NOTICE OF MERGER AND APPRAISAL RIGHTS
In Connection with the Merger of
Vortex Merger Sub, Inc.
a wholly owned subsidiary of
The Boeing Company
with and into
Argon ST, Inc.

NOTICE IS HEREBY GIVEN, pursuant to Sections 253(d) and 262(d)(2) of the General Corporation Law of the State of Delaware ("DGCL") that the merger (the "Merger") of Vortex Merger Sub, Inc. ("Purchaser"), a Delaware corporation and a wholly owned subsidiary of The Boeing Company, a Delaware corporation ("Parent"), with and into Argon ST, Inc., a Delaware corporation (including its successors, the "Company"), pursuant to the terms of the Agreement and Plan of Merger, dated as of June 30, 2010, by and among Parent, Purchaser and the Company became effective on August 5, 2010 (the "Effective Time"). This Notice of Merger and Appraisal Rights and the accompanying Information Statement is being mailed on August 13, 2010 to the persons who were registered stockholders of the Company immediately prior to the Effective Time and who, therefore, may be eligible for appraisal rights as discussed below. Immediately prior to the Effective Time, Purchaser owned more than 90% of the outstanding shares of common stock, par value $0.01 per share, of the Company (the "Shares") and there were no outstanding shares of any other class of capital stock of the Company entitled to vote on the Merger. Accordingly, under applicable Delaware law, no action was required by the stockholders of the Company (other than Purchaser) for the Merger to become effective.

Pursuant to the terms of the Merger, each outstanding Share (other than Shares held by the Company as treasury stock or held by Parent or Purchaser and Shares held by stockholders, if any, who are entitled to demand and properly demand appraisal of such Shares pursuant to, and who comply in all respects with, Section 262 of the DGCL and the Merger Agreement) held immediately prior to the Effective Time now represents only the right to receive $34.50 per Share, net to the holder in cash, without interest thereon and less any applicable withholding taxes. As a result of the Merger, the separate corporate existence of Purchaser has terminated, and the Company has become a wholly owned subsidiary of Parent.

Former stockholders of the Company who do not wish to accept the $34.50 per Share cash payment pursuant to the Merger have the right under Delaware law to dissent from the Merger and to seek an appraisal and be paid in cash the fair value of their Shares, plus interest, exclusive of any element of value arising from the accomplishment or expectation of the Merger. See Section 4 — "Rights of Dissenting Stockholders" of the accompanying Information Statement.

Additional copies of this Notice of Merger and Appraisal Rights, the Information Statement and the Letter of Transmittal can be obtained, at no charge, from the Paying Agent at the address set forth in the attached Information Statement.

ARGON ST, INC.

Dated: August 13, 2010

IMPORTANT

1. All certificates or book entry shares representing Shares of the Company that were issued and outstanding immediately prior to the Merger on August 5, 2010 now represent only the right to receive $34.50 per Share, net to the holder in cash, without interest thereon and less any applicable withholding taxes.

2. Persons holding certificate(s) representing Shares of the Company or persons holding book entry shares that were issued and outstanding immediately prior to the Merger and desiring to obtain $34.50 net per Share in cash must:

- complete and sign the Letter of Transmittal (or a manually signed facsimile) in accordance with the instructions in the Letter of Transmittal;
- have the shareholder's signature on the Letter of Transmittal guaranteed if required by Instruction 3 to the Letter of Transmittal; and
- deliver the Letter of Transmittal (or a manually signed facsimile), the certificate(s) representing such Shares, if applicable, and any other required documents to the Paying Agent, at its address set forth in the Letter of Transmittal.

3. Persons holding Shares of the Company that were issued and outstanding immediately prior to the Merger also have the option to assert appraisal rights as provided by Delaware law, and may demand the appraisal of such shares, in accordance with the provisions of Section 262(d)(2) of the DGCL, by September 2, 2010. Discussion about appraisal rights provided by Delaware law is contained in the accompanying Notice of Merger and Appraisal Rights and the Information Statement. Please read them carefully in determining whether to assert appraisal rights for your Shares.

The enclosed Letter of Transmittal is to be used to obtain payment for Shares. The method of delivery of Share certificates, and the related Letter of Transmittal and all other required documents is at the election and risk of the stockholder.

INFORMATION STATEMENT
Regarding the Merger of
Vortex Acquisition Sub, Inc.
a wholly owned subsidiary of
The Boeing Company
with and into
Argon ST, Inc.

1. General

This Information Statement is being furnished to the former stockholders of Argon ST, Inc., a Delaware corporation (including its successors, the "Company"), in connection with the merger (the "Merger") of Vortex Merger Sub, Inc. ("Purchaser"), a Delaware corporation and a wholly owned subsidiary of The Boeing Company, a Delaware corporation ("Parent"), with and into the Company, pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Merger followed the completion of the cash tender offer (the "Offer") by Purchaser for all issued and outstanding shares of common stock, par value $0.01 per share, of the Company (collectively, the "Shares") and the exercise by Purchaser of an option to purchase additional Shares of the Company (the "Top-Up Option"). Purchaser acquired 20,945,172 Shares in the Offer and 16,600,352 Shares upon exercise of the Top-Up Option. As a result, as of August 5, 2010, when the Merger became effective (the "Effective Time"), Purchaser owned more than 90% of the outstanding Shares and there were no outstanding shares of any other class of capital stock of the Company entitled to vote on the Merger. Accordingly, under the DGCL, no action was required by the stockholders of the Company (other than Purchaser) for the Merger to become effective. Purchaser paid an aggregate purchase price of $572,712,144 for the Shares purchased upon exercise of the Top-Up Option, which payment was made by delivery of a promissory note secured by the Shares issued upon the exercise of the Top-Up Option.

As a result of the Merger, the separate corporate existence of Purchaser has terminated and the Company has become a wholly owned subsidiary of Parent. Pursuant to the terms of the Merger, at the Effective Time, stockholders of the Company (other than Shares held by the Company or any of its subsidiaries or held by Parent or Purchaser and Shares held by stockholders, if any, who are entitled to demand and do properly demand appraisal of such Shares pursuant to, and who comply in all respects with, Section 262 of the DGCL and the Merger Agreement (as defined below)) immediately prior to the Effective Time (each a "Former Stockholder" and, collectively, the "Former Stockholders") are entitled to receive $34.50, net to the Former Stockholder in cash, without interest thereon and less any applicable withholding taxes, for each Share upon surrender of the related stock certificates by such Former Stockholders as hereinafter set forth. This amount is equal to the price paid per Share by Purchaser in the Offer.

A copy of the Agreement and Plan of Merger, dated as of June 30, 2010, by and among Parent, Purchaser and the Company (the "Merger Agreement"), pursuant to which the Merger was effected, is included as Exhibit (d)(1) to the Tender Offer Statement on Schedule TO-T, dated July 8, 2010, as amended, filed by Parent and Purchaser with the Securities and Exchange Commission (the "SEC") on that date (as amended, the "Schedule TO").

Any Former Stockholder who does not wish to accept the $34.50 per Share cash payment for his, her or its Shares pursuant to the Merger has the right under Section 262 of the DGCL, and the Merger Agreement, to seek an appraisal and to be paid in cash the fair value of such Shares plus interest. See Section 4 — "Rights of Dissenting Stockholders." **In order to perfect such right of appraisal, a Former Stockholder must make a written demand for appraisal of his, her or its Shares to the Company that must be postmarked, if mailed to the Company, or otherwise received by the Company on or before September 2, 2010**. Such demands should be sent to Argon ST, Inc., c/o The Boeing Company, Office of the Corporate Secretary, 100 North Riverside Drive, Chicago, Illinois 60606. The accompanying Notice of Merger and Appraisal Rights provides the notice to Former Stockholders required by Section 253(d) and 262(d) of the DGCL. The text of Section 262 of the DGCL, setting forth the rights of appraisal of Former Stockholders, is attached hereto as Annex A.

A detailed discussion of the Offer and the Merger, as well as other important information concerning the Company, was included in Purchaser's Offer to Purchase dated July 8, 2010, as amended on July 12, 2010, July 15, 2010, July 20, 2010, July 26, 2010, August 4, 2010 and August 5, 2010 (the "Offer to Purchase"), and the Company's Solicitation/Recommendation Statement on Schedule 14D-9 dated July 8, 2010, as amended on July 12, 2010, July 15, 2010, July 20, 2010, July 23,

2010 (on which date two amendments were filed), July 26, 2010, July 28, 2010, July 29, 2010 and August 4, 2010 (the "Schedule 14D-9"). Copies of the Offer to Purchase and the Schedule 14D-9 were sent to the Company's stockholders on or about July 8, 2010. The Offer to Purchase is included as Exhibit (a)(1)(A) to the Schedule TO. Both the Schedule TO and the Schedule 14D-9 are accessible on the Internet at the website maintained by the SEC at http://www.sec.gov. The documents are also available for inspection at the public reference facilities of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 and should also be obtainable by mail, upon payment of the SEC's customary charges, by writing to the SEC's principal offices at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional copies of the Offer to Purchase may also be obtained without charge from the Paying Agent (as defined below) at the addresses set forth below. **Each Former Stockholder is urged to read carefully the information contained in the Offer to Purchase, the Schedule 14D-9, the Merger Agreement and this Information Statement in considering whether to accept the $34.50 per Share cash payment pursuant to the Merger or to seek an appraisal of his, her or its Shares.**

2. Surrender of Stock Certificates; Payment to Former Stockholders

American Stock Transfer & Trust Company, LLC has been designated as paying agent (the "Paying Agent") to effect the exchange of stock certificates and book entry shares, as applicable, for cash pursuant to the Merger. In order to receive the $34.50 per Share cash payment, Former Stockholders must complete the enclosed Letter of Transmittal and deliver their stock certificate(s) and the Letter of Transmittal, or if persons hold book entry shares, only the Letter of Transmittal, and any other documents required by the Letter of Transmittal to the Paying Agent by mail, by hand or by overnight courier at one of the following addresses:

By First Class Mail:	***By Hand or Courier:***
American Stock Transfer & Trust Company, LLC Operations Center Attn: Reorganization Department P.O. Box 2042 New York, New York 10272-2042	American Stock Transfer & Trust Company, LLC Operations Center Attn: Reorganization Department 6201 15th Avenue Brooklyn, New York 11219

A return envelope addressed to the Paying Agent is enclosed for this purpose. **The method of delivery of stock certificates and all other required documents is at the election and risk of the Former Stockholder, but if delivery is by mail, registered mail with return receipt requested, properly insured, is suggested.**

The enclosed Letter of Transmittal is to be used to obtain payment for Shares. Former Stockholders should read carefully and follow the instructions in the Letter of Transmittal.

Certificates need not be endorsed and stock powers and signature guarantees are unnecessary if the cash payment is to be made to the registered holder of the surrendered stock certificate. If, however, payment is to be made to a person other than the registered holder of the surrendered stock certificate, then (a) the certificate must be endorsed or accompanied by a separate stock power, in either case signed exactly as the name or names of the registered holder or holders appear on the certificate, (b) signatures of endorsement for transfer on the stock certificate or on a separate stock power must be guaranteed by a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program, and (c) the person surrendering the stock certificate(s) must pay to the Paying Agent the amount of any transfer or other taxes payable on account of the payment to such other person or establish to the satisfaction of the Paying Agent that such tax has been paid or is not applicable.

Any payments made in exchange for Shares will be net of all applicable withholding taxes that Parent, the Company and the Paying Agent, as the case may be, shall be required to deduct and withhold under applicable law. To the extent that amounts are so withheld by Parent, the Company or the Paying Agent, such amounts shall be treated for all purposes as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by Parent, the Company or the Paying Agent.

3. Certain United States Federal Income Tax Considerations

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS

INFORMATION STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY YOU, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain United States federal income tax considerations regarding the Merger that might be relevant to U.S. Holders (defined below) whose Shares were converted into the right to receive cash in the Merger. This summary is for general information only and does not purport to consider all aspects of United States federal income taxation that might be relevant to U.S. Holders. This summary is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing, proposed and temporary Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, all of which are subject to change, possibly with retroactive effect. This summary applies only to U.S. Holders in whose hands Shares were capital assets within the meaning of Section 1221 of the Code. This summary does not address foreign, state or local tax consequences of the Merger, nor does it purport to address the U.S. federal income tax consequences of the Merger to U.S. Holders who actually or constructively (under the rules of Section 318 of the Code) own any stock of the Company following the Merger or to special classes of taxpayers (e.g., foreign taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, cooperatives, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, U.S. Holders that were, or held Shares through, partnerships or other pass-through entities for U.S. federal income tax purposes, U.S. persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, expatriates and former long-term residents of the United States, persons subject to the alternative minimum tax, and U.S. Holders that held Shares as part of a straddle, hedging, constructive sale or conversion transaction or who received Shares pursuant to an equity incentive plan of the Company or pursuant to the exercise of employee stock options or otherwise as compensation). In addition, this summary does not address U.S. federal taxes other than income taxes and does not address Non-U.S Holders. This summary assumes that the Shares were not United States real property interests within the meaning of Section 897 of the Code.

Because individual circumstances may differ, each U.S. Holder should consult its, his or her tax advisor to determine the applicability of the rules discussed below and the particular tax effects of the Merger on such holder, including the application and effect of the alternative minimum tax and any state, local and foreign tax laws and of changes in such laws.

For purposes of this summary, a "U.S. Holder" means a beneficial owner of Shares that for U.S. federal income tax purposes is:

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

A "Non-U.S. Holder" is a holder or beneficial owner of Shares other than a U.S. Holder.

The exchange of Shares for cash pursuant to the Merger will be a taxable transaction for United States federal income tax purposes. In general, a U.S. Holder who receives cash in exchange for Shares pursuant to the Merger will recognize gain or loss for United States federal income tax purposes in an amount equal to the difference, if any, between the amount of cash received (determined before the deduction, if any, of any withholding tax) and the U.S. Holder's adjusted tax basis in the Shares exchanged for cash pursuant to the Merger. Gain or loss will be determined separately for each block of Shares (that is, Shares acquired at the same cost in a single transaction) exchanged for cash pursuant to the Merger. Such gain or loss will be long-term capital gain or loss, provided that a U.S. Holder's holding period for such

Shares is more than one year at the time of consummation of the Merger. Capital gains recognized by a U.S. Holder that is an individual upon a disposition of a Share that has been held for more than one year generally will be subject to a maximum United States federal income tax rate of 15% for taxable years ending before January 1, 2011. In the case of a Share that has been held for one year or less, such capital gains generally will be subject to tax at ordinary income tax rates. Certain limitations apply to the use of a U.S. Holder's capital losses.

A U.S. Holder whose Shares are exchanged for cash pursuant to the Merger is subject to information reporting and may be subject to backup withholding unless certain information is provided to the Paying Agent or an exemption applies.

4. Rights of Dissenting Stockholders

Holders of Shares issued and outstanding immediately prior to the Effective Time are entitled to appraisal rights in connection with the Merger under Section 262 of the DGCL ("Section 262"), and may demand the appraisal of such shares, in accordance with the provisions of Section 262(d)(2) of the DGCL, within 20 days after the date of the mailing of this Notice of Merger and Appraisal Rights. The appraisal rights discussed in this Section 4 apply only to issued and outstanding Shares immediately prior to the Effective Time. Approximately 1,091,518 Shares are eligible to demand appraisal.

The following discussion is not a complete statement of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by the full text of Section 262, which is attached hereto as Annex A. All references in Section 262 and in this Section 4 to a "stockholder" are to the record holder of Shares immediately prior to the Effective Time as to which appraisal rights are asserted. A person having a beneficial interest in Shares held of record in the name of another person, such as a depositary (e.g. Cede & Co.), broker or nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights.

Under the DGCL, persons who held Shares immediately prior to the Effective Time, and who (i) follow the procedures set forth in Section 262 and (ii) do not thereafter withdraw their demand for appraisal of such Shares or otherwise lose their appraisal rights, in each case in accordance with the DGCL, will be entitled to have their Shares appraised by the Delaware Court of Chancery and to receive payment of the "fair value" of such Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with a rate of interest. For the avoidance of doubt, the parties to the Merger Agreement agreed that, in any appraisal proceeding with respect to Shares issued and outstanding immediately prior to the Effective Time and held by a holder who has properly exercised and perfected his or her demand for appraisal rights under Section 262 of the DCGL and the Merger Agreement (the "Dissenting Shares") and to the fullest extent permitted by applicable law, the fair value of the Dissenting Shares shall be determined in accordance with Section 262(h) of the DGCL and the Merger Agreement without regard to the Top-Up Option, the Shares issued pursuant to the Top-Up Option (the "Top-Up Shares") or any promissory note delivered by Purchaser to the Company in payment for the Top-Up Shares. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the Merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the Merger and the date of payment of the judgment.

Under Section 262, when a merger is approved pursuant to Section 253 of DGCL, then, either a constituent corporation before the effective date of the merger, or the surviving corporation within 10 days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of Section 262. If such notice is given after the effective date of the merger, as is the case with this Notice of Merger and Appraisal Rights, such notice must also notify such stockholders of the effective date of the merger. The Notice of Merger and Appraisal Rights accompanying this Information Statement constitutes such notice to the holders of Shares, and the applicable statutory provisions are attached hereto as Annex A. Any holder of Shares who wishes to exercise such appraisal rights or who wishes to preserve his, her or its right to do so, should review the following discussion and Annex A carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL.

A holder of Shares wishing to exercise his, her or its appraisal rights must, within 20 days after the date of mailing of this formal Notice of Merger and Appraisal Rights, make a written demand for the appraisal of their Shares to the Company at Argon ST, Inc., c/o The Boeing Company, Office of the Corporate Secretary, 100 North Riverside Drive, Chicago, Illinois 60606. The demand must reasonably inform the Company of the identity of the holder as well as the intention of the holder to demand an appraisal of the "fair value" of the Shares held by such holder.

Only a holder of record of Shares issued and outstanding immediately prior to the Effective Time is entitled to assert appraisal rights for the Shares registered in that holder's name. A demand for appraisal in respect of Shares issued and outstanding immediately prior to the Effective Time must be executed by or on behalf of the holder of record, fully and correctly, as such holder's name appears on his, her or its stock certificates, and must state that such person intends thereby to demand appraisal of his, her or its shares of capital stock of the Company issued and outstanding immediately prior to the Effective Time in connection with the Merger. If the Shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand should be made in that capacity, and if the Shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be executed by or on behalf of all joint owners. An authorized agent, including an agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in exercising the demand, the agent is acting as agent for the record owner or owners. A record holder, such as a broker who holds Shares as nominee for several beneficial owners, may exercise appraisal rights with respect to the Shares issued and outstanding immediately prior to the Effective Time held for one or more beneficial owners while not exercising such rights with respect to the Shares held for other beneficial owners; in such case, however, the written demand should set forth the number of Shares issued and outstanding immediately prior to the Effective Time as to which appraisal is sought and where no number of Shares is expressly mentioned the demand will be presumed to cover all Shares which are held in the name of the record owner. Persons who hold Shares in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

A beneficial owner of Shares held in "street name" who desires appraisal should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record holder of such Shares. Shares held through brokerage firms, banks and other financial institutions are frequently deposited with and held of record in the name of a nominee of a central security depository, such as Cede & Co. Any beneficial holder desiring appraisal who holds Shares through a brokerage firm, bank or other financial institution is responsible for ensuring that the demand for appraisal is made by the record holder. The beneficial holder of such Shares should instruct such firm, bank or institution that the demand for appraisal be made by the record holder of the Shares, which may be the nominee of a central security depository if the Shares have been so deposited. As required by Section 262, a demand for appraisal must reasonably inform the Company of the identity of the holder(s) of record (which may be a nominee as described above) and of such holder's intention to seek appraisal of such Shares.

Within 120 days after the Effective Time, but not thereafter, the Company or any record holder of Shares for which a proper demand for appraisal has been made may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the Shares. The Company is under no obligation to and has no present intention to file such a petition. Accordingly, it is the obligation of the other holders of Shares to initiate all necessary action to perfect their appraisal rights in respect of their Shares within the time prescribed in Section 262.

Within 120 days after the Effective Time, any stockholder who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the Company a statement setting forth the aggregate number of Shares to which demands for appraisal have been received and the aggregate number of holders of such Shares. Such statement must be mailed within 10 days after a written request therefor has been received by the Company or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is timely filed by a stockholder and a copy thereof is served upon the Company, the Company will then be obligated within 20 days of such service to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their Shares and with whom agreements as to the value of their Shares have not been reached. After notice to such stockholders as required by the Court, the Delaware Court of Chancery is empowered to conduct a hearing on such petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The

Delaware Court of Chancery may require the stockholders who demanded payment for their Shares to submit their stock certificates to the Delaware Register in Chancery for notation thereon of the pendency of the appraisal proceeding. If any stockholder fails to comply with such direction, the Delaware Court of Chancery may dismiss the proceedings as to such stockholder.

After determining the stockholders entitled to appraisal, the Delaware Court of Chancery will appraise the "fair value" of their Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with a rate of interest, if any, to be paid upon the amount determined to be the fair value. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the Merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the Merger and the date of payment of the judgment. Stockholders considering seeking appraisal should be aware that the fair value of their Shares as determined under Section 262 could be more or less than or the same as the consideration they would receive pursuant to the Merger if they did not seek appraisal of their Shares and that investment banking opinions as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 262. The Delaware Supreme Court has stated that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in the appraisal proceedings. In addition, Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy. The costs of the appraisal proceeding (which do not include attorneys' or experts' fees) may be determined by the Court and taxed upon the parties as the Court deems equitable. The Court may also order that all or a portion of the expenses incurred by any stockholder in connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all the Shares entitled to be appraised. For the avoidance of doubt, the parties to the Merger Agreement agreed that, in any appraisal proceeding with respect to Dissenting Shares and to the fullest extent permitted by applicable law, the fair value of the Dissenting Shares shall be determined in accordance with Section 262(h) of the DGCL without regard to the Top-Up Option, the Top-Up Shares or any promissory note delivered by Purchaser to the Company in payment for the Top-Up Shares.

Any stockholder who has duly demanded an appraisal in compliance with Section 262 is not entitled to vote the Shares subject to such demand for any purpose or entitled to the payment of dividends or other distributions on those Shares (except dividends or other distributions payable to holders of record of capital stock of the Company as of a date prior to the Effective Time).

If any stockholder who demands appraisal of his, her or its Shares under Section 262 fails to perfect, or effectively withdraws or loses, his, her or its right to appraisal, as provided in the DGCL, the Shares of such stockholder will be converted into the right to receive $34.50 per share, without interest thereon and less any applicable withholding taxes. A stockholder will fail to perfect, or effectively lose or withdraw, his, her or its right to appraisal if no petition for appraisal is filed within 120 days after the Effective Time, or if the stockholder delivers to the Company a written withdrawal of his, her or its demand for appraisal and an acceptance of the Merger, except that any such attempt to withdraw made more than 60 days after the Effective Time will require the written approval of the Company and, once a petition for appraisal is filed, the appraisal proceeding may not be dismissed as to any holder absent court approval.

Failure to follow the steps required by Section 262 for perfecting appraisal rights may result in the loss of such rights (in which event a holder of capital stock of the Company will be entitled to receive $34.50 net per Share, without interest thereon and less any applicable withholding taxes).

The Notice of Merger and Appraisal Rights that accompanies this Information Statement provides the notice to stockholders required by Section 262. The Notice of Merger and Appraisal Rights and this Information Statement were mailed to Former Stockholders on August 13, 2010 and therefore, Former Stockholders who wish to exercise appraisal rights must deliver a written demand to the Company for payment of the fair value of their Shares, postmarked, if mailed to the Company, or otherwise received by the Company on or before September 2, 2010.

5. Background of the Merger

The following is a brief summary of the background of the Offer and the Merger. Each of the Offer to Purchase and Schedule 14D-9 contains a similar summary of such information. The Offer to Purchase, the Schedule 14D-9, and the Schedule TO are available as set forth below in Section 9 — "Additional Information."

The Company continually reviews its position in the defense and intelligence industry to examine potential strategic business transactions that might be in the interests of its stockholders. The Company's management regularly spends time identifying potential business acquisitions of interest and regularly engages in discussions with companies that appear to be appropriate candidates for business combinations. As part of its ongoing evaluation of the Company's business and its strategic planning, the Company's board of directors (the "Board") periodically discusses and reviews the Company's strategic goals and alternatives, performance and prospects. The Board has in the past received updates from time to time from various investment bankers on the state of the Company's industry and potential for acquisition activity. In the past several years, the Company has also periodically been approached by various large defense contractors to explore the possibility of a strategic transaction.

In early 2009, an entity in the defense contracting industry approached the Company and indicated that it would be interested in pursuing an acquisition of the Company at a price of $21.00 per Share. The Board discussed this proposal and determined that it was not attractive.

In early 2009, the Company was approached by a large defense contractor ("Bidder A") seeking to explore a possible acquisition of the Company. On April 14, 2009, Dr. Terry L. Collins, Chairman and Chief Executive Officer of the Company, telephoned James F. Albaugh, President of Parent's Integrated Defense Systems operating unit (now known as Defense, Space & Security), to inquire about Parent's interest in a possible business combination. Several telephonic conversations occurred between Dr. Collins and various members of Parent management during the second half of April 2009 in which the parties discussed a possible going-forward process and Parent's level of interest in pursuing a transaction. The Company executed a non-disclosure agreement with Parent on April 30, 2009 and with Bidder A on May 18, 2009, pursuant to which the Company furnished both parties with certain limited confidential information concerning the Company for the purpose of evaluating a possible transaction.

On June 2, 2009, Dr. Collins spoke with Roger A. Krone, President of Boeing Network & Space Systems (a business within Parent's Defense, Space & Security operating unit), about the evaluation process. In meetings on June 5, 2009 and June 10, 2009, several members of Parent's management met with representatives of the Company in Virginia to analyze the possible synergies that could be derived from a business combination between Parent and the Company. Discussions relating to a potential transaction also continued with Bidder A through the spring and summer of 2009.

In the summer of 2009, several other defense contractors approached the Company and indicated that they would be interested in pursuing an acquisition of the Company. These parties did not indicate any pricing terms and the Company did not pursue discussions with these parties at that time given the lack of specificity in the indications.

On July 27, 2009, Mr. Krone met with Victor F. Sellier, one of the Company's principal stockholders and a member of the Board. At the meeting, Mr. Krone discussed the possibility of a potential stock-for-stock business combination between the Company and Parent.

On September 10, 2009, Parent management met with representatives of the Company and conveyed an oral indication of interest to acquire the Company at a proposed price of between $28.00 and $30.00 per Share. Parent offered to structure some of the consideration in the form of stock. Following its own discussions with the Company in the summer and fall of 2009, Bidder A made an indication of interest to acquire the Company at a proposed price of between $27.00 and $29.00 per Share. Both expressions of interest were preliminary indications and were subject to due diligence, the negotiation and execution of mutually acceptable definitive agreements and approval by each entity's board of directors. In the course of its discussions with Parent and Bidder A, the Company communicated that it would only consider an offer at a price of at least $30.00 in cash per Share. Both Parent and Bidder A requested that the Company negotiate with it on an exclusive basis, but the Company did not agree to the requested exclusivity.

In September 2009, the Company met with Stone Key Partners LLC and the Stone Key securities division of Hudson Partners Securities LLC (together, "Stone Key"), a financial advisor, to discuss retaining Stone Key to assist the Company

in evaluating strategic alternatives available to the Company. Stone Key commenced a preparatory review of the Company's business and operations and the Company's potential strategic alternatives.

In early October 2009, Dr. Collins and Mr. Krone had multiple telephone conversations in which they continued to discuss Parent's interest in a transaction with the Company. On October 7, 2009, Joseph T. Lower, Parent's Vice President of Corporate and Strategic Development, spoke by telephone with Mr. Sellier. In that conversation, Mr. Lower inquired as to whether an offer of $31.00 to $32.00 per Share would be sufficient to allow the Company to negotiate with Parent on an exclusive basis. Between October 9 and October 19, 2009, numerous follow-up calls occurred among Mr. Krone and Mr. Lower, on behalf of Parent, and Dr. Collins and Mr. Sellier, on behalf of the Company, in which they discussed each party's transaction sentiment, including Parent's willingness to speak directly to the Board regarding its interest in an acquisition.

On October 20, 2009, the Board convened a meeting to consider strategic alternatives for the Company. Representatives of Stone Key presented a preliminary review of the strategic alternatives available to the Company, which included a sale of the Company, strategic acquisitions, recapitalizations or continuing to execute the Company's business plan as an independent company. Stone Key also described the process that it would recommend if the Board determined to explore strategic alternatives. At the meeting, representatives from DLA Piper LLP (US) ("DLA Piper"), counsel to the Company, reviewed with the Board their fiduciary duties with respect to these potential transactions. Following the presentations and further questions and discussion, the Board authorized Stone Key to continue its review of the Company's strategic alternatives and the most appropriate strategy for a sale process, if one was initiated. The Board determined that negotiating exclusively with Parent or Bidder A was not in the best interest of the Company's stockholders and that the Company should explore a broader range of strategic alternatives, including engaging in transactions that did not involve a sale of the Company, engaging in a strategic combination or continuing to execute the Company's business plan as an independent company. After further deliberations, the Board decided to defer any decision on commencing a sale process to allow the Board more time to thoroughly consider the information presented.

At the same meeting, upon Board approval, the Company executed a letter agreement with Stone Key pursuant to which it engaged Stone Key to serve as its financial advisor and assist the Company in evaluating strategic alternatives.

On November 6, 2009, Mr. Lower contacted Mr. Sellier to discuss whether there was a willingness, in the context of prior discussions, to move forward in negotiating a transaction exclusively with Parent, to be followed by a post-signing market check. On November 12, 2009, representatives of Stone Key telephoned Mr. Lower on behalf of the Company but declined to indicate whether the Company would negotiate exclusively with Parent.

On November 9, 2009, the Board convened a meeting to consider strategic alternatives for the Company. DLA Piper again reviewed with the Board their fiduciary duties with respect to these potential transactions. At the meeting, after further deliberation, the Board determined to explore strategic alternatives and decided to authorize Stone Key to commence preparations for the process it had previously described to the Board. The Board also decided to form a Special Committee comprised of Mr. Robert McCashin, Mr. Lloyd A. Semple, Dr. Delores M. Etter, Dr. David C. Karlgaard and Mr. Peter A. Marino, each of whom is an independent director of the Company. The Special Committee was established as an administrative convenience in order to permit the efficient review of potential transactions and to facilitate the involvement of members of the Board in the sale process and not because of any actual or perceived conflict of interest involving any director.

On November 20, 2009, a Special Committee of the Board, comprised of Mr. Robert McCashin, Mr. Lloyd A. Semple, Dr. Delores M. Etter, Dr. David C. Karlgaard and Mr. Peter A. Marino, each of whom is an independent director of the Company (the "Special Committee"), convened a meeting to discuss the sale process. Stone Key provided the Special Committee with an update on the status of preparations for a transaction and a potential timeline.

On December 1, 2009, at a regularly scheduled meeting, the Board discussed the sale process and also approved final resolutions setting forth the duties of the Special Committee.

During December 2009 and January 2010, the Special Committee met several times to discuss the status of preparations for the sale process. The Special Committee also continued to discuss other strategic alternatives available to the Company. During this time, the Company, Stone Key and DLA Piper prepared for the commencement of the sale process, including the preparation of a confidential description of the Company. The Company's management and its

financial and legal advisors also prepared a management brief, due diligence materials and draft transaction documents in preparation for contacting potential interest parties.

During the fall of 2009, occasional press reports had speculated on the Company's potential evaluation of a sale and its retention of investment bankers. Consistent with its long-standing policy, the Company had declined to comment on market rumors. However, on January 11, 2010, several publications of wide circulation disseminated stories about a potential transaction involving the Company. The following day, the Company issued a press release stating that the Company was considering strategic alternatives, and that the Company had retained Stone Key, but that no assurance could be given that any transaction would be completed. Following this public announcement, the Company was approached by several parties that expressed an interest in a transaction with the Company.

On January 14, 2010, Dennis A. Muilenburg, President of Parent's Defense, Space & Security operating unit (then known as Integrated Defense Systems), telephoned Dr. Collins to reemphasize the advantages of the exclusivity proposal conveyed to the Company in November 2009. Dr. Collins indicated that the Board had determined to proceed with a broader process.

On January 26, 2010, Mr. Muilenburg sent a letter to the Company indicating Parent's interest in participating in the announced process. After discussions with the Special Committee, Stone Key, on behalf of the Company, thanked Parent for its interest in participating in a sale process and advised Parent that it would receive more details at the same time as other interested parties.

On February 2, 2010, at a regularly scheduled Board meeting, the Board reviewed the status of preparations for the sale process and discussed strategic alternatives available to the Company.

In February 2010, the Company was approached by a publicly held company to discuss a strategic combination in an all stock transaction. This company was one of the parties that had expressed an interest in the Company in the summer of 2009. Representatives of the Company discussed the proposal with representatives of the publicly held company. Management of the Company advised the Special Committee of the proposed terms offered by the publicly held company. The Special Committee determined that there were significant costs and risks associated with the proposed combination and decided not to pursue this proposed transaction.

In February 2010, the Company was also approached with respect to a combination by a smaller, privately held government contractor that provided complementary equipment and services. Stone Key contacted the financial advisor for the privately held company and discussed valuation and other issues associated with the proposal.

On February 23, 2010, the Board convened a meeting at which Stone Key updated the Board on the preparations for the sale process and reviewed strategic alternatives available to the Company. Stone Key then advised the Board regarding the terms of the proposed combination with the privately held government contractor. DLA Piper advised the Board with respect to its fiduciary duties. Following consideration of the transaction by the Board, the Board determined that there were significant costs and risks associated with the proposed combination and decided not to pursue the proposed transaction.

Beginning in February 2010, Stone Key contacted a targeted list of twenty-two potential bidders, including parties that had previously approached the Company regarding a potential transaction. During these initial contacts, Stone Key communicated to the potential bidders that the Company would only consider an offer at a price of at least $30.00 per Share. Many of the potential bidders that were contacted indicated that they would not be willing to engage in a transaction at this price level and declined to participate in the sale process.

In March and April 2010, the Company, with the assistance of DLA Piper, negotiated and entered into confidentiality agreements with eight interested parties, including Parent, Bidder A and a large, foreign-owned defense contractor ("Bidder B"). On March 5, 2010, Parent executed its confidentiality agreement with the Company, which replaced the non-disclosure agreement dated April 30, 2009. Beginning in March 2010, interested parties were furnished with a confidential information memorandum that provided detail about the Company and its product portfolio, research and development programs, sales forecasts and operations.

Beginning in April 2010, members of the Company's management, with assistance from Stone Key, conducted management presentations with the eight interested parties. The due diligence process included conducting in-person management presentations, responding to various due diligence questions about the Company's assets and operations,

conducting telephonic due diligence discussions between the Company's and the interested parties' outside financial, legal and accounting advisors, and conducting in-person due diligence review sessions and on-site due diligence visits to the Company's facilities. Each interested party was given an extensive, in-person presentation by Company representatives, and was provided access to the Company's on-line data room containing financial, operational, regulatory, intellectual property, human resource, legal and other information concerning the Company. From April 2010 through June 2010, the Company and Stone Key continued to respond to various due diligence questions raised by the interested parties.

On May 10, 2010, Stone Key sent a bid process letter to each of the eight interested parties. The letter included a form of merger agreement that had been prepared by DLA Piper, with input from the Company and the Special Committee. The merger agreement contemplated an all-cash tender offer followed by a merger. Interested parties were encouraged to submit any proposed revisions to the form of merger agreement by May 24, 2010 and were advised that final bids would be due in early June.

On May 13, 2010, as part of the Company's earnings press release for its quarter ended April 4, 2010, the Company stated that its evaluation of strategic alternatives was progressing. The Company also lowered its revenue guidance range for the fiscal year ending September 30, 2010.

Three interested parties, including Parent, submitted revisions to the merger agreement:

- On May 22, 2010, Parent submitted a revised draft merger agreement detailing its comments to the Company's proposed form of merger agreement. The revised draft contemplated the same tender offer structure proposed by the Company.

- On May 26, 2010, Bidder B submitted a revised draft merger agreement detailing its comments to the Company's proposed form of merger agreement. Given certain regulatory and timing issues associated with Bidder B's acquisition of the Company, Bidder B proposed changing the deal structure from a tender offer to a single step merger.

- On May 27, 2010, Bidder A submitted a revised draft merger agreement detailing its comments to the Company's proposed form of merger agreement. The revised draft contemplated the same tender offer structure proposed by the Company.

On May 27, 2010, Stone Key, on behalf of the Company, requested that the eight interested parties submit offers by June 11, 2010. Stone Key also requested revisions to the merger agreement from any interested parties that had not submitted revisions before the original deadline. Once Parent, Bidder A and Bidder B submitted their draft merger agreements, thereby indicating their interest in pursuing an acquisition at a price level above the minimum that would be acceptable to the Board, Mr. Marino, who maintained consulting relationships with certain of the bidders, recused himself from any further deliberations conducted by the Special Committee in order to avoid any appearance of any potential conflict of interest.

On June 1, 2010, the Special Committee met to discuss the revisions to the draft merger agreement proposed by each of Parent, Bidder A and Bidder B. At the meeting, DLA Piper described the key provisions of each draft merger agreement and the key issues raised. Following this meeting, Stone Key was instructed to inform Parent, Bidder A and Bidder B of the key issues in their respective draft merger agreements and the Company distributed to each of Parent, Bidder A and Bidder B draft disclosure schedules to the Company's draft of the merger agreement.

In their comments to the draft merger agreement, each of Parent, Bidder A and Bidder B had indicated that they would require a tender and voting agreement from each of Dr. Collins and Messrs. Sellier and Murdock. On June 5, 2010, a proposed form of tender and voting agreement was prepared by DLA Piper and circulated to each of Parent, Bidder A and Bidder B.

On June 7, 2010, representatives of DLA Piper, Stone Key and the Company had discussions with each of Parent, Bidder A and Bidder B as to the material issues raised by their comments to the draft merger agreements. Each of Parent, Bidder A and Bidder B continued their due diligence efforts in preparation for a possible transaction.

On June 11, 2010, Parent, Bidder A and Bidder B submitted the following written offers to Stone Key to acquire the Company:

- Parent submitted a bid to acquire 100% of the Company's common stock through a cash tender offer at $30.00 per Share. Parent submitted a revised draft merger agreement updating its comments to the Company's proposed form of merger agreement, form of tender and voting agreement and draft disclosure schedules and a list of open diligence items.
- Bidder A submitted a bid to acquire 100% of the Company's common stock through a cash tender offer at $30.00 per Share. Bidder A submitted a revised draft merger agreement detailing its comments to the Company's proposed form of merger agreement and a list of open diligence items.
- Bidder B submitted a bid to acquire 100% of the Company's common stock through a single step merger at a price of $31.75 per Share. Bidder B submitted a revised draft merger agreement detailing its comments to the Company's proposed form of merger agreement, comments to the Company's draft disclosure schedules and a list of open diligence items.

Each of the other five potential bidders indicated to Stone Key, either before or after the bid deadline, that it was not willing to offer the indicated price of at least $30.00 per Share and withdrew from the sale process. Several of these other parties indicated they would be willing to proceed with a transaction at a price below $30.00 per Share if the Company were amenable to a lower price.

On June 15, 2010, representatives of Stone Key and DLA Piper provided the Special Committee with an overview of the three bids that had been received, including written summaries of the revised merger agreements, and discussed the timing, structuring and cost implications of each. Representatives of DLA Piper also reviewed with the Special Committee their fiduciary duties and the fiduciary duties of the Board in the context of the transactions being considered and the sale process. The Special Committee found Bidder B's offer financially attractive. However, Bidder B was a foreign-owned entity and, given the Company's access to classified information in the United States, the required regulatory and customer approvals associated with a transaction with Bidder B created concerns as to the certainty of closing and the potential for delay. The Special Committee authorized the engagement of special counsel to assist with regulatory issues associated with Bidder B's offer. The Special Committee noted that each of the revised merger agreements contained material issues to be resolved, primarily relating to closing conditions, termination fees and events, representations and warranties and certain open diligence matters and conditions to signing, including with respect to Parent, that certain key executives of the Company execute a retention agreement at or prior to the signing of the merger agreement. The Special Committee directed the Company's financial and legal advisors to proceed to negotiate the terms of a merger agreement with each of Parent, Bidder A and Bidder B and their respective financial and legal advisors.

Between June 15, 2010 and June 17, 2010, multiple discussions occurred between DLA Piper, Stone Key and each of the three bidders and their respective financial and legal advisors with respect to the draft merger agreements submitted by each of the bidders. On June 17, 2010, the Company retained Arnold & Porter LLP ("Arnold & Porter") as special regulatory counsel to advise the Company with respect to regulatory issues associated with Bidder B's offer. On June 17, 2010, DLA Piper circulated revised merger agreements to each of the three bidders, which reflected the outcome of discussions with the bidders' legal advisors and the Company's position on various material issues. On June 18, 2010, Bidder A submitted a form of retention agreement for certain key executives and indicated that if it was the winning bidder, it would expect the Company to use its best efforts to obtain signed retention agreements prior to signing the merger agreement.

On June 19, 2010, counsel for Bidder A sent a revised merger agreement to DLA Piper and on June 21, 2010, counsel for Parent sent a revised merger agreement to DLA Piper. DLA Piper had continuing discussions with counsel for each of Parent and Bidder A to resolve remaining open issues.

On June 23, 2010, the Company provided each of the three remaining bidders with an update on the Company's financial performance for its current quarter and its projections for the full year. Representatives of the Company and Stone Key had a conference call with each of the bidders to discuss the updated projections and on each call informed each bidder that it expected lower revenue and operating income for the fiscal year ending September 30, 2010. As a result of the new information, Parent requested another call with the Company, and on June 24, 2010, the Company's

chief executive officer and chief financial officer discussed with Parent the circumstances of the Company's reduced earnings projections.

On June 24, 2010, Bidder B submitted a revised merger agreement. DLA Piper provided a revised merger agreement to Bidder B later that evening. While many issues in the merger agreement with Bidder B were resolved, certain regulatory and other issues remained open. On June 24, 2010, DLA Piper distributed revised drafts of the disclosure schedules corresponding to each of the three draft merger agreements.

On June 25, 2010, as requested by Stone Key, on behalf of the Company, each of Parent, Bidder A and Bidder B submitted revised offers. Each bidder also submitted a draft merger agreement (which, in the case of Parent and Bidder A, was by this time substantially completed) along with a list of open confirmatory diligence items. In this round of bidding, Parent raised its offer price from $30.00 to $31.00 per Share, Bidder A also raised its offer price from $30.00 to $31.00 per Share and Bidder B lowered its offer price from $31.75 to $31.50.

The Special Committee met on June 26, 2010 to receive an update from Stone Key and DLA Piper on the negotiations with Parent, Bidder A and Bidder B and the status of the bids and draft merger agreements. Arnold & Porter provided a summary of regulatory issues with respect to the offer by Bidder B. Given that the offer by Bidder B contemplated a longer time before closing to satisfy certain regulatory conditions applicable to foreign ownership, the Special Committee concluded that each of the three offers was essentially equivalent in price. After questions from the Special Committee and further discussion, the Special Committee concluded that Parent, Bidder A and Bidder B should be requested to submit revised offers.

Following the meeting, Stone Key informed each of Parent, Bidder A and Bidder B that they should submit revised offers as soon as practicable and, in any event, no later than June 27, 2010.

On June 27, 2010, Parent raised its offer price from $31.00 to $32.00 per Share, Bidder A raised its offer price from $31.00 to $31.25 per Share and Bidder B reaffirmed its offer price of $31.50 per Share. Parent also indicated that it would no longer require that the retention agreements with certain executives be executed at or prior to the signing of the merger agreement. Bidder B improved certain terms in its draft merger agreement, but certain regulatory and other issues remained outstanding.

During the evening of June 27, 2010, the Special Committee met to consider the revised offers from each of Parent, Bidder A and Bidder B. The Special Committee received presentations on the revised offers from Stone Key and DLA Piper and discussed the advantages and disadvantages of the three proposals, including with respect to price, certainty of closing, regulatory issues, timing, conditions and other contractual terms. Because Parent's proposed offer was the highest at $32.00 per Share and had few potential delays to signing and closing, the Special Committee directed DLA Piper to complete negotiations on all remaining open issues with Parent and Parent's outside counsel, Kirkland & Ellis LLP ("Kirkland"), including in particular with respect to various open items in the disclosure schedules. The Special Committee's goal was to have a final draft merger agreement ready for consideration at a meeting of the Board that was scheduled to begin early in the morning on June 29, 2010.

On June 28, 2010, representatives of DLA Piper, the Company, Parent and Kirkland worked to complete all of the definitive transaction documentation. Parent continued its due diligence procedures in preparation for a possible transaction. Later that day, Bidder B indicated that it would submit a revised offer at some time before the Board meeting scheduled for the morning of June 29, 2010. In the evening on June 28, 2010, the Special Committee met to discuss the status of the sale process and its potential recommendation to the Board.

On June 29, 2010, the Board was scheduled to convene at 8:00 a.m. EDT to consider and potentially approve a definitive merger agreement with Parent. Immediately prior to the start of the meeting, Bidder B sent a revised offer to acquire the Company for $34.10 per Share. The revised offer also included more favorable contractual terms than it had previously proposed. Upon receipt of the revised offer from Bidder B, the Board delayed the start of its meeting and the Special Committee met to consider the revised offer from Bidder B. Representatives of Stone Key and DLA Piper discussed the merits of the revised offer with the Special Committee. The Special Committee instructed Stone Key and DLA Piper to contact Bidder B and discuss the revised terms of its offer. As directed by the Special Committee, Stone Key also advised Parent and Bidder A that the Company had received a revised offer that was more favorable in terms of price, and that the Company would also provide each of Parent and Bidder A with an opportunity to submit a revised offer. Representatives from Stone Key, DLA Piper and the Company began discussions with Bidder B and its financial

and legal advisors with respect to the proposed contractual terms, conditions and regulatory issues associated with Bidder B's revised offer.

While the negotiations with Bidder B were ongoing, the Board meeting was convened at 9:10 a.m. EDT to consider the sale process and evaluate the price and contractual terms proposed by each of the bidders. All of the Company's directors attended the meeting in person. Representatives of Stone Key and DLA Piper discussed the advantages and disadvantages of each of the proposals, including with respect to price, certainty of closing, contractual terms and regulatory issues. Representatives of DLA Piper also reviewed with the Board their fiduciary duties in the context of the transactions being considered and the bidding process. Arnold & Porter advised the Board regarding the regulatory issues associated with the proposed transaction with Bidder B. The Board engaged in a thorough review with representatives from DLA Piper of the material terms of the merger agreements of each of Parent, Bidder A and Bidder B. Representatives from DLA Piper responded to numerous questions from the members of the Board regarding each of the merger agreements and the transactions generally. Stone Key then discussed the relative value with respect to each of the offers made by Parent, Bidder A and Bidder B. Stone Key reviewed the financial bases and calculations underlying its fairness opinion analysis and answered questions from members of the Board.

During the day, Stone Key and DLA Piper continued their discussions with Bidder B while the Board continued its deliberations regarding the price and contract terms proposed by Parent, Bidder A and Bidder B. Representatives from Stone Key and DLA Piper later rejoined the Board meeting and updated the Board on the developments during the course of the day and described the status of the negotiations.

At 3:30 p.m. on June 29, 2010, while the Board meeting was still in progress, Parent increased its proposed offer price from $32.00 to $34.50 per Share, but indicated that its offer was contingent on the acceptance of its revised offer by 6:00 p.m. EDT that evening and finalization and the execution of a definitive merger agreement that night. Earlier in the day, Bidder A had declined an invitation to increase its offer of $31.25 per Share. During Stone Key's discussions with Bidder B regarding its revised offer, Bidder B had indicated that that it would not raise its revised price of $34.10 per Share any further.

After receiving the revised offer from Parent, the Board decided, upon recommendation of the Special Committee, to consider the revised offer from Parent. Representatives of Stone Key and DLA Piper discussed with the Board the revised terms of Parent's offer. DLA Piper reviewed with the Board their fiduciary duties in the context of the transaction being considered. Stone Key orally, and subsequently in writing, confirmed its opinion to the Board that, based on and subject to the assumptions made, matters considered, procedures followed and limitations on the review undertaken as set forth in its written opinion, as of June 29, 2010, the consideration of $34.50 per Share in cash to be received by holders of Shares pursuant to the Merger Agreement with Parent was fair, from a financial point of view, to such holders. Following questions by the members of the Board to representatives of Stone Key and DLA Piper, and further discussion among the members of the Board, the Special Committee recommended that the Board accept the offer from Parent. Then the Board, by unanimous action of all members, resolved that Parent's offer was in the best interests of the Company's stockholders. The Board approved and authorized the execution, delivery and performance of, and declared advisable the Merger Agreement, the Offer, the Merger and the Contemplated Transactions, and further resolved to recommend to the Company's stockholders that they accept and tender their Shares pursuant to Parent's Offer, and, if required, adopt the Merger Agreement. Shortly before 5:30 p.m. EDT, representatives of Stone Key telephoned Mr. Lower of Parent to inform him that the Board had accepted Parent's offer.

Following the Board meeting, representatives of DLA Piper and Kirkland proceeded to finalize the Merger Agreement, disclosure schedules and tender and support agreements during the course of the night on June 29, 2010. The Merger Agreement and the tender and voting agreements were promptly thereafter executed and the parties announced the transaction in separately issued press releases at 7:15 a.m. EDT on June 30, 2010.

On June 30, 2010, the Company and Parent issued press releases announcing the execution of the Merger Agreement and the terms of the proposed transaction.

On July 8, 2010, Parent and Purchaser commenced the Tender Offer to purchase all of the Company's outstanding Shares for $34.50 per Share, net to the seller in cash, without interest thereon and less any applicable withholding taxes, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase dated July 8, 2010 (as amended or supplemented from time to time) and in the related Letter of Transmittal (as amended or supplemented from time to time).

The Tender Offer is described in a Tender Offer Statement on Schedule TO (as amended or supplemented from time to time), which was filed by Parent with the SEC on July 8, 2010.

On July 2, 2010, Deidre Noelle Sullivan, alleging herself to be a stockholder of the Company, filed a purported stockholder class action complaint in the United States District Court for the Eastern District of Virginia, captioned *Sullivan v. Argon ST, Inc., et al.* (the "Sullivan Complaint"), in connection with the Offer and the Merger. The Sullivan Complaint names as defendants the Company and the members of the Board. The suit alleges that the members of the Board breached their fiduciary duties to the Company's shareholders in connection with the sale of the Company and that the Company aided and abetted the breach of fiduciary duty. The suit seeks equitable relief, including an injunction against the Offer and the Merger and also seeks the costs of the action, including attorneys' fees, experts' fees and other costs. On July 12, 2010, the plaintiff filed an amended complaint (the "Amended Complaint"). The Amended Complaint (i) adds Parent and Purchaser as defendants, (ii) adds allegations that the Schedule 14D-9 contains materially misleading statements and omits material information and (iii) alleges that Parent and Purchaser aided and abetted the alleged breach of fiduciary duty. On July 12, 2010, the plaintiff also filed a motion seeking to expedite discovery in anticipation of a motion for a preliminary injunction to enjoin the defendants from proceeding with, consummating or otherwise giving effect to the Offer and the Merger. On July 19, 2010, the plaintiff filed a corrected amended complaint removing certain allegations from the previous pleading (the "Corrected Amended Complaint"). On July 20, 2010, the defendants filed motions to dismiss the Sullivan Complaint and oppositions to the plaintiff's motion for expedited discovery. On July 23, 2010, the United States District Court for the Eastern District of Virginia denied the plaintiff's motion for expedited discovery at a hearing held to consider only that motion. On August 4, 2010, the plaintiff voluntarily dismissed the Corrected Amended Complaint without prejudice. The foregoing summary of the Sullivan Complaint, the Amended Complaint and the Corrected Amended Complaint does not purport to be complete and is qualified in its entirety by reference to the Sullivan Complaint, which is filed as Exhibit (a)(15) to the Schedule 14D-9 filed by the Company with the SEC on July 8, 2010, the Amended Complaint, which is filed as Exhibit (a)(16) to Amendment No. 2 to the Schedule 14D-9 filed by the Company with the SEC on July 15, 2010, and the Corrected Amended Complaint, which is filed as Exhibit (a)(19) to Amendment No. 6 to the Schedule 14D-9 filed by the Company with the SEC on July 26, 2010, each of which is incorporated herein by reference. The Company, Parent and Purchaser believe the allegations are without merit and should the plaintiff seek to reassert these or similar claims the Company, Parent and Purchaser intend to defend vigorously the action.

6. Completion of the Merger

The Merger was effected under Section 253 of the DGCL at August 5, 2010, 9:04 a.m., New York City time, pursuant to resolutions adopted by the Board of Directors of Purchaser and by the filing of an appropriate certificate of ownership and merger with the Secretary of State of the State of Delaware. Because Purchaser owned more than 90% of the outstanding Shares at the time of the Merger and there were no outstanding Shares of any other class of capital stock of the Company entitled to vote thereon, under the DGCL, the Merger did not require the approval of the Former Stockholders.

On August 5, 2010, the NASDAQ Global Select Market filed a Form 25 with the SEC, pursuant to which the registration of the Shares with the SEC will be terminated. In connection with the consummation of the Merger and the filing of the Form 25, trading of the Shares on the NASDAQ Global Select Market was suspended effective prior to the opening of trading on August 5, 2010.

As a result of the Merger, the Shares held by Former Stockholders have each been converted into the right to receive $34.50 net per Share, in cash, subject to the right to seek an appraisal of the fair value of the Shares pursuant to Section 262, as more fully described in Section 4 — "Rights of Dissenting Stockholders."

Pursuant to the terms of the Merger Agreement, at the Effective Time, the separate corporate existence of Purchaser ceased and Purchaser was merged with and into the Company with the Company as the surviving corporation (the "Surviving Corporation"). At the Effective Time, the certificate of incorporation of the Surviving Corporation was amended to be identical to the certificate of incorporation of Purchaser as in effect immediately prior to the Effective Time, and became the certificate of incorporation of the Surviving Corporation, and the bylaws of Purchaser immediately prior to the Effective Time became the bylaws of the Surviving Corporation. At the Effective Time, the sole director of Purchaser became the sole director of the Surviving Corporation.

7. Market Price of Common Stock; Suspension of Quotation

Prior to suspension of trading in the Shares prior to the opening of trading on August 5, 2010 as a result of the Merger, the Shares were listed and traded on the NASDAQ Global Select Market under the symbol "STST." The following table sets forth, for each of the periods indicated, the high and low reported sales price for the Shares on the NASDAQ Global Select Market, based on published financial sources.

	High	Low
Fiscal Year Ended September 30, 2008		
First Quarter	$22.11	$17.50
Second Quarter	$18.75	$15.26
Third Quarter	$25.94	$16.38
Fourth Quarter	$27.78	$22.65
Fiscal Year Ending September 30, 2009		
First Quarter	$23.81	$15.00
Second Quarter	$22.04	$15.46
Third Quarter	$23.25	$17.41
Fourth Quarter	$21.86	$18.23
Fiscal Year Ending September 30, 2010		
First Quarter	$22.20	$17.00
Second Quarter	$27.25	$21.01
Third Quarter	$34.37	$22.84
Fourth Quarter through August 4, 2010	$34.51	$34.29

During the 52-week period ended January 8, 2010, the last trading day prior to the published reports that the Board was evaluating the Company's strategic alternatives, the closing Share price ranged from $15.66 per Share to $22.89 per Share, each as compared to the Offer Price of $34.50 per Share. On January 8, 2010, which was the last trading day prior to the published reports that the Board was evaluating the Company's strategic alternatives, the reported closing sales price of the Shares on the NASDAQ Global Select Market was $21.46. On June 29, 2010, the last full trading day before public announcement of the execution of the Merger Agreement, the closing price reported on the NASDAQ Global Select Market was $24.43 per Share. On July 7, 2010, the last full trading day before the commencement of the Offer, the closing price reported on the NASDAQ Global Select Market was $34.37 per Share. On August 4, 2010, the last full trading day prior to the Effective Time, the closing price reported on the NASDAQ Global Select Market was $34.48 per Share.

NASDAQ Listing. In connection with the consummation of the Merger, trading of the Shares on the NASDAQ Global Select Market was suspended and the Shares were delisted.

Exchange Act Registration. On August 5, 2010, the NASDAQ Global Select Market filed a Form 25 with the SEC, pursuant to which registration of the Shares with the SEC will be terminated.

8. Financial Information

Set forth below is certain selected consolidated financial information with respect to the Company, excerpted or derived from the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009, and its Quarterly Reports on Form 10-Q for the ninth-month periods ended July 4, 2010 and June 28, 2009, each as filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and which are herein incorporated by reference to such reports. More comprehensive financial information is included in such reports and in other documents filed by the Company, Parent and Purchaser with the SEC. The following summary is qualified in its entirety by reference to such reports and other documents, including the Offer to Purchase, and all of the financial information and Schedule 14D-9 (including any related notes) contained therein. Such reports and other documents, including the Offer to Purchase, may be inspected and copies may be obtained from the SEC in the manner set forth below in Section 9 — "Additional Information."

The information concerning the Company contained in this Information Statement, including that set forth in this Section 8, has been furnished by the Company or has been taken from or based upon publicly available documents and records on file with the SEC and other public sources. Neither Parent nor the Paying Agent assumes responsibility for the accuracy or completeness of the information concerning the Company contained in such documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Parent or the Paying Agent.

Selected Consolidated Financial Information

	Fiscal Year Ended	Nine Months Ended	
	Sept. 30, 2009	July 4, 2010	June 28, 2009
		(Unaudited)	
	(In millions, except per share data)		
Revenue	$366.1	$214.7	$270.6
Operating Income	36.2	$ 5.1	26.5
Net Income	23.7	$ 4.5	17.6
Net Income per share, fully diluted	$ 1.08	$ 0.20	$ 0.80

Financial Projections. The Company does not as a matter of course make public projections as to future performance, earnings or other results beyond the current fiscal year, and is especially wary of making projections for extended periods due to the unpredictability of the underlying assumptions and estimates.

However, in connection with the due diligence review of the Company by Parent, Bidder A and Bidder B, the Company provided each of the bidders on June 23, 2010 with non-public internal financial forecasts regarding its anticipated future operations for the balance of the fiscal year ended September 30, 2010 and the two fiscal years ended September 30, 2011 and September 30, 2012, respectively, copies of which were also provided to Stone Key. The forecasts identified above are referred to collectively as the "Internal Financial Forecasts." Summaries of the Internal Financial Forecasts are set forth below.

The Internal Financial Forecasts were not prepared with a view toward public disclosure. Rather, the Internal Financial Forecasts were prepared by the Company's management solely for internal management purposes, the bidders' review in connection with their due diligence investigations and Stone Key's use in connection with its opinion regarding the Offer and the Merger. The Internal Financial Forecasts were not prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or generally accepted accounting principles, nor were they examined or reviewed by the Company's independent public accounting firm or any other accounting firm, nor has any such firm expressed any opinion or other assurance with respect thereto. There is no guarantee that the Internal Financial Forecasts would be realized, or that the assumptions upon which they are based will prove to be correct. In addition, the Internal Financial Forecasts did not include certain potential downward revisions that may occur due to ongoing customer contract matters that were disclosed to each of the bidders. Further, the Internal Financial Forecasts do not take into account the effect of any failure to occur of the Offer or the Merger and should not be viewed as accurate or continuing in that context. The Company's former stockholders are cautioned not to place undue reliance on the Internal Financial Forecasts included in this Information Statement. The Internal Financial Forecasts are being included in this Information Statement not to influence your decision whether to exercise appraisal rights, but rather because they were made available by the Company to Parent, Bidder A, Bidder B and Stone Key.

The Internal Financial Forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of the Company's management. Important factors that may affect actual results and result in the forecast results not being achieved include, but are not limited to, the risks and uncertainties identified in the reports filed by the Company with the SEC (including the Company's Form 10-K for the fiscal year ended September 30, 2009). Some of these specific risks, although not all, are: general economic, business and political conditions nationally and internationally, including federal budgetary priorities; the market for the Company's products and services; changes in the U.S. federal government procurement laws, regulations, and policies; the number, length and type of contracts and task orders awarded to the Company by its commercial and governmental customers; difficulties in developing and producing operationally advanced technology systems; the cost and availability of office and laboratory space; the timing and

customer acceptance of contract deliverables; the Company's ability to attract and retain qualified personnel, including personnel with appropriate security clearances; charges from any future impairment reviews; the future impact of any acquisitions or divestitures the Company may make, including any outcome of our exploration of strategic alternatives; the competitive environment for information technology products and services; availability of cash or capital; the Company's exploration of strategic alternatives; and other factors affecting the Company's business that are beyond its control. The Internal Financial Forecasts also reflect assumptions as to certain business decisions that are subject to change. Since the Internal Financial Forecasts cover multiple years, such information by its nature becomes less reliable with each successive year. The Internal Financial Forecasts should be read together with the historical financial statements of the Company included in its Form 10-K for the fiscal year ended September 30, 2009.

Accordingly, there can be no assurance that the projections contained in the Internal Financial Forecasts will be realized, and actual results may vary materially from those shown. The inclusion of the Internal Financial Forecasts in this Information Statement should not be regarded as an indication that Parent or Purchaser or their affiliates, advisors or representatives considered or consider the Internal Financial Forecasts to be a reliable prediction of future events, and the Internal Financial Forecasts should not be relied upon as such. None of the Company, Parent or Purchaser or their respective affiliates, advisors or representatives can give you any assurance that actual results will not differ from the Internal Financial Forecasts, and none of them undertakes any obligation to update or otherwise revise or reconcile the Internal Financial Forecasts to reflect circumstances existing after the date the Internal Financial Forecasts were prepared or to reflect events, even in the event that any or all of the assumptions underlying the projections contained in the Internal Financial Forecasts are shown to be in error. The Company has made no representation to Parent or Purchaser, in the Merger Agreement or otherwise, concerning the Internal Financial Forecasts.

The Internal Financial Forecasts include a non-GAAP financial measure, Adjusted EBITDA. The Company believes that Adjusted EBITDA provides important information about the operating trends of the Company. Adjusted EBITDA excludes certain non-cash expenses, such as stock-based compensation expense, and other expenses that the Company does not believe are reflective of ongoing operating results. The Company uses Adjusted EBITDA to evaluate performance of its business operations. This non-GAAP measure is not in accordance with, or an alternative for, measures prepared in accordance with GAAP and may be different from similarly titled measures used by other companies. Adjusted EBITDA is not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. These measures should only be used to evaluate the Company's results of operations in conjunction with the corresponding GAAP measures.

These projections include the following:

	Fiscal Year Ending September 30,		
	2010E	2011E	2012E
	(Dollars in millions)		
Backlog	$301.5	$381.5	$571.5
Bookings	$420.0	$587.0	$790.0
Revenue	$350.0	$490.0	$600.0
Operating Income	$ 37.0	$ 59.5	$ 76.6
Adjusted EBITDA	$ 54.4	$ 77.8	$ 95.4

Certain statements contained in, or incorporated by reference in, this Information Statement are forward-looking statements and are subject to a variety of risks and uncertainties. Additionally, words such as "would," "will," "intend," and other similar expressions are forward-looking statements. The forward-looking statements contained in this Information Statement are based on the Company's current expectations, and those made at other times will be based on the Company's expectations when the statements are made. Some or all of the results anticipated by these forward-looking statements may not occur. Factors that could cause or contribute to such differences include, but are not limited to the impact of the current economic environment, operating losses and fluctuations in operating results, capital requirements, regulatory review and other risks detailed from time to time in the Company's SEC reports, including its Annual Report on Form 10-K for the year ended September 30, 2009. The Company disclaims any intent or obligation to update these forward-looking statements.

9. Additional Information

A detailed discussion of the Offer and the Merger, as well as other important information concerning the Company, was included in the Offer to Purchase and the Schedule 14D-9, copies of which were sent to all of the Company's stockholders on or about July 8, 2010. Information regarding certain conflicts of the Company's directors and officers with respect to the Merger is provided in Item 3 — *"Past Contacts, Transactions, Negotiations and Agreements"* of the Schedule 14D-9.

Any Former Stockholder who did not receive a copy of the Offer to Purchase or the Schedule 14D-9, and any Former Stockholder who would like additional copies of the Offer to Purchase or the Schedule 14D-9, may contact the Paying Agent at the addresses set forth above in Section 2 — "Surrender of Stock Certificates; Payment to Former Stockholders." **Each Former Stockholder is urged to read carefully the information contained in the Offer to Purchase, the Schedule 14D-9 and this Information Statement in considering whether to accept the $34.50 net per Share cash payment pursuant to the Merger or to seek an appraisal of his, her or its Shares.**

As a result of the Merger, the Shares were eligible for termination of registration pursuant to the Exchange Act. On August 5, 2010, the NASDAQ Global Select Market filed a Form 25 with the SEC, pursuant to which the Shares were delisted and the registration of the Shares with the SEC will be terminated. Once the delisting of the Company's Shares is effective, the Company will no longer be subject to the information and reporting requirements of the Exchange Act. The Company has been subject to the reporting requirements of the Exchange Act and has been required to file reports and other information with the SEC relating to its business, financial condition and other matters. Information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities, any material interests of such persons in transactions with the Company and other matters was required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the SEC. These reports, proxy statements and other information, including the Schedule 14D-9 (including any amendments thereto), filed by the Company (and previously distributed to stockholders) should be available for inspection and copying at prescribed rates at the public reference facilities of the SEC located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such information should be obtainable by mail, upon payment of the SEC's customary charges, by writing to the SEC's principal office at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. The SEC also maintains an internet web site at http://www.sec.gov that contains reports, proxy statements and other information relating to the Company which have been filed via the SEC's EDGAR System. Additional copies of the Offer to Purchase may also be obtained without charge from the Paying Agent at the addresses set forth above. All holders of Shares are urged to obtain and carefully review all of the above described reports, proxy statements and other information in connection with determining whether to exercise appraisal rights.

ARGON ST, INC.

August 13, 2010

THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

SECTION 262. *APPRAISAL RIGHTS.*

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title), § 252, § 254, § 257, § 258, § 263 or § 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of

the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) hereof of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228 or § 253 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the

consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation. (8 Del. C. 1953, § 262; 56 Del. Laws, c. 50; 56 Del. Laws, c. 186, § 24; 57 Del. Laws, c. 148, §§ 27-29; 59 Del. Laws, c. 106, § 12; 60 Del. Laws, c. 371, §§ 3-12; 63 Del. Laws, c. 25, § 14; 63 Del. Laws, c. 152, §§ 1, 2; 64 Del. Laws, c. 112, §§ 46-54; 66 Del. Laws, c. 136, §§ 30-32; 66 Del. Laws, c. 352, § 9; 67 Del. Laws, c. 376, §§ 19, 20; 68 Del. Laws, c. 337, §§ 3, 4; 69 Del. Laws, c. 61, § 10; 69 Del. Laws, c. 262, §§ 1-9; 70 Del. Laws, c. 79, § 16; 70 Del. Laws, c. 186, § 1; 70 Del. Laws, c. 299, §§ 2, 3; 70 Del. Laws, c. 349, § 22; 71 Del. Laws, c. 120, § 15; 71 Del. Laws, c. 339, §§ 49-52; 73 Del. Laws, c. 82, § 21; 76 Del. Laws, c. 145 § § 11-16; 77 Del. Laws, c. 14, § § 12, 13.)

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