

Proxy Contest Background

- In December 2020, following extensive consideration of a range of potential strategic alternatives and months of negotiations, the Company entered into a merger agreement with Lockheed Martin, pursuant to which the Company would merge with and into Lockheed Martin in exchange for consideration of, among other things, \$56.00 per share (inclusive of a \$5.00 per share cash special one-time dividend that was paid in March 2021). In all, the merger consideration totaled approximately \$4.4 billion. Stockholders, including Steel Partners, voted to approve the merger on March 9, 2021.
- In Fall 2021, information received by the Board indicated Mr. Lichtenstein was working to undermine the transaction, denigrating Company management and intending to seize control if the Lockheed Martin merger failed. These allegations, if validated, could put in question Mr. Lichtenstein's fitness to continue serving as a Company director. The reports were particularly troubling given that Mr. Lichtenstein voted as a director to recommend the transaction to stockholders, a decision that required him to conclude the transaction was in the best interest of the Company and its stockholders.
- In September 2021, the six non-executive directors on the Company's Board, **including the three Lichtenstein allies**, sent him a written directive to cease and desist from communicating with third parties about the merger and Company's executive management. The same six directors later approved an internal investigation into Mr. Lichtenstein's conduct, to be conducted by external independent counsel.
- On January 21, 2022, Mr. Lichtenstein called a special Board meeting to be held three days later on January 24. When Ms. Drake wrote to Mr. Lichtenstein (copying the entire Board) and inquired into the agenda and purpose for the special meeting, Mr. Lichtenstein informed her that the meeting was to discuss the slate of directors for the Company's 2022 annual meeting in the event the transaction with Lockheed Martin failed to close. We are not aware of any effort by Mr. Lichtenstein, or by any Steel Partners Director, before the January 24 special meeting to confer with Aerojet's Corporate Governance & Nominating Committee—the committee responsible for evaluating and making a recommendation on the Company's director nominees.
- One hour before the January 24 special meeting was set to begin, Mr. Lichtenstein circulated an agenda, including proposed resolutions fixing the latest date for the Company's 2022 annual meeting as May 4, 2022 and establishing the director slate on which stockholders would be asked to vote. Mr. Lichtenstein's proposed slate included all of the Company's current directors *except* Mr. Corcoran—the director supervising the ongoing investigation into Mr. Lichtenstein's alleged misconduct.
- By proposing that the Board nominate all of the Company's current directors, except Mr. Corcoran, Mr. Lichtenstein's proposal, if approved by the Board and supported by the stockholders at the annual meeting, would give him and his faction 4-3 voting control of the Board following the annual meeting, and would have the effect of removing the sole director supervising the internal investigation of Mr. Lichtenstein's conduct on behalf of the non-executive members of the Board.
- Upon receipt of Mr. Lichtenstein's agenda and proposed resolutions, Ms. Drake wrote to Mr. Lichtenstein (copying the entire Board) and informed Mr. Lichtenstein that it was

not consistent with the Board's nomination processes and procedures to select a Board slate before Aerojet's regularly scheduled February Board meeting (at which this topic would ordinarily be considered) and before the slate formally recommended by the Corporate Governance & Nominating Committee.

- In light of the Board's delegation of these governance responsibilities and duties to the Corporate Governance & Nominating Committee, Ms. Drake requested in writing to Mr. Lichtenstein (copying the entire Board) that the issue of director nominees be tabled until the February Board meeting. Mr. Lichtenstein never responded.
- Rather than adhere to the Company's well-established nomination process, Mr. Lichtenstein attempted to circumvent the Corporate Governance & Nominating Committee (and its procedures) to ensure that he would have a seat on the Board regardless of the outcome of the ongoing internal investigation into his conduct. In addition, the Company's then-general counsel (who regularly attends Board meetings and takes minutes for Company board meetings) was excluded from the meeting by Mr. Lichtenstein.
- The January 24 special meeting began with all the members of the Board in attendance by telephone except Mr. Corcoran (who was only in attendance for part of the meeting). Mr. Lichtenstein explained to the Board that he wanted to pass the following resolution that same day:

RESOLVED, that in the event Aerojet's merger with Lockheed Martin does not close for any reason by the 2022 annual meeting of stockholders (the "Annual Meeting"), Aerojet's slate of director candidates for election at the Annual Meeting will be fixed at seven (7) individuals comprised of General Kevin P. Chilton, James R. Henderson, Warren G. Lichtenstein, General Lance W. Lord, Audrey A. McNiff, Martin Turchin and Eileen P. Drake.

- As previously noted, this proposed director slate included all of the current Board members except Mr. Corcoran, the director supervising the ongoing internal investigation into Mr. Lichtenstein on behalf of the non-executive board members who authorized the investigation.
- Following discussion of the resolution, Mr. Corcoran joined the call to explain that Mr. Lichtenstein had urged him to agree not stand for reelection at the 2022 annual meeting. Gen. Chilton, Mr. Corcoran, Ms. Drake, and Gen. Lord then informed Mr. Lichtenstein that they would vote against his proposed resolution which appeared to be an attempt to guarantee Mr. Lichtenstein's re-nomination to Aerojet's Board given, among other reasons, Mr. Lichtenstein's disregard of the Company's ordinary corporate governance processes and procedures for nominating directors.
- Once it became clear that Mr. Lichtenstein would not have enough votes to pass the resolution, he decided to move the vote on his proposal to another special meeting of the Board that he intended to call on Thursday, January 27, 2022, and asked everyone to reconsider voting for his proposed resolutions.
- On January 26, 2022, Mr. Lichtenstein once again disregarded the Company's established processes and procedures for nominating directors, and e-mailed the

Board an agenda for another special Board meeting to be held the next day. The agenda included approving the Company's director slate for the 2022 annual meeting and approving a letter agreement with Steel Partners, a stockholder of the Company that is controlled by Mr. Lichtenstein, concerning his proposed director slate (the "Letter Agreement"). The Letter Agreement sought a binding agreement between the Company and Steel Partners that in the event the merger with Lockheed Martin did not close, as we believe Mr. Lichtenstein desired, Aerojet's director slate for the 2022 annual meeting would be comprised of Gen. Chilton, Ms. Drake, Mr. Henderson, Mr. Lichtenstein, Gen. Lord, Ms. McNiff, and Mr. Turchin (which again excluded Mr. Corcoran). In exchange, Steel Partners would agree not to nominate its own slate of director candidates for election at the 2022 annual meeting under the Company's advance notice bylaw.

- Mr. Lichtenstein subsequently canceled the January 27 special meeting when, in our belief, he learned that he would not have the necessary votes to push through his agenda.
- On January 28, 2022, one day later and approximately one week before the end of the window of stockholder nominations for the 2022 annual meeting of stockholders, Mr. Lichtenstein delivered to the Company documentation purporting to nominate a new slate of directors through an affiliate of Steel Partners. The notice, which was submitted to the Company's Corporate Secretary, nominated a different slate of directors (the "Steel Slate") than Mr. Lichtenstein had previously sought to nominate through his January 24 proposed resolution and January 27 proposed Letter Agreement.
- The Steel Slate included Mr. Lichtenstein and the other directors having ties to Steel Partners—Mr. Henderson, Mr. Turchin, and Ms. McNiff—along with three new director candidates—Heidi Wood, Aimee Nelson, and Joanne Maguire. Notably, the Steel Slate excluded the Company's CEO, Ms. Drake and the three independent directors that days earlier had indicated that they would refuse to approve Mr. Lichtenstein's proposal seeking to guarantee his nomination at the 2022 annual meeting regardless of the outcome of the ongoing internal investigation.
- Over the course of the weekend of January 29–30, 2022, the Incumbent Directors tried to negotiate an agreement to avert a costly and time-consuming proxy contest by offering to delay the annual meeting or otherwise provide additional time for stockholders, including Steel Partners, to nominate directors for the 2022 annual meeting. However, Mr. Lichtenstein would not agree to any resolution that did not immediately and absolutely guarantee a seat on the Board for either himself or a Steel Partners' representative, regardless of the outcome of the ongoing investigation into his conduct.
- On February 1, 2022, eleven days after Mr. Lichtenstein called the first special board meeting seeking to remove Mr. Corcoran from the Company's slate of nominees, Steel Partners and Mr. Lichtenstein finally filed an amendment to their Schedule 13D, disclosing Steel Partner's January 28 notice nominating the Steel Slate. The 13D

amendment failed to disclose any of the efforts on the part of Mr. Lichtenstein to take control of the Board during the prior week.

- On February 7, 2022, the Steel Partners Directors filed suit in the Court of Chancery of the State of Delaware seeking that the Board be barred from playing its traditional role of (a) nominating a board slate, (b) soliciting proxies on behalf of the slate and (c) protecting the enterprise and the election process from threats.
- On February 11, 2022, the Incumbent Directors filed suit against the Steel Partners Directors and Steel Partners in the Court of Chancery of the State of Delaware seeking, among other things, an order appointing a special committee of the Company's Board, consisting of General Chilton, Mr. Corcoran, and General Lord, to manage the Company's response to the proxy contest launched by Steel Partners, Mr. Lichtenstein and his nominees in light of the Board's deadlock regarding the annual election, or, alternatively, appointing a custodian to break the deadlock.
- In light of the filing of their lawsuit against the Steel Partners Directors and Steel Partners, the Incumbent Directors sought that the court hold a trial in May 2022 to allow for it to occur prior to the annual meeting to occur in either May or June, at the latest. Steel Partners sought a trial date in July 2022, after the annual meeting.
- On February 13, 2022, Lockheed Martin delivered notice of termination of the merger agreement with the Company.
- At a February 15, 2022 hearing on a motion for a temporary restraining order, the Delaware Court of Chancery granted the Steel Directors' motion providing that no director, officer employee, advisor or agent of the Company or anyone acting in concert with them shall, absent written Board approval, make or issue (i) any public statement, press release, or disclosure pertaining to the proxy contest in the name of the Company, but may do so in their individual capacity, or (ii) take action on behalf of the Company or use Company resources to support any candidate. Since the window for director nominations had already closed, in its written order issued on February 23, 2022, the Delaware Court of Chancery provided that the Incumbent Directors would have five days (until February 28, 2022) to submit an alternative slate of director nominees for the 2022 annual meeting of stockholders.
- On February 25, 2022 the Court of Chancery entered an order scheduling a trial to be held on May 23-25, 2022. The Court also asked that "If the annual meeting is not occurring in June 2022 as expected, the parties should inform the court as soon as possible."
- On the morning of February 28, 2022, **after** the Court had set the May trial date, a representative of Mr. Lichtenstein delivered to a representative of Ms. Drake the following e-mail (emphasis added):

Ray:

I understand that the Company's annual meetings have typically occurred in early May. By way of example, the 2019 annual meeting occurred on May 9, the 2020 annual meeting occurred on May 6, and the 2021 annual meeting

*occurred on May 5. **We believe the Company should stick as closely as possible to the traditional schedule.** Because our trial is scheduled for May 23-25, 2022, and because the Court believes the trial should occur before the 2022 annual meeting, **we think the meeting should occur in early June at the latest.** We believe the Board should take up this issue as soon as possible given the Court's request that we report "as soon as possible" "[i]f the annual meeting is not occurring in June 2022 as expected." Let me know if it would be helpful to discuss.*

Tom

- On the evening of February 28, 2022, Ms. Drake, in her capacity as a stockholder of the Company, delivered to the Company a notice of nomination of each of the eight Participants for election as directors of the Company at the 2022 annual meeting of stockholders (the "Independent Slate"). The Independent Slate is composed of Eileen P. Drake, General Kevin P. Chilton, USAF (Ret.), General Lance W. Lord, USAF (Ret.), Thomas A. Corcoran, Gail Baker, Marion C. Blakey, Charles F. Bolden and Deborah Lee James. If Ms. Drake had not submitted an alternative slate of director nominees by that date, the Steel Slate would have been the only slate that could have been voted on by stockholders at the 2022 annual meeting.
- On March 1, 2022, a representative of Ms. Drake proposed to a representative of Mr. Lichtenstein that, among other things, (1) all parties agree that the litigation be stayed and (2) that the Board of Directors schedule an annual meeting for May 3, 2022.
- On March 3, 2022, a representative of Mr. Lichtenstein responded back to a representative of Ms. Drake, noting that "We are not willing to stay the litigation at this time. In light of the fact that the Court has set the trial for May 23-25, 2022 and expects the trial to occur before the 2022 annual meeting, **we believe the annual meeting should occur during the week of May 30 - June 3.** We believe the record date should be in the first week of April" (emphasis added).
- On March 5, 2022, a representative of Ms. Drake suggested to a representative of Mr. Lichtenstein that the parties schedule an annual meeting on May 5, 2022.
- On March 6, 2022, a representative of Mr. Lichtenstein responded back suggesting that, subject to various assurances, they had "no objection to a proposed record date of April 4, provided it precedes the annual meeting by at least forty-five days, so that the proxy contestants have sufficient time to solicit."
- On March 7, 2022, the Incumbent Directors dismissed without prejudice the lawsuit they had previously filed in the Court of Chancery of Delaware in order to avoid further litigation and move expeditiously towards an annual meeting of stockholders.
- On April 5, 2022, Mr. Lichtenstein delivered notice to the Company of his filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 disclosing a present good faith intention to acquire between \$202 million and \$1.0098 billion in Company voting securities.

- On April 9, 2022, the Incumbent Directors proposed to the Steel Partners directors the setting of a record date for the annual meeting of April 21, 2022, and a meeting date of May 27, 2022. The Steel Partners Directors did not agree, or make a counter-proposal.
- On April 20, 2022, a representative of Mr. Lichtenstein notified the Independent Directors that his client “is not willing to support a meeting date sooner than thirty days **after the Court’s ruling**” (emphasis added). This could result in the 2022 annual meeting occurring no earlier than July 2022, and potentially as late as September 2022.
- Also on April 20, the Independent Directors (General Chilton, Mr. Corcoran and General Lord) and Ms. Drake filed a Counterclaim in the Delaware litigation alleging, among other things, that: (a) Mr. Lichtenstein and the other directors affiliated with Steel Partners have a fiduciary obligation to recuse themselves on votes on matters in which Steel Partners and Mr. Lichtenstein have a conflict of interest; (b) Mr. Lichtenstein has a conflict of interest with respect to matters relating to Steel Partners’ proxy solicitation and potential stock purchase; (c) the other directors affiliated with Steel Partners share Mr. Lichtenstein’s conflict of interest; and (d) those directors are violating their fiduciary duties by failing to abstain from votes in which they have a conflict of interest and, by doing so, preventing the Board from acting independently to protect stockholder interests. The Counterclaim further alleges that Mr. Lichtenstein and the other Steel Partners-affiliated directors have conflicts of interest because Mr. Lichtenstein stands to lose millions of dollars in annual compensation he has earned as Executive Chairman if he is not reelected to the Board, and because Steel Partners’ proxy fight is receiving an unfair advantage by virtue of the Board deadlock.
- On Friday, April 22, 2022, we publicly announced our intention to seek to call the special meeting for June 21, 2022, and filed preliminary solicitation materials with the Securities and Exchange Commission.
- Two days later, on Sunday, April 24, 2022, Mr. Lichtenstein reversed course and had his counsel deliver a letter to our counsel that stated “Mr. Lichtenstein will support convening the Annual Meeting on June 27, **provided the trial concludes on May 27 as currently scheduled**” (emphasis added).
- On April 26, 2022, Mr. Lichtenstein issued a press release announcing a proposal that the annual meeting take place on June 27, 2022, provided the Court trial has concluded 30 days earlier. In a now-familiar pattern, Mr. Lichtenstein conveniently omitted to disclose that before we announced our intent to call the special meeting, he had rejected our proposal to hold the meeting on that date. Further, he still is unwilling to provide an unconditional date for the annual meeting, as his proposal requires that the trial must be concluded 30 days before the meeting.
- On April 27, 2022, Mr. Lichtenstein and Steel Partners filed a complaint in the United States District Court for the Central District of California naming us as defendants. The complaint alleges that the preliminary consent statement filed by us on April 22, 2022, and other contemporaneous materials disseminated by us to the stockholders of the Company, contain false and misleading statements in violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9. The Complaint seeks injunctive and declaratory

relief. We disagree with the Complaint and the claims therein. However, on April 29, 2022, we filed with the SEC a copy of Mr. Lichtenstein's complaint so that stockholders can review, assess the merits and make an informed decision on their own. You can obtain a copy of Mr. Lichtenstein's complaint for free at the SEC's website (<https://www.sec.gov/Archives/edgar/data/0000040888/000119312522133438/d315943ddf14a.htm>).