affiliates of each of Lindsay Goldberg and American Securities. The September 22 indication of interest offered key managers of PAE the opportunity to participate in Parent's performance incentive program and performance-based equity program following the consummation of a potential transaction and indicated that Parent could complete its due diligence of PAE and be ready to execute a definitive agreement within 30 days.

On September 23, 2021, the Board held a meeting, which was also attended by members of management and a representative of Goodwin, to discuss the September 22 indication of interest received from Parent. Mr. Heinberg discussed the terms of the September 22 indication of interest with the Board and reported on his

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discussions with Mr. Friedman. Mr. Peiffer proceeded to give an update on PAE's overall performance. In doing so, he updated the Board on his conversations with various analysts and investors regarding PAE's performance and gave an update on PAE's outlook for the future. During Mr. Peiffer's presentation, the Board discussed various matters relating to PAE's performance, its outlook, and its then-current plan to continue to operate as a stand-alone independent publicly traded company. Mr. Peiffer then gave an update regarding various other matters, including with respect to other potential strategic transactions that PAE could consider pursuing. He also indicated that negotiations with Other Party A had not progressed. Following discussion, the Board instructed representatives of PAE to contact representatives of Parent to express PAE's interest in continuing to explore a potential transaction whereby Parent would acquire PAE, subject to a higher value per share than the \$8.50 to \$9.00 per share presented in the September 22 indication of interest.

Following the September 23, 2021 Board meeting, representatives of PAE contacted representatives of Parent and informed them that PAE wanted to continue negotiations regarding a potential transaction. They also indicated that PAE was only interested in a transaction with a higher value per share than the \$8.50 to \$9.00 per share presented in the September 22 indication of interest. The closing price of PAE's common stock on Nasdaq on September 23, 2021 was \$5.79.

On September 24, 2021, affiliates of Parent entered into a confidentiality agreement with PAE that included customary non-disclosure and standstill provisions. The standstill provisions expire on the date that is fifteen months from the date of the confidentiality agreement. Such parties also entered into a "clean team" agreement on that date, setting forth customary "clean team" procedures to facilitate the sharing of certain limited non-public, confidential and proprietary information regarding PAE.

On September 27, 2021, PAE granted representatives of Parent, including Cravath and Arnold & Porter Kaye Scholer LLP, Parent's government contracts counsel ("Arnold & Porter"), access to an electronic data room containing certain information relating to PAE and its subsidiaries customary to be made available in connection with a transaction such as the merger. Between September 27, 2021 and the signing of the merger agreement on October 25, 2021, representatives of Parent, including Cravath and Arnold & Porter, submitted further confirmatory due diligence requests and engaged in numerous discussions with PAE and its representatives, including Morgan Lewis, relating thereto. PAE and its representatives continued to make additional responsive information and documents available to facilitate Parent's and its representatives' due diligence exercise.

On September 28, 2021, management held a due diligence call with representatives of Parent, as well as Cravath, Morgan Lewis, Arnold & Porter, and Nichols Liu, PAE's government contracts counsel. Also on September 28, 2021, management held a call with Cravath, Morgan Lewis and Arnold & Porter to discuss the due diligence process.

On September 29, 2021, management delivered a presentation to representatives of Parent regarding PAE's business.

On October 1, 2021, Mr. Peiffer discussed with a representative of Other Party A various matters relating to a potential stock-for-stock transaction, during which it became apparent that the parties still did not have agreement on an acceptable exchange ratio for such a potential stock-for-stock transaction.

On October 5, 2021, representatives of PAE met with representatives of Other Party B to discuss various due diligence matters relating to a potential transaction.

On October 6, 2021, Other Party B delivered a written offer to PAE for the acquisition of all of PAE's outstanding common stock for a cash purchase price between \$8.50 and \$9.50 per share, assuming that the rights of any PAE stockholders to receive any earn-out shares would be terminated and PAE's outstanding warrants, whose exercise price exceeded the proposed cash purchase price, would be terminated for no consideration. The closing price of PAE's common stock on Nasdaq on October 6, 2021 was \$6.00 per share.

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Also on October 6, 2021, management held a call with Cravath, Morgan Lewis and Goodwin to discuss the treatment of PAE's outstanding warrants in the context of a potential transaction between PAE and Parent.

On October 7, 2021, PAE granted Other Party B access to an electronic data room.

On October 8, 2021, PAE and Other Party B entered into a "clean team" agreement, setting forth customary "clean team" procedures to facilitate the sharing of certain limited non-public, confidential and proprietary information regarding PAE.

On October 10, 2021, Parent delivered a revised indication of interest to PAE, containing an offer to purchase all of the outstanding shares of common stock of PAE for \$9.50 per share in cash (the "October 10 indication of interest"). The closing price of PAE's common stock on Nasdaq on October 8, 2021, the last trading day prior to October 10, 2021, was \$5.88 per share. The October 10 indication of interest required that the rights of any PAE stockholders to receive any earn-out shares be terminated for no consideration and stated that the offer price set forth therein assumed that holders of PAE's outstanding warrants would receive aggregate consideration of approximately \$38.6 million pursuant to the terms of the Warrant Agreement. The October 10 indication of interest was delivered to Mr. Heinberg with a copy of a debt commitment letter dated October 8, 2021 for \$1.6 billion of secured indebtedness obtained by Parent from JPMorgan Chase Bank, N.A. The other terms of the October 10 indication of interest were substantively the same as the September 22 indication of interest.

On October 11, 2021, the Board held a meeting, which was also attended by members of management, representatives of Goodwin, Morgan Lewis and Morgan Stanley, to discuss the October 10 indication of interest. Mr. Heinberg discussed the terms of the October 10 indication of interest with the Board and reported on further discussions with Mr. Triedman. Representatives of Morgan Stanley provided a summary of the October 10 indication of interest and indicated that it represented a 62% premium to the current price of PAE common stock and that it also represented a significant premium to the 30-day and 60-day volume-weighted average prices of PAE common stock. Representatives of Morgan Stanley provided an analysis regarding the valuation of PAE's public and private warrants in an all-cash transaction such as the potential transaction with Parent. Morgan Stanley's representatives updated the Board on various matters relating to valuation, due diligence, transaction timeline, and potential next steps relating to the potential transaction with Parent. In the course of Morgan Stanley's presentation, the Board and the other attendees discussed various matters relating to the potential transaction with Parent, including various valuation issues relating to such potential transaction and matters relating to the overall timeline and process steps for such potential transaction.

At the October 11, 2021 Board meeting, representatives of Morgan Stanley also provided an update regarding other potential transactions. They indicated that there had not been any material developments with respect to the potential transaction with Other Party A since the last Board meeting on September 23, 2021 and that negotiations for such transaction had not progressed. Representatives of Morgan Stanley updated the Board on the written offer from Other Party B, including on valuation, due diligence, and potential timeline, and indicated that the written offer provided that a "check-in bid" would be received by PAE on October 15, 2021. The representatives of Morgan Stanley also provided a valuation comparison of the October 10 indication of interest from Parent and the offers from Other Party A and Other Party B. Mr. Cobb discussed the deal structure, representations and warranties, covenants, and termination fees that were proposed to be included in a draft merger agreement for a potential transaction with Parent. Mr. Cobb also discussed various matters relating to whether to provide for a "no-shop" or "go-shop" provision in the draft merger agreement. The Board discussed various matters relating to the potential transaction with Parent. Following the discussion, it was the consensus of the Board to continue discussions with Parent, Other Party B and Other Party A. With respect to Parent, the Board discussed whether to include a "go-shop" provision in the draft merger agreement and whether to ask Parent to revise its offer to include a higher price. Following the discussion, the Board unanimously agreed to instruct representatives of Morgan Stanley to contact representatives of Parent and indicate that it was PAE's position that the merger agreement should contain a "go-shop" provision and that Parent should revise its bid

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upward to reflect an increased price in respect of PAE's outstanding common stock, and that as previously discussed, there would be no payment in connection with the earn-out shares and there would be a payment for the warrants pursuant to the terms of the Warrant Agreement. The Board also unanimously agreed to instruct Mr. Heinberg to contact Raymond James about potentially providing a second fairness opinion (in addition to the fairness opinion of Morgan Stanley) for a potential transaction with Parent in order to provide the Board the benefit of additional perspectives with respect to the financial terms of the transaction.

Also on October 11, 2021, a representative of another private equity firm ("Other Party C") contacted Mr. Peiffer. They discussed a potential transaction involving the merger of two privately held government contractors owned by Other Party C with PAE and the investment by Other Party C of equity capital in the combined entity.

Following the October 11, 2021 Board meeting, representatives of Morgan Stanley contacted representatives of Parent and indicated that it was PAE's position that the merger agreement should contain a "go-shop" provision and that Parent should revise its bid upward to reflect an increased price in respect of PAE's outstanding common stock.

On October 14, 2021, a representative of Parent orally delivered a further revised indication of interest, offering to pay \$10.00 per share for each outstanding share of PAE common stock and approximately \$44 million aggregate consideration for PAE's outstanding warrants (the "October 14 indication of interest"). The October 14 indication of interest also provided for certain parameters relating to a 35-day "go-shop" period, a 1.5% termination fee plus the reimbursement of half of Parent's transaction expenses if PAE terminated the agreement to accept a superior proposal during the "go-shop" period and a 3.0% termination fee plus the reimbursement of 100% of Parent's transaction expenses if PAE terminated the agreement to accept a superior proposal after the conclusion of the "go-shop" period. The October 14 indication of interest excluded from the permitted "go-shop" activities communications with certain parties ("specified bidders") with whom PAE had entered into discussions regarding a potential transaction or who submitted a new or revised offer between September 15, 2021 and the commencement of the "go-shop" period. The closing price of PAE's common stock on Nasdaq on October 14, 2021 was \$5.97 per share.

Also on October 14, 2021, the Board held a meeting, which was also attended by members of management and representatives of Goodwin, Morgan Lewis and Morgan Stanley, to discuss the October 14 indication of interest. Mr. Heinberg noted that the offer price represented a premium of approximately 68% over PAE's closing common stock price on October 14, 2021. Representatives of Morgan Stanley presented the financial terms of the October 14 indication of interest and the proposed terms of the "go-shop" period, including the specified bidders provision, termination fees and expense reimbursement. Mr. Peiffer indicated that PAE had provided Parent with projections reflecting certain assumptions and that management was in the process of preparing alternate projections that it would present to the Board in the near future. Mr. Peiffer also informed the Board that the "check-in bid" from Other Party B, scheduled to be received by October 15, would not be received until the following week. Following the discussion, the Board unanimously agreed to instruct representatives of Morgan Stanley to contact representatives of Parent and indicate that it was PAE's position that Parent should revise its bid upward to reflect an increased price in respect of the common stock of PAE and that the "go-shop" provision in the merger agreement should not exclude the specified bidders.

Following the October 14, 2021 Board meeting, representatives of Morgan Stanley contacted Mr. Triedman and Ben Dickson, managing director of American Securities, and indicated that the Board's position was that Parent should revise its bid upward to reflect an increased price in respect of the common stock of PAE and that the "go-shop" provision in the merger agreement should not exclude the specified bidders.

On October 15, 2021, at the Board's request, Morgan Stanley provided the Board with additional information regarding Morgan Stanley's relationships with Amentum, Lindsay Goldberg, American Securities and certain related persons in the form of a relationship disclosure letter, the content of which is described in "The Merger—Fairness Opinion of Morgan Stanley & Co. LLC" beginning on page 47.

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On October 15, 2021, representatives of PAE met with representatives of Other Party B to discuss various due diligence matters relating to a potential transaction.

On October 16, 2021, the Board held another meeting, which was also attended by members of management and representatives of Goodwin, Morgan Lewis and Morgan Stanley, to discuss the status of the potential transaction with Parent. Representatives of Morgan Stanley reviewed the financial terms of the offer from Parent and the proposed terms of the “go-shop” provision discussed at the October 14, 2021 Board meeting, as well as the terms of a potential offer from Other Party B, including that the “check-in bid” by Other Party B was now expected by October 20, 2021. The representatives of Morgan Stanley then discussed financial projections for PAE operating as a stand-alone publicly traded company referencing two sets of projections prepared by management and one set of projections based on certain Wall Street analyst estimates, as directed by PAE, and presented a preliminary valuation summary. Following the discussion, the Board unanimously agreed to instruct Morgan Stanley to contact representatives of Parent and indicate that it was PAE’s position that Parent should revise its bid upward to \$10.25 per share for each outstanding share of PAE common stock and reiterate that the “go-shop” provision in the merger agreement should not exclude the specified bidders. Mr. Peiffer also provided an update on his discussions with Other Party C.

Following the October 16, 2021 Board meeting, representatives of Morgan Stanley communicated PAE’s position to Parent that the bid should be increased to \$10.25 per share for each outstanding share of PAE common stock and that the “go-shop” provision in the merger agreement should not exclude the specified bidders. Representatives of Morgan Stanley engaged in negotiations with Messrs. Triedman and Dickson and other representatives of Parent regarding such terms. The closing price of PAE’s common stock on Nasdaq on October 15, 2021, the last trading day before the October 16, 2021 Board meeting, was \$5.87 per share.

On October 17, 2021, Messrs. Heinberg and Triedman had multiple conversations regarding the price per share of outstanding PAE common stock for a potential transaction between Parent and PAE and the terms of the “go-shop” provision to be contained in the merger agreement. Following these discussions, Mr. Triedman orally communicated a revised offer to Mr. Heinberg, increasing the offer price to \$10.05 per share for each outstanding share of PAE common stock and agreeing not to exclude the specified bidders from the “go-shop” provision to be contained in the merger agreement.

Also on October 17, 2021, the Board held another meeting, which was also attended by members of management and representatives of Goodwin, Morgan Lewis and Morgan Stanley, to discuss the status of the potential transaction with Parent. Mr. Heinberg and representatives of Morgan Stanley provided an update on the revised offer on behalf of Parent received earlier that day and the negotiations with Parent related thereto. Mr. Cobb and a representative of Goodwin presented to the Board regarding the process undertaken by the Board through the date of the meeting to consider the potential transaction with Parent, and noted the premium that the \$10.05 per share of outstanding PAE common stock offer price reflected to the recent trading price of PAE’s common stock, the lower all-cash offer received from Other Party B and the agreement by Parent to include a “go-shop” provision in the merger agreement that did not exclude the specified bidders. Mr. Cobb reviewed with the Board the terms included in a draft merger agreement that Morgan Lewis had provided to the Board in advance of the meeting. He summarized the deal structure, representations and warranties, and various covenants included in the draft merger agreement. Following the discussion, the Board unanimously agreed to authorize representatives of PAE to communicate to representatives of Parent that PAE was prepared to pursue a transaction with Parent pursuant to which Parent would acquire all of the issued and outstanding shares of PAE’s common stock for \$10.05 per share and to instruct Morgan Lewis to send a draft of the merger agreement to Cravath that reflected the other material terms discussed, such as the terms of the “go-shop” provision.

On October 17, 2021, representatives of Morgan Lewis sent an initial draft of the merger agreement to representatives of Cravath.

On October 18, 2021, representatives of PAE met with representatives of Other Party B to discuss various due diligence matters relating to a potential transaction.

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Between October 17 and October 24, 2021, Cravath and Morgan Lewis exchanged various drafts of the merger agreement, disclosure schedules, and ancillary documents to the merger agreement and held several calls to negotiate the final terms of such documents. Representatives of Morgan Lewis negotiated various legal issues with representatives of Cravath, including issues relating to the scope of the representations and warranties to be made by the parties to the merger agreement, the “go shop” and the “no shop” provisions, the treatment of PAE’s equity awards and other employee matters, the remedies of the parties (including the right to specific performance and damages or other remedies in the event of a termination of the merger agreement, including whether to include a “reverse termination fee”), the inclusion of customary interim operating restrictions and customary financing provisions (including a customary marketing period and “financing cooperation” by PAE), and the termination of certain related party agreements (including the terms of the definitive agreement related to the SPAC combination in respect of PAE’s obligation to issue “earn out” shares). Platinum Equity and its outside counsel, Latham, also reviewed and commented on drafts of certain ancillary documents that Platinum Equity or its affiliates would be required to sign in connection with the execution of the merger agreement. The closing price of PAE’s common stock on Nasdaq on October 22, 2021, the last trading day before October 25, 2021, was \$5.90 per share.

Also, between October 17 and October 24, 2021, during the course of negotiations regarding the merger agreement, Messrs. Heinberg and Triedman discussed whether the merger agreement should contain a reverse termination fee. Following discussions, Messrs. Heinberg and Triedman agreed that a “reverse termination fee” of \$80 million would be included in the merger agreement.

On October 22, 2021, Other Party B delivered a further written offer to PAE in which it reaffirmed its original offer to acquire all of PAE’s outstanding common stock for a cash purchase price between \$8.50 and \$9.50 per share, assuming that the rights of any PAE stockholders to receive any earn-out shares would be terminated and PAE’s outstanding warrants, whose exercise price exceeded the proposed cash purchase price, would be terminated for no consideration.

Also on October 22, 2021, PAE entered into an engagement letter with Raymond James pursuant to which Raymond James agreed to provide a financial opinion relating to the transaction between PAE and Parent.

On October 24, 2021, the Board held a meeting, which was also attended by members of management, representatives of Goodwin, Morgan Lewis, Morgan Stanley and Raymond James. Mr. Heinberg presented the terms of the potential transaction with Parent, including the \$10.05 per share offer price, the treatment of PAE’s outstanding warrants, the termination fees and the “go-shop” provision that did not exclude the specified bidders, to the Board. Mr. Cobb and the representative of Morgan Lewis provided an overview of the other terms of the merger agreement, the expected timeline for signing, which they indicated was feasible within 24 hours after the meeting and the expected timeline for the consummation of the transaction. Representatives of each of Morgan Stanley and Raymond James presented their respective valuation analyses based on the \$10.05 per share of PAE common stock offer price. The Board also discussed PAE’s communications strategy related to the announcement of, and later communications regarding, the transaction. A representative of Goodwin discussed the Board’s fiduciary duties and process to date, including the number of Board meetings at which the Board had discussed the potential transaction with Parent, the terms of the negotiated “go-shop” provision and the receipt of two fairness opinions. Mr. Peiffer also provided an update on discussions with Other Party B, which had reaffirmed on October 22, 2021 its offer of \$8.50 to \$9.50 per share (which excluded any payment in respect of PAE’s outstanding warrants), and Other Party A and Other Party C, with respect to which there had been no substantive developments since the last Board meeting. The Board engaged in further discussion of the potential transaction with Parent as compared to PAE’s then-current plan to continue to operate as a stand-alone independent publicly traded company. Subsequently, at the request of the Board, representatives of each of Morgan Stanley and Raymond James orally delivered their respective firm’s opinions, both of which were subsequently confirmed by delivery of written opinions dated October 24, 2021, to the effect that, as of the date of the written opinion and based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the scope of review undertaken by Morgan Stanley and

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Raymond James, respectively, as set forth in the written opinions, the consideration to be received by the PAE stockholders was fair from a financial point of view to holders of common stock. At the end of the meeting, the Board unanimously (i) determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of PAE and its stockholders, (ii) approved, adopted and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, (iii) directed that the approval and adoption of the merger agreement and the transactions contemplated thereby, including the merger, be submitted to a vote at the special meeting and (iv) resolved to recommend that the stockholders vote “FOR” the proposal to approve and adopt the merger agreement and the transactions contemplated thereby, including the merger.

On October 25, 2021, PAE, Parent and Merger Sub entered into the merger agreement, and PAE delivered to Parent and Merger Sub the final disclosure schedules. In addition, the ancillary documents to the merger agreement contemplated to be entered into in connection with the signing of the merger agreement were entered into by the parties thereto.

Also on October 25, 2021, PAE issued a press release announcing entry into the merger agreement and details of the merger. The press release disclosed, among other things, that on October 22, 2021, the last trading day prior to October 25, 2021, the closing price of PAE’s common stock on Nasdaq was \$5.90 per share.

On October 29, 2021, the Board held its regularly scheduled quarterly Board meeting on topics relating to PAE’s business, which was also attended by a representative of Goodwin. At the meeting, Mr. Peiffer provided an update on the “go-shop” process, including the outreach that Morgan Stanley had conducted to potential acquirers to date.

Between October 25 and November 29, 2021, at the direction of the Board and in connection with the “go-shop” process, representatives of Morgan Stanley contacted 22 potential acquirers, comprising 13 potential strategic acquirers and nine potential financial acquirers, to gauge interest in such potential acquirers providing a company acquisition proposal. During the “go-shop” period, PAE executed confidentiality agreements with two potential acquirers and “clean team” agreements with two potential acquirers. Since the execution of the merger agreement and during the “go-shop” period, each of the two potential acquirers received due diligence materials and one had discussions with management and representatives of Morgan Stanley regarding a potential acquisition of PAE.

On November 30, 2021, the Board held a meeting, which was also attended by members of management, representatives of Goodwin, Morgan Lewis, and Morgan Stanley. At the meeting, a representative of Morgan Stanley provided an update on the “go-shop” process indicating that Morgan Stanley had contacted and sought to engage in discussions regarding alternative acquisition proposals with potentially interested third parties. He further noted that during the go-shop period PAE did not receive an alternative acquisition proposal from any third party that constitutes a Company Acquisition Proposal (as defined in the merger agreement).

On December 1, 2021, PAE issued a press release announcing the expiration of the go-shop period.

On December 6, 2021, PAE filed this preliminary proxy statement with the SEC.

[Reasons for the Merger; Recommendation of the Board](#)

The Board held numerous meetings at which the performance, future growth prospects, business strategies, opportunities and challenges of PAE were evaluated and the strategic direction and business objectives, including strategic opportunities such as possible acquisitions, divestitures and business combination transactions and other financial and strategic alternatives, were considered.

At a meeting held on October 24, 2021, the Board unanimously (i) determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of PAE and

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its stockholders, (ii) approved, adopted and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, (iii) directed that the approval and adoption of the merger agreement and the transactions contemplated thereby, including the merger, be submitted to a vote of PAE stockholders at the special meeting and (iv) resolved to make the Board recommendation, all upon the terms and subject to the conditions set forth in the merger agreement.

The Board consulted with the representatives of management, Goodwin, Morgan Lewis, Morgan Stanley and Raymond James at various times and considered a number of factors, including the following principal factors (not in any relative order of importance) that the Board believes support its decision:

- historical information regarding (i) PAE's business, financial performance and results of operations, (ii) market prices, volatility and trading activity with respect to PAE common stock, and (iii) market prices with respect to other industry participants and general market indices;
- current information regarding (i) PAE's business, prospects, financial condition, operations, services, management, competitive position and strategic business goals and objectives, (ii) general economic, industry and financial market conditions, (iii) opportunities and competitive factors within PAE's industry, and (iv) recent developments relating to PAE's business and industry, including the fact that on August 30, 2021, U.S. forces completed the withdrawal from Afghanistan resulting in PAE's contracts for work performed in Afghanistan being reduced in scope significantly or terminated, as well as the loss by PAE of a contract with U.S. Customs and Border Protection;
- the prospects and likelihood of realizing superior value through remaining a stand-alone independent publicly traded company, risks associated with remaining a stand-alone independent publicly traded company, possible alternative business strategies, and possible alternative strategic transactions;
- the fact that PAE will no longer exist as a stand-alone independent publicly traded company and the PAE stockholders will forego any future increase in its value as a stand-alone independent publicly traded company that might result from its possible growth;
- the potential for other third parties to enter into strategic relationships with or to seek to acquire PAE, including a review of management's dealings with other possible acquirers in the past and assessment of the likelihood that a third party would offer a transaction that would be more favorable to the PAE stockholders from a financial point of view than the merger and the other transactions contemplated by the merger agreement, including the fact that Other Party B reaffirmed its all-cash offer on October 22, 2021 of \$8.50 to \$9.50 per share (which excluded any payment for PAE's public and private warrants);
- the timing of the merger and the risk that if PAE did not accept Parent's offer, it may not have another opportunity to do so or to pursue an opportunity offering the same value and certainty of closing to the PAE stockholders;
- the oral opinion of Morgan Stanley rendered to the Board, subsequently confirmed in writing, that as of October 24, 2021 and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the scope of the review undertaken by Morgan Stanley as set forth in the written opinion, the merger consideration was fair from a financial point of view to such holders, as set forth in such opinion as more fully described in the section of this proxy statement titled "Opinion of Financial Advisors—Opinion of Morgan Stanley & Co. LLC" beginning on page 47;
- the oral opinion of Raymond James rendered to the Board, subsequently confirmed in writing, that as of October 24, 2021 and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the scope of the review undertaken by Raymond James as set forth in the written opinion, the merger consideration to be received by the PAE common stockholders (other than holders of excluded shares and dissenting) was fair, from a financial point of view to such holders, as set forth in such opinion, as more fully described in the section of this proxy statement titled "Opinion of Financial Advisors—Opinion of Raymond James" beginning on page 55;

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- the fact that the merger consideration is all cash, which provides certainty of value, while eliminating the effect of long-term business and execution risk to the PAE stockholders, compared to continuing to operate PAE as a stand-alone entity;
- the fact that the price per share of \$10.05, without interest and less any applicable withholding taxes, represents an approximately 70% premium based on the closing price per share of our common stock as of October 22, 2021;
- the fact that the price per share of \$10.05, without interest and less any applicable withholding taxes, was a premium of approximately 68% and 47% over the volume-weighted average closing price of a share of our common stock during the thirty trading days and sixty trading days, respectively, ended October 22, 2021;
- the fact that the merger consideration will be taxable for U.S. federal income tax purposes;
- the fact that Parent is financing the merger consideration with a combination of (i) cash on hand, (ii) debt financing to be provided by certain financial institutions as incremental facilities pursuant to an amendment to its existing credit agreement (further described in the section of this proxy statement titled “The Merger—Financing the Merger” beginning on page 66) and (iii) equity financing to be provided by the funds (as defined, and as further described, in the section of this proxy statement titled “The Merger—Financing the Merger” beginning on page 66);
- the risk that, while the consummation of the merger is not subject to a “financing condition”, the financing contemplated by the debt commitment letter and the equity commitment letter for the consummation of the merger might not be obtained;
- PAE’s right to solicit other offers during the “go-shop” period as further summarized in the section of this proxy statement titled “The Merger Agreement—Solicitation of Company Acquisition Proposals; Board Recommendation Change” beginning on page 77;
- PAE’s ability to continue discussions with certain parties regarding other offers after the end of the “go-shop” period as further summarized in the section of this proxy statement titled “The Merger Agreement—Solicitation of Company Acquisition Proposals; Board Recommendation Change” beginning on page 77;
- the fact that, subject to certain exceptions, following the expiration of the “go-shop” period and for the duration of the customary “no-shop” period, the merger agreement precludes PAE from soliciting competing company acquisition proposals and obligates PAE (or its successor) to pay Parent a termination fee equal to \$30,000,000, which could discourage the making of a competing company acquisition proposal or adversely impact the price offered in such a proposal, as described in the sections titled “The Merger Agreement—Solicitation of Company Acquisition Proposals; Board Recommendation Change” beginning on page 77 and “The Merger Agreement—The “No-Shop” Period— No Solicitation of Other Offers” beginning on page 80;
- the Board’s right, under certain circumstances, to withdraw, withhold, qualify or modify its recommendation that the PAE stockholders adopt the merger agreement in a manner adverse to Parent or Merger Sub, as described in the section of this proxy statement titled “The Merger Agreement—Board Recommendation Change” beginning on page 77;
- the fact that PAE would be permitted, under circumstances described in the merger agreement, to terminate the merger agreement in order to enter into an agreement with respect to a superior proposal (as defined in the section titled “The Merger Agreement—Solicitation of Company Acquisition Proposals; Board Recommendation Change”) after giving Parent the opportunity to amend the terms and conditions of the merger agreement so that such proposal no longer constitutes a superior proposal and upon payment of a termination fee equal to \$15,000,000 or \$30,000,000, as described in the sections of this proxy statement titled “The Merger Agreement—Solicitation of Company Acquisition Proposals; Board Recommendation Change” beginning on page 77 and “The Merger Agreement—The “No-Shop” Period— No Solicitation of Other Offers” beginning on page 80;

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- the obligation of Parent to pay PAE an \$80,000,000 reverse termination fee if the merger agreement is terminated in accordance with its terms as a result of Parent's breach of the merger agreement or Parent fails to consummate the closing as and when required by the terms of the merger agreement, as described in the sections of this proxy statement titled "The Merger Agreement—Parent Termination Fee" beginning on page 89, and the fact that PAE's remedy in the event of the termination of the merger agreement in certain scenarios would be limited to receipt of the Parent termination fee;
- PAE's inability to seek specific performance to require Parent or Merger Sub to consummate the closing if debt financing is not then available, and the fact that PAE's sole remedy in connection with the merger agreement in such scenario, even for a breach by Parent or Merger Sub that is deliberate or willful, would be limited to the Parent termination fee that is payable in certain circumstances, as described in the sections of this proxy statement titled "The Merger Agreement—Sole and Exclusive Limitations of Liability" beginning on page [●] and "The Merger Agreement—Specific Performance" beginning on page [●];
- the possible negative effects of the merger and public announcement of the merger on PAE's financial performance, operating results and stock price and PAE's relationships with customers, suppliers, distributors, other business partners, management and employees;
- the fact that the merger agreement imposes restrictions on the conduct of PAE's business in the pre-closing period, which may adversely affect PAE's business in the event the merger is not completed (including by delaying or preventing PAE from pursuing business opportunities that may arise or precluding actions that would be advisable if PAE were to remain a stand-alone independent publicly traded company), as described in the section of this proxy statement titled "The Merger Agreement—Conduct of Our Business Pending the Merger" beginning on page 76;
- the risks involved with the merger and the likelihood that PAE and Parent will be able to complete the merger, the possibility that the merger might not be consummated (including because of failure to obtain the required antitrust clearances) and PAE's prospects going forward without the combination with Parent;
- the substantial transaction expenses to be incurred in connection with the merger and the negative impact of such expenses on PAE's cash reserves and operating results should the merger not be completed, including any expenses resulting from any litigation relating to the merger;
- all known interests of directors and executive officers of PAE in the merger that may be different from, or in addition to, their interests as PAE stockholders or the interests of PAE's other stockholders generally, as described in the section of this proxy statement titled "The Merger—Interests of Certain Persons in the Merger" beginning on page 63;
- the availability of appraisal rights to PAE stockholders in connection with the merger; and
- all other factors the Board deems relevant.

The foregoing discussion of the factors considered by the Board is not intended to be exhaustive, but includes the material factors considered by the Board. In view of the variety of factors considered in connection with its evaluation of the merger, 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 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 any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Board based its recommendation on the totality of the information presented.

Portions of this explanation of the reasons for the merger and other information presented in this section are forward-looking in nature and, therefore, should be read in light of the section titled "Cautionary Statement Regarding Forward-Looking Statements."