

PECO II & Lineage FAQ

1. Q: What is being announced?

A: Lineage Power Holdings, Inc., a Gores Group company and the first name in power, announced it has completed the acquisition of PECO II, Inc. Under the terms of the merger agreement approved by shareholders, Lineage has acquired all of the outstanding shares of PECO II, based on a price of \$5.86 per share in cash.

2. Q: When is the technology roadmap expected to be available?

A: Our immediate focus is to engage with our customers to develop a joint technology roadmap that delivers leading products, rapid availability and the industry's best customer experience. We will communicate as openly and as frequently as possible as roadmap plans are finalized in collaboration with our customers.

Lineage Power and PECO II products already co-exist in many customer environments. We expect customers will be able to extend their existing investment in one product line to the other. For example, we will deliver cost-effective modules for the PECO II installed base of energy systems that lower utility and cooling expenses with Lineage Total Efficiency™ technology.

While we are exploring opportunities to build a more powerful joint solution set - it is also an important reminder that each product portfolio is well respected for its individual reliability and management capabilities. Ultimately, the driver in all of our decisions will be the needs of our customers.

3. Q: What are the drivers for the acquisition?

A: The combined company can better serve the installed base and help customers expand for future growth with comprehensive, US-based engineering, product qualification, and support services. Together, our products and nationwide support infrastructure will create one of the largest and most capable professional services organizations for telecom power in North America. The combination of Lineage Power and PECO II is a strategic, complementary fit that creates a stronger and more capable end-to-end energy systems and services provider focused on delivering the industry's leading customer experience. Combining the two companies' strengths should expand our ability to deliver cost-effective, reliable and energy-efficient power solutions for telecom central offices, mobile switching centers, outside plant, data centers and cell sites. Together, our US-based engineering, design, qualification, and professional services thought leaders will deliver solutions purpose-built to exceed rigorous North American telecom standards, backed by decades of proven product strength and a Bell Labs heritage of innovation.

4. Q: What should customers expect?

A: Customers can continue to invest in the current products from both PECO II and Lineage Power. Continuous supply of both product portfolios is expected to remain unchanged. Existing contract terms remain unchanged. Lineage customers can benefit from an expanded product and services portfolio; battery distribution fuse bay (BDFB/BDCBB) products; and leading power inverter solutions. PECO II customers can benefit from Lineage Power's extensive North American engineering and product qualification infrastructure; and Total Efficiency™ architecture that recaptures energy loss and lowers cooling requirements to reduce greenhouse gas emissions and achieve sustainability objectives. Together, our products and nationwide service infrastructure will create one of the largest and most capable professional services organizations for telecom power in North America. Customers can optimize power plant sourcing while reducing utility and cooling costs to help scale optical, wireless and broadband networks at lower relative costs. An expanded global manufacturing scale will provide world-class quality and delivery at competitive prices.

5. Q: What changes should be expected by customers?

A: It is expected that the engineering, professional services, sales, solution engineering, support and training resources you work with every day will continue to support you and your installed base of products. We remain committed to investing in research and development to deliver new products. The engineers at Lineage and PECO II are the best in the industry, responsible for hundreds of global patents and unique planning and design services expertise that ensures every system installed leverages existing infrastructure investments while optimizing future performance and capacity. No changes are anticipated to the support, marketing or selling of particular PECO II or Lineage Power products. We envision leveraging best practices from both organizations to ensure the industry's best customer experience. Ultimately, the driver in all of our decisions will be the needs of our customers. Existing service, maintenance, warranty and support contract terms remain unchanged.

6. Q: Who should customers and partners contact for technical support?

A: Service, maintenance, warranty and support contract terms remain unchanged. PECO II customers and partners should contact PECO II for 24-hour service and support at 1-888-317-1216. Lineage Power customers should contact Lineage Power for service and support at 877-LINEAGE or +1 972 244 9288. It is expected that the combined company can better serve the installed base and help customers expand for future growth with comprehensive, US-based engineering, product qualification, and services support.

7. Q: What changes should be expected by partners?

A: In the near term, technology partners and channel partners of PECO II and Lineage Power should expect no changes. We will be working through the details over the coming months on how best to leverage this unique opportunity to the benefit of customers, partners and employees. We will communicate as openly and as frequently as possible as new information becomes available.

8. Q: What changes should be expected by employees?

A: In the near term, employees of PECO II and Lineage Power should expect no changes. There is nothing more important than our customers. Together, Lineage Power and PECO II employees will remain focused on delivering the industry's best customer experience, built on a foundation of great products, reliable service, and world-class operations. PECO II's high standards for customer responsiveness, service quality and easy-to-use energy systems are strengthened with Lineage's global scale and technology. We will communicate as openly and as frequently as possible as new information becomes available.

9. Q: Who is PECO II?

A: PECO II, headquartered in Galion, Ohio, provides engineering and on-site installation services and designs, manufactures, and markets communications power systems and power distribution equipment. As the largest independent full-service provider of telecommunications power systems, PECO II provides total power quality and reliability solutions, and supports the power infrastructure needs of communications service providers in the local exchange, long-distance, wireless, broadband and Internet markets. Additional information about PECO II can be found at www.peco2.com.

10. Q: Who is Lineage Power?

A: Lineage Power, a Gores Group company, traces its 95+ year heritage of patented innovation to AT&T, Bell Labs, Lucent Technologies and Western Electric. The first name in power, Lineage delivers reliable and intelligent power conversion solutions with energy efficient AC-DC power supplies, DC-DC board-mounted power modules, telecom energy systems, and custom power products backed by local field expertise in 25+ locations worldwide. Designed for decades of non-stop operation, the high-availability DC power conversion solutions enable voice, video and data communications while assuring investment protection, total system efficiency, and significantly reduced total cost of ownership. More information about Lineage hardware, software, services and training is available at www.lineagepower.com.

11. Q: Who is The Gores Group?

A: Founded in 1987 by Alec E. Gores, The Gores Group, LLC is a private equity firm focused on acquiring controlling interests in mature and growing businesses which can benefit from the firm's operating experience and flexible capital base. The firm combines the operational expertise and detailed due diligence capabilities of a strategic buyer with the seasoned M&A team of a traditional financial buyer. The Gores Group, LLC has become a leading investor having demonstrated over time a reliable track record of creating substantial value in its portfolio companies alongside management. The firm's current private equity fund has committed equity capital of \$2.7 billion. Headquartered in Los Angeles, California, The Gores Group, LLC maintains offices in Boulder, Colorado and London. For more information, please visit www.gores.com.

Additional Information and Where to Find It

In connection with the acquisition of PECO II by Lineage, PECO II intends to file relevant materials with the SEC, including its proxy statement on Schedule 14A. **Shareholders and investors are advised to read all relevant documents filed with the SEC, including the proxy statement, because they contain important information about the transaction.** Shareholders and investors may obtain a free copy of the proxy statement and other documents filed by PECO II with the SEC at the SEC's website at www.sec.gov. Free copies of the proxy statement and [PECO II's other filings with the SEC](#), may be obtained by directing a written request to PECO II, Inc., Attention: Jocelyn Koozer, 1376 State Route 598, Galion, Ohio 44833.