

ESTERLINE TECHNOLOGIES CORP
Form PREM14A
November 07, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

ESTERLINE TECHNOLOGIES CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock, par value \$0.20 per share, of Esterline Technologies Corporation

(2) Aggregate number of securities to which transaction applies:

As of November 1, 2018, (A) 29,488,510 shares of common stock issued and outstanding, (B) 1,159,780 shares of common stock underlying options to purchase common stock with exercise prices below the per-share merger consideration of \$122.50, (C) 128,040 shares of common stock underlying options to purchase common stock pursuant to the Company SAYE Scheme with exercise prices below the per-share merger consideration of \$122.50, (D) 100,627 shares of common stock subject to restricted stock units (vested and unvested) and (E) 38,108 shares of common stock subject to performance-based stock units (vested and unvested).

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Solely for purposes of calculating the filing fee, the underlying value of the transaction was calculated based on the sum of: (A) 29,488,510 shares of common stock multiplied by \$122.50, (B) 1,159,780 shares of common stock underlying options to purchase common stock with exercise prices less than \$122.50 multiplied by \$41.22 (which is the difference between the merger consideration and the weighted average exercise price of \$81.28 per share), (C) 128,040 shares of common stock underlying options to purchase common stock pursuant to the Company SAYE Scheme with exercise prices less than \$122.50 multiplied by \$48.82 (which is the difference between the merger consideration and the weighted average exercise price of \$73.68 per share), (D) 100,627 shares of common stock subject to restricted stock unit awards (vested and unvested) multiplied by \$122.50 and (E) 38,108 shares of common stock subject to performance-based stock unit awards (vested and unvested) multiplied by \$122.50.

(4) Proposed maximum aggregate value of transaction:

\$3,683,394,557.

(5) Total fee paid:

\$446,427.42. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was calculated by multiplying 0.0001212 by the proposed maximum aggregate value of the transaction of \$3,683,394,557.

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

DATED NOVEMBER 7, 2018

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

[], 2018

To the Shareholders of Esterline Technologies Corporation:

You are cordially invited to attend a Special Meeting of Shareholders (the Special Meeting) of Esterline Technologies Corporation, a Delaware corporation (ESL), which is scheduled to be held at [] on [], 2018, at [] time.

At the Special Meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of October 9, 2018 and amended on October 10, 2018 (as it may be further amended from time to time, the Merger Agreement), by and among ESL, TransDigm Group Incorporated, a Delaware corporation (TransDigm), and Thunderbird Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of TransDigm (Merger Sub). Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into ESL, with ESL surviving the merger as a wholly owned subsidiary of TransDigm (the Merger). You also will be asked to consider and vote on (i) a non-binding advisory proposal to approve compensation that will or may become payable by ESL to its named executive officers in connection with the merger and (ii) a proposal to approve one or more adjournments of the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.

If the Merger is completed, you will be entitled to receive \$122.50 in cash, without interest and subject to any withholding taxes, for each share of our common stock, par value \$0.20, which we refer to as ESL common stock, you own (unless you have properly exercised and perfected your appraisal rights with respect to such shares), which represents a premium of approximately (i) 62% to the closing stock price of ESL common stock on July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL, (ii) 22% to the highest stock price of ESL common stock during the fifty-two (52) week period ended July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL, (iii) 67% to the volume weighted average stock price of ESL common stock during the thirty (30) days ended July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL, (iv) 38% to the closing stock price on October 8, 2018, the last trading day prior to the announcement of the execution of the Merger Agreement and (v) 57% to the broker median price per share as of October 8, 2018, per IBES consensus.

The receipt of cash in exchange for shares of ESL common stock pursuant to the Merger will generally be a taxable transaction to U.S. holders (as defined in Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger) for United States federal income tax purposes. See Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 60 of the accompanying proxy statement.

Shareholders who do not vote in favor of the proposal to adopt the Merger Agreement will have the right to seek appraisal of the fair value of their shares of ESL common stock if they deliver a demand for appraisal before the vote is taken on the Merger Agreement and comply with all applicable requirements under Delaware law, which are summarized and reproduced in their entirety in Annex C to the accompanying proxy statement.

ESL's Board of Directors, after considering the reasons more fully described in this proxy statement and after consultation with outside legal and financial advisors, unanimously (1) determined that it is in the best interests of ESL and its shareholders and declared it advisable for ESL to enter into the Merger Agreement, (2) approved the execution, delivery and performance by ESL of the Merger Agreement and the consummation of the Merger and the other transactions contemplated by the Merger Agreement, (3) directed that the adoption of the Merger Agreement be submitted to a vote of ESL's shareholders at the Special Meeting and (4) resolved to recommend that the ESL shareholders approve the adoption of the

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Merger Agreement and the transactions contemplated therein, including the Merger. The Board of Directors recommends that you vote:

- (i) FOR the proposal to adopt the Merger Agreement, thereby approving the transactions contemplated by the Merger Agreement, including the Merger;**
- (ii) FOR the proposal to approve, by a non-binding, advisory vote, compensation that will or may become payable by ESL to its named executive officers in connection with the Merger; and**
- (iii) FOR the proposal to approve one or more adjournments of the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting.**

The enclosed proxy statement provides detailed information about the Special Meeting, the Merger Agreement and the Merger. A copy of the Merger Agreement is attached as Annex A to the proxy statement. The proxy statement also describes the actions and determinations of our Board of Directors in connection with its evaluation of the Merger Agreement and the Merger. We encourage you to read the proxy statement and its annexes, including the Merger Agreement, carefully and in their entirety. You may also obtain more information about ESL from documents we file with the Securities and Exchange Commission from time to time.

Whether or not you plan to attend the Special Meeting in person, please complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the Internet or by telephone. If you attend the Special Meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you hold your shares in street name, you should instruct your broker, bank or other nominee how to vote in accordance with the voting instruction form you will receive from your broker, bank or other nominee.

Your vote is very important, regardless of the number of shares that you own. We cannot complete the Merger unless the proposal to adopt the Merger Agreement is approved by the affirmative vote of the holders of a majority of the outstanding shares of ESL common stock. The failure of any shareholder to vote in person by ballot at the Special Meeting, to submit a signed proxy card or to grant a proxy electronically over the Internet or by telephone will have the same effect as a vote AGAINST the proposal to adopt the Merger Agreement. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote AGAINST the proposal to adopt the Merger Agreement.

If you have any questions or need assistance voting your shares of ESL common stock, please contact MacKenzie Partners, Inc., our proxy solicitor, by calling toll-free at (800) 322-2885 or collect at (212) 929-5500.

On behalf of our Board of Directors, I thank you for your support and appreciate your consideration of this matter.

Sincerely,

Curtis C. Reusser
Chairman, President and Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved of the transactions described in this document, including the Merger, or determined if the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated [], 2018 and, together with the enclosed form of proxy card, is first being mailed to shareholders of ESL on or about [], 2018.

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

DATED NOVEMBER 7, 2018

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2018

Notice is hereby given that a special meeting of shareholders (the Special Meeting) of Esterline Technologies Corporation, a Delaware corporation (ESL), is scheduled to be held at [] on [], 2018, at [] time for the following purposes:

1. To consider and vote on the proposal to adopt the Agreement and Plan of Merger, dated as of October 9, 2018 and amended on October 10, 2018 (as it may be further amended from time to time, the Merger Agreement), by and among ESL, TransDigm Group Incorporated, a Delaware corporation (TransDigm), and Thunderbird Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of TransDigm (Merger Sub), a copy of which is attached as Annex A to the proxy statement accompanying this notice (the Merger Proposal);
2. To consider and vote on the proposal to approve, by means of a non-binding, advisory vote, compensation that will or may become payable by ESL to its named executive officers in connection with the Merger contemplated by the Merger Agreement (the Merger-Related Compensation Proposal); and
3. To consider and vote on the proposal to approve one or more adjournments of the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Merger Agreement at the time of the Special Meeting (the ESL Adjournment Proposal).

Your vote is very important to us. The Merger is conditioned on the receipt of, and we cannot consummate the Merger unless the Merger Proposal receives, the affirmative vote of a majority of the outstanding shares of ESL common stock entitled to vote at the Special Meeting.

ESL will transact no other business at the Special Meeting.

The affirmative vote of a majority of the shares of ESL common stock outstanding and entitled to vote is required to approve the Merger Proposal. The affirmative vote of a majority of the votes cast at the Special Meeting is required to approve the Merger-Related Compensation Proposal, provided a quorum is present. The affirmative vote of a majority of the votes cast at the Special Meeting is required to approve the ESL Adjournment Proposal, whether or not a quorum is present.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the Special Meeting will have the same effect as a vote **AGAINST** the Merger Proposal, but will not have any effect on the ESL Adjournment Proposal or the Merger-Related Compensation

Proposal. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote **AGAINST** the Merger Proposal, but will not have any effect on the Merger-Related Compensation Proposal or the ESL Adjournment Proposal. Abstentions will have the same effect as a vote **AGAINST** the Merger Proposal, the ESL Adjournment Proposal and the Merger-Related Compensation Proposal.

Only shareholders of record as of the close of business on [] are entitled to notice of the Special Meeting and to vote at the Special Meeting or at any adjournment or postponement thereof. A list of shareholders entitled to vote at the Special Meeting will be available in our offices located at 500 108th Avenue N.E., Bellevue, Washington 98004 during regular business hours for a period of at least ten (10) days before the Special Meeting and at the place of the Special Meeting during the meeting.

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Shareholders who do not vote in favor of the proposal to adopt the Merger Agreement will have the right to seek appraisal of the fair value of their shares of ESL common stock if they deliver a demand for appraisal before the vote is taken on the Merger Agreement and comply with all applicable requirements under Delaware law, which are summarized herein and reproduced in their entirety in Annex C to the accompanying proxy statement.

The Board of Directors recommends that you vote (i) FOR the Merger Proposal, (ii) FOR the Merger-Related Compensation Proposal and (iii) FOR the ESL Adjournment Proposal.

By Order of the Board of Directors,

Amy L. Watson
*Deputy General Counsel and Corporate
Secretary*

Dated: [], 2018

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YOUR VOTE IS IMPORTANT

WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, WE ENCOURAGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE, (2) THROUGH THE INTERNET OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. You may revoke your proxy or change your vote at any time before the special meeting. If your shares are held in the name of a broker, bank or other nominee, please follow the instructions on the voting instruction card furnished to you by such broker, bank or other nominee, which is considered the shareholder of record, in order to vote. As a beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares in your account. Your broker, bank or other nominee cannot vote on any of the proposals, including the proposal to adopt the Merger Agreement, without your instructions.

If you fail to return your proxy card, to grant your proxy electronically over the Internet or by telephone, or to vote by ballot in person at the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. If you are a shareholder of record, voting in person by ballot at the special meeting will revoke any proxy that you previously submitted. If you hold your shares through a broker, bank or other nominee, you must obtain from the record holder a valid proxy issued in your name in order to vote in person at the special meeting.

We encourage you to read the accompanying proxy statement, including all documents incorporated by reference into the accompanying proxy statement, and annexes to the accompanying proxy statement, carefully and in their entirety. If you have any questions concerning the merger, the special meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

1407 Broadway

New York, NY 10018

(800) 322-2885 (toll-free)

(212) 929-5500 (collect)

proxy@mackenziepartners.com

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SUMMARY

*This summary highlights selected information from this proxy statement related to the merger. This summary may not contain all of the information that is important to you. To understand the merger more fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement, the annexes to this proxy statement, including the merger agreement, and the documents incorporated by reference in this proxy statement. You may obtain the documents and information incorporated by reference in this proxy statement without charge by following the instructions under the section entitled *Where You Can Find More Information* beginning on page 101. The merger agreement is attached as Annex A to this proxy statement. Information about appraisal rights is attached as Annex C to this proxy statement.*

Except as otherwise specifically noted in this proxy statement or as the context otherwise requires, ESL, the Company or we, our, us and similar words in this proxy statement refer to Esterline Technologies Corporation including, in certain cases, its subsidiaries. Throughout this proxy statement we refer to TransDigm Group Incorporated as TransDigm and to Thunderbird Merger Sub Inc. as Merger Sub. In addition, throughout this proxy statement we refer to the Agreement and Plan of Merger, dated as of October 9, 2018 and amended on October 10, 2018, as it may be further amended from time to time, among ESL, TransDigm and Merger Sub, as the merger agreement. All references to the merger refer to the merger of Merger Sub with and into ESL with ESL surviving as a wholly owned subsidiary of TransDigm. ESL, following completion of the merger, is sometimes referred to in this proxy statement as the surviving corporation.

Parties Involved in the Merger (page 30)

Esterline Technologies Corporation

Esterline Technologies Corporation is a leading specialized manufacturing company principally serving aerospace and defense customers. We are technologically focused, and design, manufacture and market highly engineered products and systems for application within the industries we serve. ESL operates in three segments structured around our technical capabilities: Avionics & Controls, Sensors & Systems, and Advanced Materials. Our Avionics & Controls business segment produces avionics systems, control and communication systems, and human-machine interface products and technologies. Our Sensors & Systems business segment produces power distribution products and systems, connection technologies and advanced sensors. Our Advanced Materials business segment produces engineered materials and defense technologies.

ESL's principal executive offices are located at 500 10th Avenue N.E., Bellevue, Washington 98004, and its telephone number is (425) 453-9400.

ESL was formed in 1967 and is organized in the State of Delaware. ESL's common stock, par value \$0.20 per share, which we refer to as ESL common stock or our common stock, is currently listed on the New York Stock Exchange, which we refer to as the NYSE, under the symbol ESL.

Additional information about ESL and its subsidiaries is included in documents incorporated by reference in this proxy statement (see *Where You Can Find More Information* beginning on page 101) and on its website: www.esterline.com. The information provided or accessible through ESL's website is not part of, or incorporated by reference in, this proxy statement.

TransDigm Group Incorporated

Through its wholly-owned subsidiaries, TransDigm Group Incorporated is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military

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aircraft in service today. Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seatbelts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices, and cargo loading, handling and delivery systems.

TransDigm's principal executive offices are located at 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114, and its telephone number is (216) 706-2960.

TransDigm is incorporated in the State of Delaware. TransDigm's common stock is currently listed on the NYSE under the symbol TDG.

Additional information about TransDigm and its subsidiaries is included on its website: www.transdigm.com. The information provided or accessible through TransDigm's website is not part of, or incorporated by reference in, this proxy statement.

Thunderbird Merger Sub Inc.

Thunderbird Merger Sub Inc. is incorporated in the State of Delaware and is a wholly owned subsidiary of TransDigm that was formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. Merger Sub's principal executive offices are located at 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114, and its telephone number is (216) 706-2960. Upon completion of the merger, Merger Sub will cease to exist.

Certain Effects of the Merger on ESL (page 31)

Upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into ESL, with ESL continuing as the surviving corporation in the merger and as a wholly owned subsidiary of TransDigm.

Effect on ESL if the Merger is Not Completed (page 31)

If the merger agreement is not adopted by ESL shareholders or if the merger is not completed for any other reason, ESL shareholders will not receive any payment for their shares of ESL common stock. Instead, ESL will remain a public company, ESL's common stock will continue to be listed and traded on the NYSE and registered under the Securities Exchange Act of 1934, which we refer to as the Exchange Act, and ESL will continue to file periodic reports with the U.S. Securities and Exchange Commission, which we refer to as the SEC.

Under certain specified circumstances, ESL will be required to pay TransDigm a termination fee upon the termination of the merger agreement, as described under the section entitled "Proposal 1: Adoption of the Merger Agreement" Terms of the Merger Agreement Termination of the Merger Agreement Termination Fee beginning on page 82.

Merger Consideration (page 65)

If the merger is completed, at the time at which the merger will become effective, which we refer to as the effective time of the merger, and without any action on the part of TransDigm, Merger Sub, ESL or any ESL

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shareholder, each share of ESL common stock issued and outstanding immediately prior to the effective time of the merger (other than (A) shares held (i) in ESL's treasury, (ii) by ESL or any wholly owned subsidiary of ESL or (iii) by TransDigm, Merger Sub or any other direct or indirect wholly owned subsidiary of TransDigm, (B) certain equity awards, the treatment of which is described under the section entitled **Proposal 1: Adoption of the Merger Agreement** **Interests of the Directors and Executive Officers of ESL in the Merger** **Treatment of Company Awards**, beginning on page 53, or (C) shares owned by shareholders who are entitled to demand and have properly exercised and perfected appraisal rights under the General Corporation Law of the State of Delaware, which refer to as the DGCL, and have not failed to perfect, nor effectively withdrawn or lost rights to appraisal under the DGCL, which, in the case of clauses (A) through (C) we refer to collectively as excluded shares), will be converted into the right to receive \$122.50 per share in cash, which we refer to as the merger consideration, without interest and subject to any withholding taxes. All shares, when so converted into the right to receive the merger consideration, will automatically be cancelled and retired and will cease to exist.

As described under the section entitled **Proposal 1: Adoption of the Merger Agreement** **Terms of the Merger Agreement** **Merger Consideration** **Exchange Procedures** beginning on page 66, prior to the effective time of the merger, TransDigm shall deposit, or cause to be deposited, with the designated paying agent, as needed, cash sufficient to pay the merger consideration.

After the merger is completed, under the terms of the merger agreement, you will have the right to receive the merger consideration, but you no longer will have any rights as a ESL shareholder as a result of the merger (except for the right to receive the merger consideration and except that shareholders who properly exercise and perfect their demand for appraisal will instead have such rights as granted by Section 262 of the DGCL, as described under the section entitled **Appraisal Rights** beginning on page 94).

The Special Meeting (page 25)

Date, Time and Place

The special meeting of our shareholders is scheduled to be held at [] on [], 2018, at [] time.

Purpose

At the special meeting, we will ask our shareholders of record as of the close of business on [], which we refer to as the record date, to vote on proposals (i) to adopt the merger agreement, thereby approving the transactions contemplated by the merger agreement, including the merger, which we refer to as the merger proposal, (ii) in accordance with Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, to approve, by means of a non-binding, advisory vote, certain compensation that will or may become payable by ESL to its named executive officers in connection with the completion of the merger, which we refer to as the merger-related compensation proposal, and (iii) to approve one or more adjournments of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting, which we refer to as the adjournment proposal.

Record Date; Shares Entitled to Vote

You are entitled to vote at the special meeting if you owned shares of ESL common stock as of the close of business on the record date. You will have one vote at the special meeting for each share of ESL common stock you owned at the close of business on the record date.

Quorum

As of the record date, there were approximately [] shares of ESL common stock outstanding and entitled to be voted at the special meeting. A quorum of shareholders is necessary to hold a vote for the merger proposal and

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the merger-related compensation proposal at the special meeting. The holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting, either present in person or represented by proxy, will constitute a quorum at the special meeting. As a result, [] shares must be represented by proxy or by shareholders present and entitled to vote at the special meeting to have a quorum.

Required Vote

The affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote is required to approve the merger proposal. Approval of the merger-related compensation proposal requires the affirmative vote of a majority of the votes cast at the special meeting, at which a quorum is present. Approval of the adjournment proposal, whether or not a quorum is present, requires the affirmative vote of a majority of the votes cast at the special meeting.

Share Ownership of ESL Directors and Executive Officers

At the close of business on [], the record date, ESL directors and executive officers beneficially owned and were entitled to vote, in the aggregate, [] shares of ESL common stock (excluding any shares of ESL common stock that would be delivered upon exercise or conversion of stock options or other equity-based awards), which represented approximately []% of the outstanding shares of ESL common stock on that date. It is expected that ESL's directors and executive officers will vote their shares **FOR** the adoption of the merger agreement, although none of them has entered into any agreement requiring them to do so.

Voting of Proxies

Any ESL shareholder of record entitled to vote at the special meeting may submit a proxy by returning a signed proxy card by mail or voting electronically over the Internet or by telephone, or may vote in person by appearing at the special meeting. If your shares are held in a brokerage account at a brokerage firm, bank, broker-dealer, or similar organization, then you are the beneficial owner of shares held in street name, and you should instruct your broker, bank or other nominee on how you wish to vote your shares of ESL common stock using the instructions provided by your broker, bank or other nominee. Under applicable stock exchange rules, if you fail to instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee only has discretion to vote your shares on routine matters. Proposals 1, 2 and 3 in this proxy statement are non-routine matters, and brokers, banks and other nominees therefore cannot vote on these proposals without your instructions. Therefore, it is important that you cast your vote or instruct your broker, bank or other nominee on how you wish to vote your shares.

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy, signing another proxy card with a later date and returning it to us prior to the special meeting or attending the special meeting and voting in person. If you hold your shares of ESL common stock in street name, you should contact your broker, bank or other nominee for instructions regarding how to change your vote.

Recommendation of Our Board of Directors and Reasons for the Merger (page 40)

The board of directors of ESL, which we refer to as the Board of Directors, after considering various factors described herein and after consultation with outside legal and financial advisors, unanimously (1) determined that it is in the best interests of ESL and its shareholders, and declared it advisable, for ESL to enter into the merger agreement, (2) approved the execution, delivery and performance by ESL of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (3) directed that

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the adoption of the merger agreement be submitted to a vote at the special meeting and (4) resolved to recommend that the ESL shareholders approve the adoption of the merger agreement and the transactions contemplated therein, including the merger.

The Board of Directors unanimously recommends that you vote (i) FOR the merger proposal, (ii) FOR the merger-related compensation proposal and (iii) FOR the adjournment proposal.

Opinion of ESL's Financial Advisor (page 43)

At the meeting at which the Board of Directors voted to approve the proposed merger, Goldman Sachs & Co. LLC, which we refer to as Goldman Sachs, rendered to the Board of Directors its oral opinion, subsequently confirmed in writing, to the effect that, as of October 9, 2018, and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the \$122.50 in cash per share to be paid to the holders (other than TransDigm and its affiliates) of shares of ESL common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 9, 2018, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement as Annex B. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Board of Directors in connection with its consideration of the proposed merger and the opinion does not constitute a recommendation as to how any holder of shares of ESL common stock should vote with respect to the proposed merger or any other matter.

Pursuant to an engagement letter between ESL and Goldman Sachs, ESL has agreed to pay Goldman Sachs a transaction fee of approximately \$38 million, all of which is contingent upon consummation of the proposed merger.

For more information, see the section of this proxy statement entitled "Proposal 1: Adoption of the Merger Agreement" "The Merger" "Opinion of ESL's Financial Advisor" beginning on page 43 and Annex B to this proxy statement.

Financing of the Merger and Treatment of Existing Debt (page 59)

In connection with entering into the merger agreement, TransDigm entered into a commitment letter, dated as of October 9, 2018, with Morgan Stanley Senior Funding, Inc., Credit Suisse Loan Funding LLC and Credit Suisse AG, that provided for a \$3.7 billion senior secured term facility. TransDigm expects to finance the merger through proceeds from such debt financing and cash on hand. However, the merger is not conditioned on TransDigm's ability to obtain any financing.

TransDigm will use, and shall cause its affiliates to use, their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary or advisable to arrange and to obtain the proceeds of the debt financing on terms and conditions no less favorable to TransDigm than those contained in the commitment documents. ESL will use, and shall cause its subsidiaries to use, its and their reasonable best efforts to cooperate with TransDigm prior to closing, as reasonably requested by TransDigm and at TransDigm's sole expense, in connection with TransDigm's arrangement of its debt financing.

All obligations under ESL's existing credit facility with Wells Fargo Bank, National Association, will be repaid at closing by TransDigm. On or prior to the consummation of the merger and at the written request of TransDigm, ESL will send a notice of redemption in compliance with the indenture governing TA Mfg Limited's

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3.625% senior notes due 2023 and take other actions to redeem such notes, so long as such redemption is conditioned on the consummation of the merger and TransDigm has deposited the funds required to redeem such notes.

Treatment of Company Awards (page 53)

The merger agreement provides that ESL's equity awards that are outstanding immediately prior to the effective time of the merger will be subject to the following treatment at the effective time of the merger:

Treatment of Options

At the effective time of the merger, each stock option to purchase shares of ESL common stock (each of which we refer to as a Company Option) granted under any of ESL's equity incentive plans (each of which we refer to as a Company Stock Plan) that is outstanding immediately prior to the effective time, whether vested or unvested, will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) the amount by which \$122.50 exceeds the per-share exercise price of such Company Option, by (ii) the total number of shares of ESL common stock underlying such Company Option, which cash payment will be made within five (5) business days following the effective time. If the per-share exercise price of any such Company Option is equal to or greater than \$122.50, such Company Option will be cancelled as of the effective time without the payment of any consideration.

Treatment of Restricted Stock Units

At the effective time of the merger, each award of restricted stock units that vests solely on the basis of time (each of which we refer to as a Company RSU) granted under a Company Stock Plan that is outstanding immediately prior to the effective time, whether vested or unvested, will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) \$122.50, by (ii) the total number of shares of ESL common stock underlying such Company RSU, which cash payment will be made within five (5) business days following the effective time.

Treatment of Performance Stock Units

At the effective time of the merger, each award of restricted stock units that vests in whole or in part on the basis of the achievement of performance targets (each of which we refer to as a Company PSU) granted under a Company Stock Plan that is outstanding immediately prior to the effective time, whether vested or unvested (treating for this purpose any performance-based vesting condition to which such Company PSU is subject as having been attained at the target level with proration), will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) \$122.50, by (ii) the total number of shares of ESL common stock underlying such Company PSU, which cash payment will be made within five (5) business days following the effective time.

Employee Stock Purchase Plan

With respect to ESL's 2002 Employee Stock Purchase Plan (which we refer to as the Company ESPP), no new offering period will commence, no ESL employee or other person will be permitted to begin participating in the Company ESPP and no current participants will be permitted to increase payroll contributions or make separate non-payroll contributions to the Company ESPP in respect of the current offering period. The offering period in effect on October 9, 2018 will terminate upon the earlier of December 14, 2018 or five (5) trading days

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prior to the effective time of the merger, and amounts credited to the accounts of participants will be used to purchase shares of ESL common stock in accordance with the terms of the Company ESPP, and such shares will be cancelled and converted into the right to receive the per share merger consideration. The Company ESPP will terminate effective immediately prior to the effective time.

Company SAYE Scheme

With respect to ESL's ShareSave Scheme (which we refer to as the Company SAYE Scheme), no new rights to purchase ESL common stock will be issued. Participants will be allowed to exercise their options to purchase ESL common stock (each of which we refer to as the Company SAYE Option) under the Company SAYE Scheme during the twenty (20)-day period leading up to the effective time of the merger in accordance with applicable law. To the extent not exercised, at the effective time of the merger, each Company SAYE Option that is outstanding immediately prior to the effective time, whether vested or unvested, will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) the amount by which \$122.50 exceeds the per-share exercise price of such Company SAYE Option, by (ii) the quotient of (x) the accumulated amount in the participant's Company SAYE Scheme savings account immediately prior to the effective time divided by (y) the per-share exercise price of such Company SAYE Option, which cash payment will be made within five (5) business days following the effective time. If the per-share exercise price of any such Company SAYE Option is equal to or greater than \$122.50, such Company SAYE Option will be cancelled as of the effective time without the payment of any consideration, other than a return of the savings made by the participant in respect of the Company SAYE Option.

Interests of the Directors and Executive Officers of ESL in the Merger (page 53)

When considering the recommendation of the Board of Directors that you vote to approve the proposal to adopt the merger agreement, you should be aware that our directors and executive officers may have interests in the merger that may be different from, or in addition to, your interests as a shareholder. The Board of Directors was aware of and considered these interests to the extent such interests existed at the time, among other matters, in evaluating and overseeing the negotiation of the merger agreement, in approving the merger agreement and the merger and in recommending that the merger agreement be adopted by the shareholders of ESL. These interests generally include, among others, the following:

the treatment of outstanding equity awards described above under the section entitled Summary Treatment of Company Awards beginning on page 6;

the entitlement of ESL's executive officers to receive potential payments and benefits in connection with a qualifying termination of employment on or following the closing date of the merger pursuant to their respective termination protection agreements; and

continued indemnification and directors' and officers' liability insurance to be provided by the surviving corporation for a period of six (6) years from the effective time of the merger.

These interests are described in more detail under Proposal 1: Adoption of the Merger Agreement The Merger Interests of the Directors and Executive Officers of ESL in the Merger beginning on page 53 and Proposal 2: Advisory Vote on Merger-Related Executive Compensation Arrangements beginning on page 85.

If the proposal to adopt the merger agreement is approved by our shareholders and the merger closes, under the terms of the merger agreement, any shares of ESL common stock held by our directors and executive officers, including such shares held following the exercise, vesting or settlement of equity and equity-based awards, will be treated in the same manner as outstanding shares of ESL common stock held by all other shareholders of ESL entitled to receive the merger consideration.

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Appraisal Rights (page 94)

Any shares of ESL common stock that are issued and outstanding immediately prior to the effective time of the merger and as to which the holders thereof do not vote in favor of the adoption of the merger agreement, continuously hold such shares through the effective time of the merger, and properly exercise and perfect appraisal of their shares, which we refer to as dissenting shares, will not be converted into the right to receive the merger consideration. Each holder of dissenting shares will only be entitled to such consideration as may be due with respect to such dissenting shares pursuant to Section 262 of the DGCL. However, if such holder will have effectively withdrawn or lost such holder's right to appraisal under the DGCL, then such shares of ESL common stock will be treated as if they had been converted into and become exchangeable for the right to receive, as of the effective time of the merger, the merger consideration and such shares will not be deemed dissenting shares.

To exercise your appraisal rights, you must (1) not vote in favor of the merger proposal, (2) continuously be the record holder of such shares through the effective time of the merger and (3) otherwise follow the procedures set forth in Section 262 of the DGCL. Your failure to follow the procedures specified under the DGCL will result in the loss of your appraisal rights. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C to this proxy statement. If you hold your shares of ESL common stock through a broker, bank or other nominee and you wish to exercise appraisal rights, you should consult with your broker, bank or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such broker, bank or other nominee. Shareholders should refer to the discussion under the section entitled Appraisal Rights beginning on page 94 and the DGCL requirements for exercising appraisal rights reproduced and attached as Annex C to this proxy statement.

U.S. Federal Income Tax Consequences of the Merger (page 60)

The exchange of ESL common stock for cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. Accordingly, a U.S. holder (as defined in Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 60) of ESL common stock who exchanges shares of ESL common stock for cash in the merger generally will recognize gain or loss in an amount equal to the difference, if any, between the amount of cash received with respect to such shares and the U.S. holder's adjusted tax basis in such shares. If you are a non-U.S. holder (as defined in Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 60), the merger generally will not result in tax to you under U.S. federal income tax laws unless you have certain connections with the United States.

This proxy statement contains a general discussion of U.S. federal income tax consequences of the merger. This description does not address any non-U.S. tax consequences, nor does it pertain to state, local or other tax consequences. Consequently, you are urged to contact your tax advisor to determine the particular tax consequences to you of the merger.

Regulatory Approvals (page 62)

ESL and TransDigm have each agreed, subject to certain limitations set forth in the merger agreement, to use their reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, and assist and cooperate with the other parties in doing, all things necessary to cause the conditions to the closing of the merger to be satisfied as promptly as reasonably practicable and to effect the closing of the merger as promptly as reasonably practical, including obtaining any requisite approvals and complying with regulatory and foreign investment filings, subject to the limitations described on page 76. Required regulatory approvals and filings include antitrust approval under the

Hart-Scott-Rodino Antitrust Improvements Act of 1976, which we refer to as

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the HSR Act, as well as antitrust approvals in certain other jurisdictions, and foreign investment approval under the French *Code monétaire et financier*. Although we expect that all required regulatory clearances and approvals will be obtained, we cannot assure you that these regulatory clearances and approvals will be timely obtained or obtained at all, or that the granting of these regulatory clearances and approvals will not involve the imposition of additional conditions on the completion of the merger, including the requirement to divest assets, or require changes to the terms of the merger agreement. These conditions or changes could result in the conditions to the closing of the merger not being satisfied.

Transaction Litigation (page 78)

ESL will promptly notify TransDigm of any shareholder litigation arising from the merger agreement or the merger, keep TransDigm reasonably informed regarding any such shareholder litigation and give TransDigm the opportunity to participate (at TransDigm's expense) in, and reasonably cooperate with TransDigm in, the defense or settlement of any shareholder litigation against ESL, any of its subsidiaries or any of their representatives, including members of the Board of Directors. ESL will not settle any such shareholder litigation without TransDigm's prior written consent (such consent not to be unreasonably withheld or delayed unless such settlement does not include a full release of TransDigm and its affiliates).

No Solicitation (page 73)

ESL has agreed that it will not, and will cause its subsidiaries not to, and will direct and use its reasonable best efforts to cause its and its subsidiaries' representatives not to directly or indirectly solicit, initiate or knowingly encourage, or facilitate any proposal, offer or indication of interest (whether or not in writing) from any person that would be an alternative transaction to the merger.

Nevertheless, at any time prior to obtaining the required approval of the ESL shareholders for the merger proposal, which we refer to as the ESL shareholder approval, if ESL receives a *bona fide* written company takeover proposal (as described in Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Additional Agreements No Solicitation) that did not result from a material breach of the no solicitation obligations under the merger agreement, and that the Board of Directors determines in good faith (after consultation with financial advisors and outside legal counsel) (i) constitutes or would reasonably be expected to result in a superior company proposal (as described in Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Additional Agreements Change of Recommendation) and (ii) the failure to take action with respect to such company takeover proposal would reasonably be expected to be inconsistent with the Board of Directors' fiduciary duties, ESL and its representatives may furnish information to the person making the company takeover proposal pursuant to a confidentiality agreement and participate in discussions regarding the terms of the company takeover proposal, including the terms of an agreement with respect to the company takeover proposal.

Change of Recommendation (page 74)

The Board of Directors has made the recommendation that the holders of shares of ESL common stock vote **FOR** the merger proposal.

The merger agreement provides that the Board of Directors may generally not change its recommendation that the holders of shares of ESL common stock vote **FOR** the merger proposal. However, prior to obtaining the ESL shareholder approval, in certain circumstances and subject to certain limitations set forth in the merger agreement, the Board of Directors may (i) make a company adverse recommendation change (as defined in Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Additional Agreements Change of Recommendation) in

connection with a superior company proposal or a company intervening event

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(each as defined in Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Additional Agreements Change of Recommendation) or (ii) authorize and direct that ESL terminate the merger agreement in connection with a superior company proposal, in each case, subject to specified obligations to TransDigm to negotiate in good faith any revisions to the merger agreement (as more fully described in the section entitled Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Additional Agreements Change of Recommendation).

If the Board of Directors makes a company adverse recommendation change, TransDigm may be able to terminate the merger agreement and receive a termination fee from ESL. The Board of Directors may also, in certain circumstances and subject to certain limitations set forth in the merger agreement, terminate the merger agreement in order to effect a company adverse recommendation change, provided ESL pays a termination fee to TransDigm. For a more complete description, please see the section titled Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Termination of the Merger Agreement beginning on page 81.

Conditions to the Closing of the Merger (page 79)

The following are some of the conditions that must be satisfied or waived before the merger may be consummated:

receipt of ESL shareholder approval of the merger agreement and the transactions contemplated thereby;

the expiration or termination of the waiting period (or any extension thereof) under the HSR Act, and the obtaining of required antitrust approvals in certain other jurisdictions, that are applicable to the transactions contemplated by the merger agreement, including the merger;

the authorization or consent from the French *Ministre de l' Economie* required to be obtained with respect to the merger under the French *Code monétaire et financier* having been obtained and remaining in full force and effect;

the absence of any preliminary, temporary or permanent judgment of a governmental authority or law that enjoins or otherwise prohibits the consummation of the merger and the other transactions contemplated by the merger agreement, which we refer to as a legal restraint;

the accuracy of ESL's, TransDigm's and Merger Subs' respective representations and warranties in the merger agreement, subject in some instances to materiality or material adverse effect qualifiers, as of the date of the merger agreement and the closing date of the merger;

the performance in all material respects by ESL, on the one hand, and TransDigm and Merger Sub, on the other hand, of the covenants and agreements required to be performed by it under the merger agreement at or prior to the closing;

the absence of the occurrence of a Company material adverse effect since the date of the merger agreement (as defined in Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Representations and Warranties); and

the receipt by each of ESL and TransDigm of a certificate of a senior executive officer of the other party, certifying that the respective conditions relating to such party set forth in the preceding three bullet points have been satisfied.

Termination of the Merger Agreement (page 81)

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger:

by the mutual written agreement of TransDigm and ESL;

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by either TransDigm or ESL:

if the merger is not consummated at or before 5:00 p.m. Eastern time on October 9, 2019 (subject to extension through January 9, 2020, if all conditions other than certain regulatory-related conditions are or would be satisfied as of such date);

upon the issuance by any governmental entity of a final and nonappealable legal restraint; or

the ESL shareholder approval is not obtained at the special meeting or any adjournment or postponement thereof.

by ESL:

prior to receipt of the ESL shareholder approval, in order to effect a company adverse recommendation change and enter into a definitive, written agreement providing for a superior company proposal, provided that ESL pays a termination fee of \$128,855,000 to TransDigm immediately prior to or substantially concurrently with such termination and ESL has complied in all material respects with the no solicitation covenant in the merger agreement; or

if TransDigm or Merger Sub has materially breached any covenants, agreements, representations or warranties such that the conditions relating to the accuracy of TransDigm's and Merger Sub's representations and warranties and or the performance of covenants would reasonably be expected not to be satisfied (subject to a cure period).

by TransDigm:

prior to receipt of the ESL shareholder approval, in the event that the Board of Directors makes a company adverse recommendation change or fails to include the recommendation that the holders of shares of ESL common stock vote **FOR** the merger proposal in this proxy statement, or ESL is in material breach of the no solicitation covenant in the merger agreement (subject to a cure period); or

if ESL has materially breached any covenants, agreements, representations or warranties such that the conditions relating to the accuracy of ESL's representations and warranties and or the performance of covenants would reasonably be expected not to be satisfied (subject to a cure period).

Termination Fee (page 82)

Under the merger agreement, ESL will be required to pay a termination fee of \$128,855,000 in connection with a termination of the merger agreement under the circumstances described in the section entitled "Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Termination of the Merger Agreement Termination Fee." In no

event will ESL be required to pay the termination fee on more than one occasion.

Specific Performance (page 84)

The parties are entitled to injunctions or other equitable relief to prevent breaches or threatened breaches of the merger agreement and to enforce specifically the performance of the terms and provisions of the merger agreement in addition to any other remedy to which they are entitled at law or equity.

Market Prices and Dividend Data (page 90)

The closing price of ESL's common stock on the NYSE on July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL, was \$75.45 per share. The closing price of ESL's common

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stock on the NYSE on October 8, 2018, the last trading day prior to the execution of the merger agreement, was \$89.01. On [], 2018, the latest practicable trading day before the printing of this proxy statement, the closing price of our common stock on the NYSE was \$[] per share.

Under the terms of the merger agreement, from the date of the merger agreement until the earlier of the effective time of the merger or the termination of the merger, ESL may not declare, set aside or pay any dividends without the prior written consent of TransDigm. No cash dividends were paid during ESL's fiscal years ended September 28, 2018, September 29, 2017 or September 30, 2016. ESL's current secured credit facility restricts the amount of dividends that ESL can pay. ESL does not anticipate paying any dividends in the foreseeable future.

Neither the SEC nor any state securities regulatory agency has approved or disapproved of the transactions described in this document, including the merger, or determined if the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to address some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as an ESL shareholder. We encourage you to read carefully the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement, including the merger agreement, and the documents we incorporate by reference in this proxy statement. You may obtain the documents and information incorporated by reference in this proxy statement without charge by following the instructions under the section entitled **Where You Can Find More Information** beginning on page 101. The merger agreement is attached as Annex A to this proxy statement.

Q: Why am I receiving these materials?

A: On October 9, 2018, ESL entered into the merger agreement providing for the merger of Merger Sub, with and into ESL, with ESL surviving the merger as a wholly owned subsidiary of TransDigm. The Board of Directors is furnishing this proxy statement and form of proxy card to the holders of ESL common stock in connection with the solicitation of proxies in favor of the proposal to adopt the merger agreement and to approve the other proposals to be voted on at the special meeting.

Q: What is the proposed merger and what effects will it have on ESL?

A: The proposed merger is the acquisition of ESL by TransDigm through the merger of Merger Sub with and into ESL pursuant to the merger agreement. If the proposal to adopt the merger agreement is approved by the requisite number of holders of ESL common stock and the other closing conditions under the merger agreement have been satisfied or waived, Merger Sub will merge with and into ESL, with ESL continuing as the surviving corporation. As a result of the merger, ESL will become a wholly owned subsidiary of TransDigm and you will no longer own shares of ESL common stock. ESL expects to de-list its common stock from the NYSE and de-register its common stock under the Exchange Act. Thereafter, ESL would no longer be a publicly traded company.

Q: What will I receive if the merger is completed?

A: Upon completion of the merger, you will be entitled to receive the per-share merger consideration of \$122.50 in cash, without interest and subject to any withholding taxes, for each share of ESL common stock that you own, unless you have properly exercised and perfected and not effectively withdrawn your demand for appraisal rights under the DGCL with respect to such shares. For example, if you own 100 shares of ESL common stock, you will receive \$12,250.00 in cash in exchange for your shares of ESL common stock, subject to any withholding taxes. In no case will you own shares in the surviving corporation.

Q: When and where is the special meeting?

A: The special meeting is scheduled to take place at [] on [], 2018, at [] time.

Q: Who is entitled to vote at the special meeting?

A: Only ESL shareholders of record as of the close of business on [], or their duly appointed proxies are entitled to notice of the special meeting and to vote at the special meeting or at any adjournments or postponements thereof. Each holder of ESL common stock is entitled to cast one vote on each matter properly brought before the special meeting for each share of ESL common stock that such holder owned as of the close of business on the record date.

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Q: May I attend the special meeting and vote in person?

A: All shareholders as of the close of business on the record date are entitled to attend the special meeting and vote in person. Seating will be limited. Shareholders will need to present a form of personal identification to be admitted to the special meeting. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the special meeting. Even if you plan to attend the special meeting in person, we encourage you to complete, sign, date and return the enclosed proxy card or vote electronically over the Internet or via telephone to ensure that your shares will be represented at the special meeting. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

If you are a beneficial owner and hold your shares in street name through a broker, bank or other nominee, you should instruct your broker, bank or other nominee on how you wish to vote your shares of ESL common stock using the instructions provided by your broker, bank or other nominee. If you hold your shares in street name, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you provide proof of ownership of ESL common stock, such as a recent bank or brokerage account statement, and you request and obtain a valid proxy from your broker, bank or other nominee.

Q: What matters am I being asked to vote on at the special meeting?

A: You are being asked to consider and vote on the following proposals:

To adopt the merger agreement, pursuant to which Merger Sub will merge with and into ESL, and ESL will become a wholly owned subsidiary of TransDigm;

To approve, by a non-binding, advisory vote, compensation that will or may become payable by ESL to its named executive officers in connection with the merger; and

To approve one or more adjournments of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Q: How does ESL's Board of Directors recommend that I vote?

A: The Board of Directors, after considering various factors described under the section entitled Proposal 1: Adoption of the Merger Agreement The Merger Recommendation of Our Board of Directors and Reasons for the Merger beginning on page 40 and after consultation with outside legal and financial advisors, unanimously (i) determined that it is in the best interests of ESL and its shareholders and declared it advisable for ESL to enter into the merger agreement, (ii) approved the execution, delivery and performance by ESL of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (iii) directed that the adoption of the merger agreement be submitted to a vote of ESL's shareholders at

the Special Meeting and (iv) resolved to recommend that the ESL shareholders approve the adoption of the merger agreement and the transactions contemplated therein, including the merger.

**The Board of Directors recommend that you vote
FOR the merger proposal,
FOR the merger-related compensation proposal, and
FOR the adjournment proposal.**

Q: How does the per-share merger consideration compare to the market price of ESL common stock prior to the date on which market rumors regarding a potential sale of ESL first publicly occurred?

A: The per-share merger consideration represents a premium of approximately (i) 62% to the closing stock price of ESL common stock on July 19, 2018, the last trading day prior to market rumors regarding a

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potential sale of ESL, (ii) 22% to the highest stock price of ESL common stock during the fifty-two (52) week period ended July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL, and (iii) 67% to the volume weighted average stock price of ESL common stock during the thirty (30) days ended July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL.

Q: Does TransDigm have the financial resources to complete the merger?

A: Yes. TransDigm and Merger Sub have represented to ESL that, assuming (i) the accuracy of the representations and warranties of ESL in the merger agreement, (ii) compliance by ESL with the covenants contained in the merger agreement required to be performed and complied with by it and (iii) that the debt financing contemplated by the commitment letter provided by TransDigm is funded in accordance with such commitment letter, TransDigm has, or will have on or prior to closing, available funds (including cash, cash equivalents, available lines of credit or other sources of immediately available funds) in an amount sufficient to consummate the transactions contemplated by the merger agreement. In connection with entering into the merger agreement, TransDigm entered into a commitment letter, dated as of October 9, 2018, with Morgan Stanley Senior Funding, Inc., Credit Suisse Loan Funding LLC and Credit Suisse AG, that provided commitments for a \$3.7 billion senior secured term facility subject to customary conditions precedent.

Q: What do I need to do now?

A: We encourage you to read this proxy statement, the annexes to this proxy statement, including the merger agreement, and the documents we refer to in this proxy statement carefully and consider how the merger affects you. Then complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope or grant your proxy electronically over the Internet or by telephone, so that your shares can be voted at the special meeting. If you hold your shares in street name, please refer to the voting instruction forms provided by your broker, bank or other nominee to vote your shares.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, under the terms of the merger agreement, you will receive shortly thereafter a letter of transmittal containing instructions for how to send your stock certificates or surrender your book-entry shares to the paying agent in order to receive the cash payment of the per-share merger consideration for each share of ESL common stock represented by the stock certificates or book-entry shares. You should use the letter of transmittal to exchange your stock certificates or book-entry shares for the cash payment to which you are entitled upon completion of the merger. **Please do not send in your stock certificates now.**

Q: I do not know where my stock certificates are, how will I get the merger consideration for my shares of ESL common stock?

A:

If the merger is completed, the transmittal materials you will receive after the completion of the merger will include the procedures that you must follow if you cannot locate your stock certificates. This will include an affidavit that you will need to sign attesting the loss of your stock certificates. You may also be required to post a bond as indemnity against any potential loss.

Q: What happens if I sell or otherwise transfer my shares of ESL common stock after the record date but before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and the date the merger is expected to be completed. If you sell or transfer your shares of your ESL common stock after the record date but before the special meeting, unless special arrangements (such as the provision of a proxy) are made

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between you and the person to whom you sell or otherwise transfer your shares and each of you notifies ESL in writing of such special arrangements, you will transfer the right to receive the per-share merger consideration if the merger is completed to the person to whom you sell or transfer your shares of ESL common stock, but you will retain your right to vote these shares at the special meeting. **Even if you sell or otherwise transfer your shares of ESL common stock after the record date, we encourage you to complete, date, sign and return the enclosed proxy card or vote via the Internet or telephone.**

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible and currently expect to complete the merger during the second half of calendar year 2019. However, the exact timing of completion of the merger cannot be predicted because the completion of the merger is subject to certain closing conditions, including the adoption of the merger agreement by our shareholders and the receipt of regulatory approvals.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by ESL shareholders or if the merger is not completed for any other reason, ESL shareholders will not receive any payment for their shares of ESL common stock. Instead, ESL will remain an independent public company, your shares of ESL common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act and ESL will continue to file periodic reports with the SEC. Under specified circumstances, ESL will be required to pay TransDigm a termination fee upon the termination of the merger agreement, as described under the section entitled **Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Termination of the Merger Agreement Termination Fee** beginning on page 82.

Q: Are there any other risks to me from the merger that I should consider?

A: Yes. There are risks associated with all business combinations, including the merger. See the section entitled **Forward-Looking Statements** beginning on page 22.

Q: Do any of ESL's directors or officers have interests in the merger that may differ from those of ESL shareholders generally?

A: Yes. The Board of Directors was aware of and considered these interests, among other matters, in evaluating the merger agreement and the merger and in recommending that ESL shareholders vote **FOR** the merger proposal. For a description of the interests of our directors and executive officers in the merger, see **Proposal 1: Adoption of the Merger Agreement The Merger Interests of the Directors and Executive Officers of ESL in the Merger** beginning on page 53.

Q: What vote is required to adopt the merger agreement?

A: The affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote is required to approve the merger proposal. As of the record date, there were approximately [] shares of ESL common stock issued and outstanding. Each holder of ESL common stock is entitled to one vote per share of stock owned by such holder as of the close of business on the record date.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. An abstention will also have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

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Q: What vote is required to approve the merger-related compensation proposal and the adjournment proposal?

A: Approval of the merger-related compensation proposal requires the affirmative vote of a majority of the votes cast at the special meeting, provided a quorum is present.

Approval of the adjournment proposal, whether or not a quorum is present, requires the affirmative vote of a majority of the votes cast at the special meeting.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will not have any effect on the merger-related compensation proposal or the adjournment proposal. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will not have any effect on the merger-related compensation proposal or the adjournment proposal. An abstention will have the same effect as a vote **AGAINST** the merger-related compensation proposal and the adjournment proposal.

Q: What happens if the merger-related compensation proposal is not approved?

A: Approval of the merger-related compensation proposal is not a condition to completion of the merger. The vote is an advisory vote and is not binding. Accordingly, regardless of the outcome of the advisory vote, if the merger is completed, ESL may still pay such compensation to its named executive officers in accordance with the terms and conditions applicable to such compensation.

Q: What constitutes a quorum?

A: As of the record date, there were [] shares of ESL common stock outstanding and entitled to vote at the special meeting. The presence, either in person or represented by proxy, of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting will constitute a quorum at the special meeting. As a result, in order to have a quorum at the special meeting, at least [] shares of our common stock must be represented by shareholders present in person or by proxy at the special meeting. Abstentions (which are described below) will count for the purpose of determining the presence of a quorum for the transaction of business at the special meeting.

Broker non-votes are shares held by a broker, bank or other nominee that are present in person or represented by proxy at the special meeting, but with respect to which the broker, bank or other nominee is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the three proposals, if a beneficial owner of shares of ESL common stock held in street name does not give voting instructions to the broker, bank or other nominee with respect to any of the proposals, then those shares will not be present in person or represented by proxy at the special meeting.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with our transfer agent, Computershare, you are considered, with respect to those shares, to be the shareholder of record. In this case, this proxy statement and your proxy card have been sent directly to you by ESL.

If your shares are held through a broker, bank or other nominee, you are considered the beneficial owner of the shares of ESL common stock held in street name. In that case, this proxy statement has been forwarded to you by your broker, bank or other nominee who is considered, with respect to those shares, to be the shareholder of record. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares by following their instructions for voting. You are also invited to attend

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the special meeting. However, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your broker, bank or other nominee.

Q: How may I vote?

A: If you are a shareholder of record, there are four ways to vote:

By attending the special meeting and voting in person by ballot;

By visiting the Internet at the address on your proxy card;

By calling toll-free (within the U.S. or Canada) at the phone number on your proxy card; or

By completing, dating, signing and returning the enclosed proxy card in the accompanying prepaid reply envelope.

A control number, located on your proxy card, is designed to verify your identity and allow you to vote your shares of ESL common stock, and to confirm that your voting instructions have been properly recorded when voting electronically over the Internet or by telephone. Please be aware that, although there is no charge for voting your shares, if you vote electronically over the Internet or by telephone, you may incur costs such as telephone and Internet access charges for which you will be responsible.

Even if you plan to attend the special meeting in person, you are strongly encouraged to vote your shares of ESL common stock by proxy. If you are a shareholder of record or if you obtain a valid proxy to vote shares which you beneficially own, you may still vote your shares of ESL common stock in person at the special meeting even if you have previously voted by proxy. If you are present at the special meeting and vote in person, your previous vote by proxy will not be counted.

If your shares are held in street name through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or electronically over the Internet or by telephone through your broker, bank or other nominee if such a service is provided. To vote via the Internet or via telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or other nominee.

Q: If my broker holds my shares in street name, will my broker vote my shares for me? What are broker non-votes?

A: Not without your direction. Your broker, bank or other nominee will be permitted to vote your shares on any proposal only if you instruct your broker, bank or other nominee on how to vote. Broker non-votes are shares

held by a broker, bank or other nominee that are present in person or represented by proxy at the special meeting, but with respect to which the broker, bank or other nominee is not instructed by the beneficial owner of such shares on how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Because brokers, banks and other nominee holders of record do not have discretionary voting authority with respect to any of the three proposals, if a beneficial owner of shares of ESL common stock held in street name does not give voting instructions to the broker, bank or other nominee with respect to any of the proposals, then those shares will not be present in person or represented by proxy at the special meeting. If there are any broker non-votes, then such broker non-votes will be counted as a vote **AGAINST** the merger proposal, but will have no effect on the adjournment or merger-related compensation proposals. If you hold your shares in street name and do not instruct your broker, bank or other nominee on how you wish to vote your shares, such broker, bank or nominee cannot vote and therefore, such non-vote will be counted as a vote **AGAINST** the merger proposal. **Therefore, it is important that you instruct your broker, bank or other nominee on how you wish to vote your shares.**

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Q: May I change my vote after I have mailed my signed proxy card or otherwise submitted my vote by proxy?

A: Yes. If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;

Delivering a written notice of revocation to our Secretary;

Signing another proxy card with a later date and returning it to us prior to the special meeting; or

Attending the special meeting and voting in person.

Please note that to be effective, your new proxy card, Internet or telephonic voting instructions or written notice of revocation must be received by our Secretary prior to the special meeting and, in the case of Internet or telephonic voting instructions, must be received before 11:59 p.m., [] time on [], 2018. If you have submitted a proxy, your appearance at the special meeting, in the absence of voting in person or submitting an additional proxy or revocation, will not have the effect of revoking your prior proxy.

If you hold your shares of ESL common stock in street name, you should contact your broker, bank or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your broker, bank or other nominee.

Q: What is a proxy?

A: A proxy is your legal designation of another person, referred to as a proxy, to vote your shares of ESL common stock. The written document describing the matters to be considered and voted on at the special meeting is called a proxy statement. The document used to designate a proxy to vote your shares of ESL common stock is called a proxy card. The Board of Directors has designated Curtis C. Reusser, Donald E. Walther and Amy L. Watson as proxies for the special meeting, and each of them with full power of substitution.

Q: If a shareholder gives a proxy, how are the shares voted?

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card, or your proxies, will vote your shares in the way that you indicate. When completing the Internet or telephone process or the proxy card, you may specify whether your shares should be voted **FOR** or **AGAINST** or to abstain from voting on all, some or none of the specific items of business to come before the special meeting. If you properly sign and return your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the

shares represented by your properly signed proxy will be voted as recommended by the Board of Directors with respect to each proposal.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, date, sign and return (or vote via the Internet or telephone with respect to) each proxy card and voting instruction card that you receive.

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Q: Who will count the votes?

A: All votes will be counted by a representative of Computershare, who will act as the inspector of election appointed for the special meeting and will separately count affirmative and negative votes, abstentions and broker non-votes.

Q: Where can I find the voting results of the special meeting?

A: ESL intends to announce preliminary voting results at the special meeting and publish final results in a Current Report on Form 8-K that will be filed with the SEC within four (4) business days following the special meeting. All reports that ESL files with the SEC are publicly available when filed. See [Where You Can Find More Information](#) beginning on page 101.

Q: Will I be subject to U.S. federal income tax upon the exchange of ESL common stock for cash pursuant to the merger?

A: The exchange of ESL common stock for cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. Accordingly, a U.S. holder (as defined in [Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger](#) beginning on page 60) of ESL common stock who exchanges shares of ESL common stock for cash in the merger generally will recognize gain or loss in an amount equal to the difference, if any, between the amount of cash received with respect to such shares and the U.S. holder's adjusted tax basis in such shares. If you are a non-U.S. holder (as defined in [Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger](#) beginning on page 60), the merger generally will not result in tax to you under U.S. federal income tax laws unless you have certain connections with the United States.

For a more complete description of the U.S. federal income tax consequences of the merger, see [Proposal 1: Adoption of the Merger Agreement The Merger U.S. Federal Income Tax Consequences of the Merger](#) beginning on page 60.

This proxy statement contains a general discussion of U.S. federal income tax consequences of the merger. This description does not address any non-U.S. tax consequences, nor does it pertain to state, local or other tax consequences. Consequently, you are urged to contact your tax advisor to determine the particular tax consequences to you of the merger.

Q: What will the holders of outstanding ESL equity awards receive in the merger?

A: For information regarding the treatment of ESL's outstanding equity awards, see the section entitled [Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Merger Consideration Treatment of Company Awards](#) beginning on page 65.

Q: Am I entitled to appraisal rights under the DGCL?

A: If the merger is adopted by ESL's shareholders, shareholders who do not vote (whether in person or by proxy) in favor of the adoption of the merger agreement and who properly exercise and perfect their demand for appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. This means that holders of ESL common stock are entitled to have their shares appraised by the Court of Chancery of the State of Delaware and to receive payment in cash of the fair value of the shares of ESL common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest to be paid upon the amount determined to be fair value, if any, as determined by the court (subject, in the case of interest payments, to any voluntary cash payments made by ESL pursuant to subsection (h) of Section 262 of the DGCL). Shareholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with

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respect to the exercise of appraisal rights due to the complexity of the appraisal process. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C to this proxy statement.

Q: Who can help answer my questions?

A: If you have any questions concerning the merger, the special meeting or this proxy statement, would like additional copies of this proxy statement or need help voting your shares of ESL common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

1407 Broadway

New York, NY 10018

(800) 322-2885 (toll-free)

(212) 929-5500 (collect)

proxy@mackenziepartners.com

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FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, as well as information included in oral statements or other written statements made or to be made by us or on our behalf, contain forward-looking statements that do not directly or exclusively relate to historical facts. You can typically identify forward-looking statements by the use of forward-looking words, such as may, can, could, should, will, would, see, seek, estimate, project, forecast, intend, expect, anticipate, believe, confident, continue, plan, strategy, prospect, predict, providing guidance and similar expressions that are intended to identify information that is not historical in nature. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed merger and the anticipated benefits thereof. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements, including the failure to consummate the proposed merger or to make any filing or take other action required to consummate such merger in a timely matter or at all. The inclusion of such statements should not be regarded as a representation that any plans, estimates or expectations will be achieved.

These risks and uncertainties include, but are not limited to, the risks detailed in our filings with the SEC, including in our most recent filings on Form 10-K and Amendment No. 1 on Form 10-K/A and subsequent periodic and interim reports, factors and matters described or incorporated by reference in this proxy statement, and the following factors:

ESL may be unable to obtain shareholder approval as required for the proposed merger;

conditions to the closing of the proposed merger, including obtaining required regulatory approvals or foreign investment approvals, may not be satisfied or waived on a timely basis or at all;

a governmental entity or a regulatory body may prohibit, delay or refuse to grant approval for the consummation of the proposed merger and may require conditions, limitations or restrictions in connection with such approvals that can adversely affect the anticipated benefits of the proposed merger or cause the parties to abandon the proposed merger;

the amount of the costs, fees, expenses and charges related to the merger agreement or the proposed merger;

the proposed merger may involve unexpected costs, liabilities or delays;

the effect of the announcement or pendency of the proposed merger on the business of ESL, including risks related to customer, supplier or other business relationships, and risks associated with third-party contracts containing change in control consent requirements and/or other provisions that may be triggered by the proposed merger;

risks associated with legal proceedings related to the proposed merger or appraisal proceedings;

there may be unforeseen events, changes or other circumstances that could give rise to the termination of the merger agreement or affect the ability to recognize benefits of the proposed merger;

the risk that the merger agreement may be terminated in certain circumstances that require ESL to pay TransDigm a termination fee of \$128,855,000;

risks that the proposed merger may disrupt ESL's business generally, including diverting the attention of ESL management or employees away from ESL's day-to-day operations, and present potential difficulties in employee retention or recruitment;

the risk that our stock price may decline significantly if the proposed merger is not completed;

risks related to ESL being restricted in its operation of the business while the merger agreement is in effect;

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the risk that ESL's financial results differ from those set forth in forecasts described in this proxy statement;

risks associated with the financing of the transaction;

the fact that receipt of the all-cash merger consideration would be taxable to ESL shareholders that are treated as U.S. holders for U.S. federal income tax purposes;

the fact that if the proposed merger is consummated, ESL's shareholders would forgo the opportunity to realize the potential long-term value of the successful execution of ESL's current strategy as an independent company;

there may be other risks to consummation of the proposed merger, including the risk that the proposed merger will not be consummated within the expected time period or at all;

the effect of economic conditions in the industries and markets in which ESL operates in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in both the commercial and defense segments of the aerospace industry, levels of air travel, financial condition of commercial airlines, the impact of weather conditions and natural disasters and the financial condition of ESL's customers and suppliers;

challenges in the development, production, delivery, support, performance and realization of the anticipated benefits of new products and services, or delays and disruption in delivery of materials and services from suppliers;

the effect of changes in political conditions in the U.S. and other countries in which ESL operates, including the effect of changes in U.S. trade policies or the U.K.'s pending withdrawal from the EU, on general market conditions, global trade policies and currency exchange rates in the near term and beyond;

the possibility that TransDigm could, at a later date, engage in unspecified transactions, including restructuring efforts, special dividends or the sale of some or all of ESL's assets to one or more as yet unknown purchasers, that could conceivably produce a higher aggregate value than that available to ESL shareholders in the proposed merger;

the effect of changes in tax, environmental, regulatory (including among other things import/export) and other laws and regulations in the U.S. and other countries in which ESL operates; and

ESL may be adversely affected by other general industry, economic, business, and/or competitive factors.

Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on ESL's financial condition, results of operations, credit rating or liquidity.

There can be no assurance that the merger will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the merger will be realized. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which such statements were made.

All of the forward-looking statements we make in this proxy statement are qualified by the information contained or incorporated by reference herein, including, but not limited to, (a) the information contained under this heading and (b) the information contained under the headings "Risk Factors" and information in our consolidated financial statements and notes thereto included in our most recent filings on Form 10-K and Amendment No. 1 on Form 10-K/A and subsequent periodic and interim report filings (see "Where You Can

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Find More Information beginning on page 101). No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements. For all forward-looking statements, ESL claims the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995.

Except as required by applicable law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. ESL shareholders are advised, however, to consult any future disclosures we make on related subjects as may be detailed in our other filings made from time to time with the SEC.

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THE SPECIAL MEETING

The enclosed proxy is solicited on behalf of the Board of Directors for use at the special meeting of shareholders or at any adjournments or postponements thereof.

Date, Time and Place

We have scheduled to hold the special meeting at [] on [], 2018, at [] time.

Purpose of the Special Meeting

At the special meeting, we will ask our shareholders of record as of the record date to vote on the following proposals:

Proposal 1 Adoption of the Merger Agreement. To consider and vote on the merger proposal;

Proposal 2 Approval, on an Advisory (Non-Binding Basis), of Certain Compensatory Arrangements with Named Executive Officers. To consider and vote on the merger-related compensation proposal; and

Proposal 3 Adjournment of the Special Meeting. To consider and vote on the adjournment proposal.

Record Date; Shares Entitled to Vote; Quorum

Only shareholders of record as of the close of business on [] are entitled to notice of the special meeting and to vote at the special meeting or at any adjournments or postponements thereof. A list of shareholders entitled to vote at the Special Meeting will be available in our offices located at 500 108th Avenue N.E., Bellevue, Washington 98004 during regular business hours for a period of at least ten (10) days before the Special Meeting and at the place of the Special Meeting during the meeting.

As of the record date, there were approximately [] shares of ESL common stock outstanding and entitled to be voted at the special meeting.

A quorum of shareholders is necessary to hold a vote for the merger proposal and the merger-related compensation proposal at the special meeting. The holders of a majority of the issued and outstanding shares of our common stock entitled to vote at the special meeting, either present in person or represented by proxy, will constitute a quorum at the special meeting. As a result, [] shares must be represented by proxy or by shareholders present and entitled to vote at the special meeting to have a quorum.

In the event that a quorum is not present at the special meeting, it is expected that the meeting would be adjourned or postponed to a later date to solicit additional proxies.

Vote Required; Abstentions and Broker Non-Votes

The affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote is required to approve the merger proposal. Adoption of the merger agreement by our shareholders is a condition to the closing of the merger.

Approval of the merger-related compensation proposal requires the affirmative vote of a majority of the votes cast at the special meeting, provided a quorum is present. Approval of the adjournment proposal requires the affirmative vote

of a majority of the votes cast at the special meeting, whether or not a quorum is present.

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If you abstain from voting, the abstention will have the same effect as if you voted **AGAINST** the merger proposal, the merger-related compensation proposal and the adjournment proposal.

If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will count as a vote **AGAINST** the merger proposal, but will have no effect on the merger-related compensation proposal and the adjournment proposal.

Shares Held by ESL's Directors and Executive Officers

As of the record date, ESL directors and executive officers beneficially owned and were entitled to vote, in the aggregate, [] shares of ESL common stock (excluding any shares of ESL common stock that would be delivered upon exercise or conversion of stock options or other equity-based awards), which represented approximately []% of the outstanding shares of ESL common stock on that date. It is expected that ESL's directors and executive officers will vote their shares **FOR** the adoption of the merger agreement, although none of them has entered into any agreement requiring them to do so.

Voting of Proxies

If your shares are registered in your name with our transfer agent, Computershare, you may cause your shares to be voted by returning a signed proxy card, or you may vote in person at the special meeting. Additionally, you may submit electronically over the Internet or by phone a proxy authorizing the voting of your shares by following the instructions on your proxy card. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy electronically over the Internet or by telephone. Based on your proxy cards or Internet and telephone proxies, the proxy holders will vote your shares according to your directions.

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the special meeting in person. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

Voting instructions are included on your proxy card. All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in accordance with the instructions of the shareholder. Properly executed proxies that do not contain voting instructions will be voted (i) **FOR** the merger proposal, (ii) **FOR** the merger-related compensation proposal and (iii) **FOR** the adjournment proposal. No proxy that is specifically marked against the merger proposal will be voted in favor of the merger-related compensation, unless it is specifically marked **FOR** the approval of such proposal.

If your shares are held in street name through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or by the Internet or telephone through your broker, bank or other nominee if such a service is provided. To vote via the Internet or telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or other nominee. Under applicable stock exchange rules, brokers, banks or other nominees have the discretion to vote your shares on routine matters if you fail to instruct your broker, bank or other nominee on how to vote your shares with respect to such matters. Proposals 1, 2 and 3 in this proxy statement are non-routine matters, and brokers, banks and other nominees therefore cannot vote on these proposals without your instructions. If you do not return your broker's, bank's or other nominee's voting form, do not vote via the Internet or telephone through your broker, bank or other nominee, if applicable, or do not attend the special meeting and vote in person with a proxy from your broker, bank or other nominee, such actions will have the same effect as if you voted

AGAINST the merger proposal but will not have any effect on the adjournment proposal or the merger-related compensation proposal.

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Revocability of Proxies

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;

Delivering a written notice of revocation to our Secretary;

Signing another proxy card with a later date and returning it to us prior to the special meeting; or

Attending the special meeting and voting in person.

Please note that to be effective, your new proxy card, Internet or telephonic voting instructions or written notice of revocation must be received by our Secretary prior to the special meeting and, in the case of Internet or telephonic voting instructions, must be received before 11:59 p.m., [] time on [], 2018. If you have submitted a proxy, your appearance at the special meeting, in the absence of voting in person or submitting an additional proxy or revocation, will not have the effect of revoking your prior proxy.

If you hold your shares of ESL common stock in street name, you should contact your broker, bank or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your broker, bank or other nominee. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow ESL shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting, as adjourned.

Board of Directors Recommendation

The Board of Directors, after considering various factors described under the section entitled Proposal 1: Adoption of the Merger Agreement The Merger Recommendation of Our Board of Directors and Reasons for the Merger beginning on page 40, unanimously (i) determined that it is in the best interests of ESL and its shareholders, and declared it advisable, for ESL to enter into the merger agreement, (ii) approved the execution, delivery and performance by ESL of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (iii) directed that the adoption of the merger agreement be submitted to a vote of ESL's shareholders at a meeting of its shareholders and (iv) resolved to recommend that ESL's shareholders approve the adoption of the merger agreement and the transactions contemplated therein, including the merger.

The Board of Directors unanimously recommends that you vote (i) **FOR** the merger proposal, (ii) **FOR** the merger-related compensation proposal and (iii) **FOR** the adjournment proposal.

Tabulation of Votes

All votes will be tabulated by a representative of Computershare, who will act as the inspector of election appointed for the special meeting and will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Solicitation of Proxies

The expense of soliciting proxies in the enclosed form will be borne by ESL. We have retained MacKenzie Partners, Inc., a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately \$20,000 plus reasonable expenses. ESL will indemnify MacKenzie Partners, Inc. for certain losses arising out of its proxy solicitation services. In addition, we may reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding soliciting

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materials to such beneficial owners. Proxies may also be solicited by some of our directors, officers and employees, personally or by telephone, facsimile or other means of communication. No additional compensation will be paid for such services.

Anticipated Date of Completion of the Merger

We currently expect to complete the merger during the second half of calendar year 2019. However, the exact timing of completion of the merger cannot be predicted because the completion of the merger is subject to certain closing conditions, many of which are outside of ESL's control, including the adoption of the merger agreement by our shareholders and the receipt of regulatory approvals.

Attending the Special Meeting

Only ESL shareholders of record on the record date, or their duly appointed proxies, and street name holders (whose shares are held through a broker, bank or other nominee) who provide evidence of their beneficial ownership on the record date for the special meeting, such as a copy of your most recent account statement or similar evidence of ownership of ESL common stock as of the record date for the special meeting, are entitled to attend the special meeting in person.

All ESL shareholders should also bring photo identification, such as a driver's license or passport. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the special meeting.

Even if you plan to attend the special meeting in person, we encourage you to complete, sign, date and return the enclosed proxy card or vote electronically over the Internet or via telephone to ensure that your shares will be represented at the special meeting. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you hold your shares in street name, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your broker, bank or other nominee.

Assistance

If you need assistance in completing your proxy card or have questions regarding ESL's special meeting, please contact MacKenzie Partners, Inc. by email at proxy@mackenziepartners.com or by telephone. Shareholders may call toll-free at (800) 322-2885 and banks and brokers may call collect at (212) 929-5500.

Rights of Shareholders Who Seek Appraisal

If the merger is adopted by ESL shareholders, ESL shareholders who do not vote in favor of the adoption of the merger agreement, who continuously hold such shares through the effective time of the merger, who properly exercise and perfect appraisal of their shares and who meet certain other conditions and statutory requirements described herein will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. This means that holders of ESL common stock are entitled to have their shares appraised by the Court of Chancery of the State of Delaware and, in lieu of the \$122.50 per-share merger consideration, to receive payment in cash of the fair value of the shares of ESL common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, together with interest to be paid upon the amount determined to be fair value, if any, as determined by the court (subject, in the case of interest payments, to any voluntary cash payments made by ESL pursuant to subsection (h) of Section 262 of the DGCL), so long as they comply with the procedures established by Section 262 of the DGCL.

Shareholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares.

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To exercise your appraisal rights, you must (1) not vote in favor of the merger proposal, (2) continuously be the record holder of such shares through the effective time of the merger and (3) otherwise follow the procedures set forth in Section 262 of the DGCL. Your failure to follow the procedures specified under the DGCL will result in the loss of your appraisal rights. The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C to this proxy statement. If you hold your shares of ESL common stock through a broker, bank or other nominee and you wish to exercise appraisal rights, you should consult with your broker, bank or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such broker, bank or other nominee.

ANY COMPANY SHAREHOLDER WHO WISHES TO EXERCISE APPRAISAL RIGHTS OR WHO WISHES TO PRESERVE HIS, HER OR ITS RIGHT TO DO SO SHOULD REVIEW ANNEX C CAREFULLY AND CONSULT HIS, HER OR ITS LEGAL ADVISOR, SINCE FAILURE TO TIMELY AND FULLY COMPLY WITH THE PROCEDURES SET FORTH THEREIN WILL RESULT IN THE LOSS OF SUCH RIGHTS.

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PARTIES INVOLVED IN THE MERGER

Esterline Technologies Corporation

Esterline Technologies Corporation is a leading specialized manufacturing company principally serving aerospace and defense customers. We are technologically focused, and design, manufacture and market highly engineered products and systems for application within the industries we serve. ESL operates in three segments structured around our technical capabilities: Avionics & Controls, Sensors & Systems, and Advanced Materials. Our Avionics & Controls business segment produces avionics systems, control and communication systems, and human-machine interface products and technologies. Our Sensors & Systems business segment produces power distribution products and systems, connection technologies and advanced sensors. Our Advanced Materials business segment produces engineered materials and defense technologies.

ESL's principal executive offices are located at 500 10th Avenue N.E., Bellevue, Washington 98004, and its telephone number is (425) 453-9400.

ESL was formed in 1967 and is organized in the State of Delaware. ESL's common stock, par value \$0.20 per share, which we refer to as ESL common stock or our common stock, is currently listed on the New York Stock Exchange, which we refer to as the NYSE, under the symbol ESL.

Additional information about ESL and its subsidiaries is included in documents incorporated by reference in this proxy statement (see "Where You Can Find More Information" beginning on page 101) and on its website: www.esterline.com. The information provided or accessible through ESL's website is not part of, or incorporated by reference in, this proxy statement.

TransDigm Group Incorporated

Through its wholly-owned subsidiaries, TransDigm Group Incorporated is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seatbelts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices, and cargo loading, handling and delivery systems.

TransDigm's principal executive offices are located at 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114, and its telephone number is (216) 706-2960.

TransDigm is incorporated in the State of Delaware. TransDigm's common stock is currently listed on the NYSE under the symbol TDG.

Additional information about TransDigm and its subsidiaries is included on its website: www.transdigm.com. The information provided or accessible through TransDigm's website is not part of, or incorporated by reference in, this proxy statement.

Thunderbird Merger Sub Inc.

Thunderbird Merger Sub Inc. is incorporated in the State of Delaware and is a wholly owned subsidiary of TransDigm that was formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. Merger Sub's principal executive offices are located at 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114, and its telephone number is (216) 706-2960. Upon completion of the merger, Merger Sub will cease to exist.

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PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT

THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Certain Effects of the Merger on ESL

Upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into ESL, with ESL continuing as the surviving corporation in the merger and as a wholly owned subsidiary of TransDigm. ESL expects to de-list its common stock from the NYSE and de-register its common stock under the Exchange Act as promptly as practicable following the effective time of the merger. Thereafter, ESL would no longer be a publicly traded company. If the merger is completed, you will not own any shares of the capital stock of the surviving corporation, and instead will only be entitled to receive the merger consideration, as described under the section entitled Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Merger Consideration beginning on page 65.

The merger will become effective upon the filing of the certificate of merger with the Secretary of State of the State of Delaware, or at such other time as is agreed by ESL and TransDigm and set forth in the certificate of merger.

Effect on ESL if the Merger is Not Completed

If the merger agreement is not adopted by ESL shareholders or if the merger is not completed for any other reason, ESL shareholders will not receive any payment for their shares of ESL common stock. Instead, ESL will remain a public company, ESL's common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act and ESL will continue to file periodic reports with the SEC.

Furthermore, if the merger is not consummated, and depending on the circumstances that would have caused the merger not to be consummated, it is likely that the price of ESL's common stock will decline significantly. If that were to occur, it is uncertain when, if ever, the price of ESL's common stock would return to the price at which it trades as of the date of this proxy statement.

Accordingly, if the merger is not consummated, there can be no assurance as to the effect of these risks and opportunities on the future value of your shares of ESL common stock. If the merger is not consummated, the Board of Directors will continue to evaluate and review ESL's business operations, properties and capitalization, among other things, make such changes as are deemed appropriate and continue to seek to enhance shareholder value. If the merger agreement is not adopted by ESL's shareholders or if the merger is not consummated for any other reason, there can be no assurance that any other transaction acceptable to ESL will be offered or that ESL's business, prospects or results of operation will not be adversely impacted.

In addition, under certain specified circumstances, ESL will be required to pay TransDigm a termination fee upon the termination of the merger agreement, as described under the section entitled Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Termination of the Merger Agreement Termination Fee beginning on page 82.

Background of the Merger

As a public company, the Company's Board of Directors (the Board) and its executive management regularly evaluate opportunities to provide value to shareholders, including reviews of the Company's business, strategic goals, industry consolidation trends, input from the Company's shareholders and potential strategic alternatives.

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In December of 2017, the Board retained a strategic advisory firm to provide an assessment of the Company's strategic alignment with its served markets and a recommendation for how to maximize shareholder value, including an analysis of the Company's potential strategic alternatives. In February of 2018, the Board expanded the strategic advisory firm's scope of work to include supporting the Company's management team in developing a strategic plan for the Company, including a focus on organic growth, possible future acquisitions and potential portfolio divestitures and restructurings. Between January and April of 2018, the Board reviewed and discussed matters related to the strategic advisory firm's analysis.

Also in fiscal year 2017, the Company explored strategic options associated with its Kirkhill business, which resulted in the sale of the assets and certain liabilities of the Kirkhill business to TransDigm Group Incorporated (TransDigm) on March 15, 2018.

On March 26, 2018, during an informal dinner meeting, a member of Party A's executive management discussed with a member of the Company's executive management that Party A could have a potential interest in exploring strategic alternatives that might exist between Party A and the Company in the future.

On March 30, 2018, a representative of the Company contacted a representative of its historic financial advisor, Goldman Sachs & Co. LLC (Goldman Sachs), seeking potential assistance from Goldman Sachs in performing an analysis of the Company's strategic alternatives.

On April 20, 2018, the Board held a meeting at which it discussed corporate strategy issues, including a discussion regarding the analysis performed by the strategic advisory firm, which included, among other things, a discussion around the Company's ability to create value for its shareholders by remaining an independent public company and focusing on management's 2018 strategic plan, re-shaping the Company's portfolio and growing the remaining assets through strategic acquisitions, or pursuing a merger or sale of the Company. Following discussion, the Board decided to invite a representative of Goldman Sachs to assist with a review of strategic alternatives at the Board's next meeting. The Board also discussed hiring a financial advisor, in addition to Goldman Sachs, to advise the Board in connection with the Company's review of strategic alternatives, and instructed certain representatives of the Board to interview candidates.

Between April 20, 2018 and April 30, 2018, representatives of the Board interviewed Evercore Group L.L.C. (Evercore) and another nationally recognized investment banking firm with a view toward potentially retaining a financial advisor in addition to Goldman Sachs, to advise the Board in connection with the Company's review of strategic alternatives. After discussion, the Board decided to engage Evercore to act as the Board's financial advisor.

On May 12, 2018, a representative of TransDigm contacted a representative of Goldman Sachs on an unsolicited basis to discuss TransDigm's interest in potentially acquiring the Company.

On May 15, 2018, the Board entered into an engagement agreement with Evercore to represent the Board as its financial advisor in connection with a possible sale of the Company.

On May 15, 2018, the Board held a meeting attended by a representative of Evercore and a representative of Skadden, Arps, Slate, Meagher & Flom LLP (Skadden), the Company's outside legal advisor. During such meeting, a representative of Skadden reviewed with the Board its fiduciary duties in connection with the Board's review of the Company's strategic alternatives. Next, a representative of Evercore provided an overview of Evercore's views on the strategic alternatives available to the Company, including Evercore's views on a draft of the preliminary financial analyses of the strategic alternatives available to the Company that Goldman Sachs had prepared to review with the Board the next day. The Board engaged in discussion regarding the presentation and asked questions concerning the

different alternatives, timing and process, potential counterparties, and valuation issues. Additionally, members of executive management reviewed with the Board the Company's 2018 strategic plan, which included certain financial forecasts relating to the Company (see the section of this proxy statement entitled "Proposal 1: Adoption of the Merger Agreement - The Merger - Financial Forecasts").

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On May 16, 2018, the Board held a strategic review meeting at which representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management were present. At the meeting, representatives of Goldman Sachs reviewed its preliminary financial analyses of the Company and the strategic alternatives available to the Company, including standalone organic growth, portfolio optimization, portfolio optimization along with acquisition or recapitalization strategies, the sale of the Company as a whole, the sale of the Company in parts or a merger of equals. Representatives of Goldman Sachs reviewed with the Board the unsolicited contact from TransDigm. The Board engaged in discussion and asked questions regarding the preliminary financial analyses and strategic alternatives and the Board, with input from Evercore and representatives of Goldman Sachs, engaged in a discussion regarding the Board's view that it was a favorable time to explore a potential sale of the Company. Following such discussion, the Board directed the representatives of Goldman Sachs, Evercore and Skadden to work with Company executive management to prepare a process to seek indications of interest from third parties and to report back to the Board with a proposed course of action for its consideration.

On June 6, 2018, the Board held a meeting at which representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management were present. Members of executive management reviewed with the Board certain proposed updates to the Company's 2018 strategic plan, which included certain financial forecasts relating to the Company (see the section of this proxy statement entitled "Proposal 1: Adoption of the Merger Agreement The Merger Financial Forecasts"). The Board then discussed with members of executive management and representatives of Goldman Sachs and Evercore the 2018 strategic plan in the context of a process to seek indications of interest from third parties. Following such discussion, representatives of Goldman Sachs updated the Board regarding preparations for a process to seek indications of interest from third parties. The Board also discussed the May 12, 2018 communication received from TransDigm. Following discussion, the Board directed representatives of Goldman Sachs to respond to TransDigm and to invite TransDigm to submit a written indication of interest based on public information.

On June 12, 2018, a representative of Goldman Sachs contacted a representative of TransDigm and conveyed the Board's response.

On June 14, 2018, a representative of Goldman Sachs received a written indication of interest from TransDigm indicating TransDigm's interest in acquiring the Company at a price of \$94.50 per share in cash. Following receipt, the written indication of interest was distributed to the Board.

On June 19, 2018, the Board held a meeting at which representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management were present. Representatives of Goldman Sachs reviewed with the Board the key terms of TransDigm's written indication of interest as well as Goldman Sachs' preliminary financial analyses of the Company and TransDigm's indication of interest. The Board discussed TransDigm's proposed price per share relative to the price per share projected in the Company's 2018 strategic plan. The Board also discussed the strategic merits of pursuing a possible transaction with TransDigm compared with certain other potential third parties. Following such discussion, the Board determined that the proposed price per share in TransDigm's initial indication of interest was too low to proceed in a process to evaluate a transaction solely with TransDigm at the proposed price at such time without a further analysis of the other strategic alternatives that the Company might have. The Board then discussed the process and timing for evaluating strategic alternatives, including a potential sale of the Company, that might exist with other third parties. After further discussion, the Board directed representatives of Goldman Sachs to respond to TransDigm that TransDigm's proposed price per share was too low to merit proceeding with a transaction between the parties at such time and to give TransDigm an opportunity to increase its price per share. The Board and its advisors then discussed the process and timing for seeking indications of interest from other third parties, and following discussion, the Board directed representatives of Goldman Sachs to contact certain additional specified strategic third parties, including Party A, to help explore whether there was other third party

interest in a transaction involving the Company. Next, members of executive management reviewed with the Board the final 2018 strategic plan, which included certain financial forecasts relating to the Company, a copy of which had been provided to the Board prior to the meeting (see the section of this proxy statement entitled Proposal 1: Adoption

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of the Merger Agreement (The Merger Financial Forecasts). Following discussion, the Board approved the 2018 strategic plan.

On June 19, 2018, at the direction of the Board, representatives of Goldman Sachs conveyed the Board's response to TransDigm.

On June 20, 2018, representatives of Goldman Sachs spoke to representatives of TransDigm and further explained the Board's position, including that TransDigm would need to increase its proposed price per share for the Company in order for the Board to consider proceeding further with TransDigm at such time.

On June 21, 2018, the Company entered into a formal engagement agreement with Goldman Sachs to represent the Company as its financial advisor in connection with a possible sale of the Company.

On June 21, 2018, the Chief Executive Officer of TransDigm contacted the Chief Executive Officer of the Company to explain that TransDigm was submitting a request for additional information that it believed would assist it in increasing its initial proposed price per share for the Company. On June 22, 2018, TransDigm sent a letter to representatives of Goldman Sachs describing the additional requested information.

On June 22, 2018, at the direction of the Board, representatives of Goldman Sachs contacted representatives of Party A, in response to Party A's previous approach to the Company regarding its interest in a potential transaction involving the Company, and requested that Party A submit a letter to express its interest in a potential transaction involving the Company.

On June 26, 2018, representatives of Goldman Sachs received a written indication of interest from Party A expressing Party A's interest in a potential acquisition of the Company. Party A did not indicate a proposed purchase price, and it requested additional diligence information to assist it in providing an indicative valuation of the Company. Following receipt, the written indication of interest was distributed to the Board.

On June 28, 2018, the Board held a meeting at which representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management were present. Representatives of Goldman Sachs updated the Board on discussions with TransDigm and Party A, and noted that, following discussions, TransDigm had declined to raise its initial proposed price per share and Party A had declined to state a specific price per share, in each case, due to the desire to perform due diligence and obtain further Company information to validate a price. Following discussion, the Board determined that, in its view, there was sufficient potential third party interest in the Company to continue with a process. A representative of Goldman Sachs then updated the Board regarding potential next steps, including a timeline and process to approach other potential strategic and financial third parties to solicit indications of interest in a possible transaction involving the Company. The Board, with input from Company executive management and representatives of Goldman Sachs and Evercore, identified a list of potential strategic and financial third parties it believed could be interested in a possible acquisition of some or all of the Company. The Board also discussed certain talking points that representatives of Goldman Sachs should direct at such parties. Following further discussion, the Board directed Company executive management to continue to work with representatives of Goldman Sachs and Skadden on matters related to the process, including preparation of a form of non-disclosure agreement (NDA) and a communications plan. The Board then directed representatives of Goldman Sachs to proceed with the outreach to the financial and strategic third parties the Board had identified and authorized Goldman Sachs to approach.

Between July 2, 2018 and August 3, 2018, representatives of Goldman Sachs or the Company contacted 21 third parties, including TransDigm and Party A, and the Company entered into 12 NDAs. Beginning on July 15, 2018,

confidential information and supplemental information packages were distributed to 12 third parties in the process through a virtual data room.

Between July 15, 2018 and July 20, 2018, at the direction of the Board, certain members of the Company's executive management held separate meetings with each of Party A, Party B, Party C and Party D to discuss the strategic merits of a potential transaction. Representatives of Goldman Sachs attended certain of those meetings.

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On July 20, 2018, the *Wall Street Journal* published an article speculating that the Company was exploring a potential sale (the *Wall Street Journal Article*).

Between July 24, 2018 and August 16, 2018, at the direction of the Board, certain members of the Company's executive management participated in diligence discussions with the third parties participating in the process regarding certain accounting, finance and strategic matters. Representatives of Goldman Sachs attended those meetings.

On July 25, 2018, the Board held a meeting at which representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management were present. Representatives of Goldman Sachs reviewed for the Board the status of communications with third parties, including an update on the parties that had executed NDAs, and noted that it had received inbound calls following the *Wall Street Journal Article* that resulted in the addition of 2 parties to the process. A representative of Goldman Sachs also noted that certain third parties had expressed interest in a potential acquisition of parts of the Company, rather than an acquisition of the Company as a whole, and the Board discussed the movement of the Company's stock price after the *Wall Street Journal Article*. Following such discussion, representatives of Goldman Sachs and Skadden discussed with the Board the timing and status of other process points, including the population of a virtual data room and the drafting of a merger agreement, and the Board directed executive management to continue to work with representatives of Goldman Sachs and Skadden on the process.

On July 26, 2018, at the direction of the Board, representatives of Goldman Sachs distributed a supplemental information package and a bid process letter to 12 prospective bidders with instructions to, among other things, provide an indication of interest indicating the proposed purchase price in cash for 100% of the Company.

On August 16, 2018, representatives of Goldman Sachs received non-binding written indications of interest for 100% of the Company from TransDigm at \$100.50 per share in cash, Party A at a bid range of \$95-\$98 per share in cash, Party E without a bid price, Party C at \$100 per share in cash, Party F at \$97 per share in cash, Party B at a bid range of \$98 - 103 per share in cash and Party G for \$96 per share in cash. Representatives of Goldman Sachs also received an indication of interest from Party J via e-mail, which did not include a bid price. Representatives of Goldman Sachs also received a written indication of interest from Party H for the Connection Technologies business at a bid range of \$800 - 870 million and for the Sensors & Systems business at a bid range of \$1.45 - 1.575 billion.

On August 17, 2018, representatives of Goldman Sachs received a non-binding written indication of interest for 100% of the Company from Party I at a bid range of \$100 - 110 per share in cash.

On August 17, 2018, representatives of Party E and representatives of Goldman Sachs discussed that Party E likely would not submit a proposed price per share for the Company at this time.

On August 18, 2018, at the direction of the Board, representatives of Goldman Sachs spoke to representatives of Party A and communicated that Party A would need to increase its bid in order to continue in the process.

On August 19, 2018, Party A submitted a revised non-binding written indication of interest for 100% of the Company at \$104 per share in cash.

On August 20, 2018, the CEO of Party E contacted representatives of Goldman Sachs and indicated that Party E would not submit a proposed price per share for the Company at this time and indicated that Party E likely would not continue in the process due to strategic, synergistic and timing concerns.

On August 20, 2018, the Board held a meeting, also attended by representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management, to discuss the initial indications of interest the Company had received (the Initial Bids). Representatives of Goldman Sachs reviewed its preliminary financial analyses of the Company and the Initial Bids, and the other key terms

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contained in the Initial Bids. After discussing the Initial Bids, the Board determined that it was not in the best interests of the Company to sell only portions of the Company, and directed representatives of Goldman Sachs and members of the Company's executive management to continue non-exclusive negotiations with all bidders who had submitted Initial Bids for 100% of the Company with a purchase price at or above \$100 per share, and to cease discussions with Party F, Party G and Party H. Representatives of Goldman Sachs discussed the timing and key events of the process going forward, and the Board directed representatives of Goldman Sachs, Skadden and certain members of the Company's executive management to continue to proceed with the process.

Beginning on August 27, 2018, the virtual data room was expanded and opened to the remaining participants in the process.

During August and September of 2018, certain members of executive management of the Company made separate management presentations to each of TransDigm, Party A, Party C, Party B and Party I and the remaining participants in the process continued due diligence activities regarding the Company. Representatives of Goldman Sachs attended the executive management meetings.

On September 5, 2018, at the direction of the Board, representatives of Goldman Sachs distributed to each of the remaining participants in the process a draft merger agreement.

On September 6, 2018, at the direction of the Board, representatives of Goldman Sachs distributed to each of the remaining participants in the process a final round bid process letter. Among other things, the final round bid process letter instructed participants to include as part of a final round bid package the purchase price, financing plans, intentions for the business, remaining outstanding diligence requests, anticipated regulatory approvals and an estimate of timing to execute a definitive merger agreement, along with a markup of the draft merger agreement.

During the month of September, 2018, representatives of TransDigm, Party A, Party C and Party B conducted site visits to certain Company facilities, and all of the remaining five participants in the process continued due diligence activities regarding the Company.

On September 13, 2018, press reports from Mergermarket reported that the Company was in discussions with certain named parties regarding a potential acquisition of the Company.

On September 27, 2018, representatives of each of TransDigm, Party A, Party C and Party B submitted mark ups of the draft merger agreement to Skadden.

On September 28, 2018, representatives of Party C communicated to representatives of Goldman Sachs that Party C was not currently in a position to offer a purchase price for the Company, based on its view that, among other things, the scope of due diligence it required to be completed could not be completed in a time frame consistent with the Company's process.

Between September 28, 2018 and October 4, 2018, legal counsel for TransDigm, Party A and Party B participated in discussions with representatives of Skadden regarding the key provisions of the draft merger agreements, including, among other things, discussions around certain of the Company's representations and warranties and operating covenants, the size of the termination fee, treatment of equity awards, issues regarding the parties' required efforts to obtain applicable regulatory approvals and provisions related to each party's financing of the transaction. During such time, representatives of Party B discussed with representatives of Goldman Sachs that if it submitted a final round offer for the Company, it was likely to be within its initial bid range of between \$98 - \$103 per share in cash.

On October 5, 2018, representatives of Goldman Sachs received final round written non-binding offers for 100% of the Company from TransDigm at \$114.50 per share in cash and Party A at \$110 per share in cash, along

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with commitment letters for debt financing for the transaction, and statements that each of the parties had completed due diligence and was willing to execute a definitive merger agreement in an expedient manner (together, the October 5th Proposals). Neither offer was subject to a financing condition. Representatives of Party B communicated to representatives of Goldman Sachs that Party B would not be submitting a final round offer for the Company.

On the morning of October 6, 2018, a meeting was held with representatives of Goldman Sachs, Evercore, Skadden, certain members of the Company's executive management and the Company's lead independent director. At the meeting, the final offers from each of TransDigm and Party A were discussed, and a representative of Skadden discussed the key issues that it had been negotiating with each of the bidders remaining in the process in each of the draft merger agreements during the course of the prior week. In the case of TransDigm, among other things, its October 5th proposal lowered the termination fee to 3.5% of the equity value of the transaction compared to its initial proposal of 5% of the equity value of the transaction, narrowed the scope of certain of the Company's representations and warranties and operating covenants, improved its position on certain provisions related to the obligations of the parties to obtain applicable regulatory approvals and improved certain other contractual terms. In the case of Party A, among other things, its October 5th proposal lowered the termination fee to 3% of the equity value of the transaction compared to its initial proposal of 4% of the enterprise value of the transaction, narrowed the scope of certain of the Company's representations and warranties and operating covenants, improved its position on certain provisions related to the obligations of the parties to obtain applicable regulatory approvals and improved certain other contractual terms. A representative of Skadden further discussed the appropriate range of termination fees for a deal of this nature, and reviewed the key outstanding issues with respect to each party's draft merger agreement that related to certain of the Company's representations and warranties, operating covenants and certain other matters. After discussion, the Company's lead independent director determined that Skadden should return revised versions of the draft merger agreements to each of TransDigm and Party A, in order that the parties could continue to negotiate the key outstanding issues, and each of TransDigm and Party A should be instructed to deliver its best and final offer package, both in purchase price and the merger agreement terms, by 5:00 p.m. (Eastern Standard Time) on Monday, October 8, 2018, so that the Board could evaluate each bid package in its entirety at a meeting to be held on Tuesday, October 9, 2018.

On October 6, 2018, representatives of Skadden sent a revised version of the draft merger agreement and corresponding Company disclosure schedules to each of TransDigm and Party A. Representatives of Goldman Sachs conveyed the timing and next steps of the process to each of TransDigm and Party A and instructed them to submit a best and final offer package on October 8, 2018.

Between October 6 and October 8, 2018, representatives of Skadden continued to hold discussions and negotiate the terms of the merger agreements with legal counsel for each of TransDigm and Party A.

On October 8, 2018, the Board held a meeting, also attended by representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management. At the meeting, representatives of Goldman Sachs reviewed for the Board the sale process that had been undertaken on behalf of the Company to identify and engage prospective bidders for the Company, including that representatives of Goldman Sachs or the Company had communicated with 21 prospective bidders, the Company had executed 12 NDAs, 10 parties had conducted detailed due diligence, 9 non-binding initial indications of interest were submitted, 5 parties participated in executive management presentations, 4 parties attended site visits, 4 parties submitted an initial markup of the draft merger agreement and 2 final bid packages had been submitted. A representative of Goldman Sachs then discussed the October 5th Proposals, and noted the anticipated receipt of best and final proposals later that day. Members of the Board discussed and asked questions about the process. A representative of Goldman Sachs reviewed its preliminary financial analysis of the Company and the merger consideration offered in the October 5th Proposals. Members of the Board discussed and asked questions regarding the financial analysis. A representative of Evercore also reviewed

certain considerations related to the October 5th Proposals and answered questions from certain members of the Board. Following such discussion, a

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representative of Skadden reviewed with the Board its fiduciary duties in connection with the proposed transaction and presented a summary of the material terms and open points with respect to the draft merger agreements with each of TransDigm and Party A. The Board, among other things, reviewed and discussed the anticipated timing and process required to obtain regulatory approvals based upon the proposals from each of TransDigm and Party A, including the fact that Party A may have certain timing advantages with respect to obtaining such regulatory approvals, and the timing and process to obtain shareholder approval of the transaction with each of TransDigm and Party A. Following further discussion, the Board agreed to meet the next morning to review the best and final proposals from each of TransDigm and Party A.

Later on October 8, 2018, representatives of Goldman Sachs received a written non-binding offer for 100% of the Company from TransDigm at \$120.50 per share in cash, with merger agreement terms that included no financing contingency, a termination fee equal to 3.5% of the equity value of the transaction, a no-shop provision with a 3 business day matching right and a fiduciary out provision. Representatives of Goldman Sachs also received a written non-binding offer for 100% of the Company from Party A at \$118 per share in cash, with merger agreement terms that included no financing contingency, a termination fee equal to 3% of the equity value of the transaction, a no-shop provision with a 3 business day matching right and a fiduciary out provision.

On October 9, 2018, the Board held a meeting, also attended by representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management to consider TransDigm's and Party A's offers and the proposed terms of the 2 draft merger agreements. A representative of Goldman Sachs reviewed with the Board the terms of the 2 offers it had received on October 8, 2018. Thereafter, a representative from Skadden discussed with the Board its fiduciary duties in evaluating the offers, and compared the material terms between each of the merger agreement drafts the Company had received, noting, among other things, that TransDigm had agreed to improve its position with respect to certain provisions related to the obligations of the parties to obtain applicable regulatory approvals and certain other contractual provisions. Following discussion, including discussion with a representative from Evercore, the Board determined that it wished to proceed with a further discussion solely regarding the terms of TransDigm's offer, which provided the shareholders of the Company with a higher purchase price than the purchase price offered by Party A. Following such discussion, a representative of Skadden reviewed the key terms of the merger agreement with TransDigm (a summary of which had been previously circulated to the Board) including, among other things, the parties' respective termination rights (including the Company's right to terminate the merger agreement if the Board, in the exercise of its fiduciary duties, changes its recommendation under the proposed merger agreement to enter into an agreement with respect to a superior proposal), the termination fee, the obligations of the parties to obtain applicable regulatory approvals, the restrictions on the Company's ability to solicit alternative proposals, the definition of a material adverse effect and the applicable closing conditions. Additionally, the Board considered and discussed its reasons for approving the merger and the adoption of the merger agreement, which are set forth in detail in Proposal 1: Adoption of the Merger Agreement The Merger Recommendation of the Board of Directors and Reasons for the Merger. Next, representatives of Goldman Sachs reviewed its financial analysis of the Company and the \$120.50 per share in cash offered by TransDigm and rendered to the Board an oral opinion, to the effect that, based on and subject to the factors and assumptions set forth in the opinion, the \$120.50 per share in cash to be paid to the holders (other than TransDigm and its affiliates) of shares of Company common stock was fair, from a financial point of view, to such holders. After discussing the proposed transaction and considering the presentations by Goldman Sachs and Skadden, and its discussion with a representative of Evercore, the Board unanimously (i) determined that the transaction with TransDigm was in the best interests of the Company and the Company's shareholders, and declared it advisable for the Company to enter into the merger agreement, (ii) approved the execution, delivery and performance by the Company of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (iii) directed that the adoption of the merger agreement be submitted to a vote of the Company's shareholders at a meeting and (iv) resolved to recommend that the Company's shareholders approve the adoption of the merger agreement and the transactions contemplated therein,

including the merger. Following such resolutions, the Board directed representatives of Goldman Sachs and Skadden to contact TransDigm and convey

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that the Board had approved the transaction and authorized the Company's representatives and executive management to finalize the terms of a definitive merger agreement.

Following the Board meeting, representatives of Goldman Sachs contacted representatives of TransDigm and conveyed that the Board had approved moving forward with the transaction according to the terms offered by TransDigm on October 8, 2018, and had authorized the Company's representatives and executive management to finalize the definitive merger agreement between the parties.

Also following the Board meeting, representatives of Goldman Sachs were contacted by representatives of Party A inquiring about the status of its offer and, at the direction of the Board, the representatives of Goldman Sachs informed the representatives of Party A that they were behind on proposed purchase price and that the Board had decided to proceed with a transaction with another party.

During the course of the day on October 9, 2018, legal counsel for TransDigm and representatives of Skadden further negotiated, and reached resolution on, the remaining key open points of the merger agreement.

In the afternoon of October 9, 2018, representatives of Goldman Sachs received an unsolicited revised best and final offer from Party A increasing its offered purchase price to \$120 per share in cash.

Following the receipt of such offer, at the direction of the Board, representatives of Goldman Sachs contacted representatives of Party A to discuss the increased purchase price to \$120 per share in cash, and to ask Party A whether the increased purchase price was, in fact, its best and final offer. Representatives of Party A confirmed to representatives of Goldman Sachs that \$120 per share in cash was indeed its best and final offer, and that Party A would not be increasing its offered purchase price again to an amount higher than \$120 per share in cash.

Following such conversation, at the direction of the Board, with advice from Evercore and Skadden, representatives of Goldman Sachs contacted representatives of TransDigm and communicated that, following the previous conversation between the parties, representatives of Goldman Sachs had received an unsolicited revised offer from another party in the process that increased its offered purchase price and that the revised offer would be submitted to the Board for its consideration. Representatives of Goldman Sachs indicated that if TransDigm could increase its purchase price offered for the Company beyond \$120.50, it should do so, in order for the Board to fully evaluate each party's offer, including, among other things, the purchase price and certain timing and process considerations related to each proposed transaction.

Later in the afternoon of October 9, 2018, representatives of Goldman Sachs received a revised best and final offer from TransDigm increasing its offered purchase price to \$122.50 per share in cash.

Early in the evening of October 9, 2018, the Board held a meeting, also attended by representatives of Goldman Sachs, Evercore, Skadden and certain members of the Company's executive management, to consider TransDigm's and Party A's revised offers. At the meeting, representatives of Goldman Sachs reviewed the increased purchase prices offered by TransDigm and Party A and a representative of Skadden confirmed that the material terms of the merger agreements with the parties had not changed, and that it had reached resolution on the key outstanding items of the merger agreement with TransDigm since the previous meeting. The Board discussed the terms of the revised offers, including the increased purchase prices and certain timing and process considerations of a transaction with each of TransDigm and Party A, and asked questions about the communications since the last meeting. Following such discussion, including discussion with a representative of Evercore regarding certain matters with respect to the revised offers, the Board determined that it wished to proceed with a confirmation of its approval of a transaction with TransDigm at the increased offered purchase price, because, among other things, it provided the Company's

shareholders with a higher purchase price than the purchase price offered by Party A. Following such discussion, representatives of Goldman Sachs reviewed with the Board its financial analysis of the Company and the \$122.50 per share in cash offered by TransDigm, and

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rendered to the Board an oral opinion, which was subsequently confirmed in writing, to the effect that, as of October 9, 2018, and based on and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the \$122.50 per share in cash to be paid to the holders (other than TransDigm and its affiliates) of shares of Company common stock was fair, from a financial point of view, to such holders. After discussing the proposed transaction and considering the presentations by Goldman Sachs and Skadden, and the discussion with a representative of Evercore, the Board unanimously (i) determined that the transaction with TransDigm was in the best interests of the Company and the Company's shareholders, and declared it advisable for the Company to enter into the merger agreement, (ii) approved the execution, delivery and performance by the Company of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (iii) directed that the adoption of the merger agreement be submitted to a vote of the Company's shareholders at a meeting and (iv) resolved to recommend that the Company's shareholders approve the adoption of the merger agreement and the transactions contemplated therein, including the merger. Following such actions, the Board directed representatives of Goldman Sachs and Skadden to contact TransDigm and convey that the Board had approved the transaction at the higher purchase price and to continue to move towards signing a definitive merger agreement and announcing a transaction with TransDigm.

Following the Board meeting, the merger agreement was executed by the Company and TransDigm later in the evening of October 9, 2018.

On October 10, 2018, prior to the opening of trading of the Company's common stock on the NYSE, the Company and TransDigm issued a joint press release announcing the execution of the merger agreement.

Recommendation of Our Board of Directors and Reasons for the Merger

Recommendation of Our Board of Directors to Adopt the Merger Agreement, thereby Approving the Transactions Contemplated by the Merger Agreement

On October 9, 2018, the Board of Directors, after considering various factors, certain of which are described below, unanimously (i) determined that it is in the best interests of ESL and its shareholders, and declared it advisable, for ESL to enter into the merger agreement, (ii) approved the execution, delivery and performance by ESL of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (iii) directed that the adoption of the merger agreement be submitted to a vote of ESL's shareholders at a meeting of its shareholders and (iv) resolved to recommend that ESL's shareholders approve the adoption of the merger agreement and the transactions contemplated therein, including the merger.

Reasons for the Merger

In recommending that ESL's shareholders vote in favor of the merger proposal, the Board of Directors consulted with executive management of ESL and ESL's outside financial and legal advisors and carefully considered a number of factors that the Board believed supported its decision, including, but not limited to, the following (not necessarily in order of relative importance):

The fact that the merger consideration of \$122.50 per share to be received by the holders of shares of Company common stock in the merger represents a significant premium over the market price at which shares of ESL common stock traded prior to the market rumors regarding a potential sale of ESL, and a significant premium over the market price at which shares of ESL common stock traded prior to the

announcement of the execution of the merger agreement, including the fact that the merger consideration of \$122.50 per share represents an approximate premium of:

approximately 62% over the closing stock price on July 19, 2018, the last trading day prior to the market rumors regarding a potential sale of ESL;

approximately 22% over the highest stock price during the 52-week period ended July 19, 2018, the last trading day prior to the market rumors regarding a potential sale of ESL;

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approximately 67% over the volume weighted average stock price during the 30 days ended July 19, 2018, the last trading day prior to the market rumors regarding a potential sale of ESL;

approximately 38% over the closing stock price on October 8, 2018, the last trading day prior to the announcement of the execution of the merger agreement; and

approximately 57% over the broker median price per share as of October 8, 2018, the last trading day prior to the announcement of the execution of the merger agreement, per IBES consensus.

The fact that the proposed merger consideration is all cash, which provides shareholders certainty of value and liquidity for their shares of ESL common stock upon completion of the merger.

The financial analyses presented by Goldman Sachs and the oral opinion of Goldman Sachs, which was subsequently confirmed in writing, to the effect that, as of October 9, 2018, and based on and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the merger consideration to be paid to the holders (other than TransDigm and its affiliates) of shares of Company common stock was fair, from a financial point of view, to such holders, as more fully described below in the section entitled "Proposal 1: Adoption of the Merger Agreement - The Merger - Opinion of ESL's Financial Advisor" beginning on page 43.

The Board of Directors believed that the merger consideration represents fair value for the shares of Company common stock, taking into account the Board of Directors' familiarity with ESL's current and historical financial condition, results of operations, business, competitive position and prospects, industry consolidation trends, as well as ESL's future strategic plan and potential long-term value.

The Board of Directors conducted a thorough review of ESL's strategic plan, business opportunities, competitive environment and short- and long-term performance in light of ESL's strategic plan, and held discussions with ESL's executive management and outside legal and financial advisors regarding the potential strategic alternatives reasonably available to ESL, including continuing as a stand-alone public company. The Board of Directors determined that the value offered to ESL shareholders pursuant to the merger agreement is more favorable to ESL shareholders than other strategic alternatives reasonably available to ESL, including continuing as an independent public company (taking into account the potential risks, rewards and uncertainties associated therewith).

The fact that, at the direction of the Board of Directors, ESL, with the assistance of Goldman Sachs, conducted an extensive sale process, including communicating with 21 prospective bidders, executing confidentiality agreements with 12 prospective bidders, receiving initial bids from 9 prospective bidders, holding management meetings with 5 prospective bidders, facilitating site visits with 4 prospective bidders and receiving final bids from 2 prospective bidders.

The fact that the Board of Directors and ESL's executive management, in coordination with ESL's outside legal and financial advisors, negotiated on an arms-length basis with TransDigm with respect to price and other terms and conditions of the merger agreement, including obtaining significant price increases by TransDigm from its initial indicative price value of \$94.50 on June 14, 2018, to \$100.50 per share on August 16, 2018, to \$114.50 per share on October 5, 2018, to \$120.50 per share on October 8, 2018, to a final price of \$122.50 per share on October 9, 2018. The Board of Directors also considered that the final price represented the highest proposed purchase price that ESL received after a competitive sale process.

The Board of Directors considered that the terms and conditions of the merger agreement, including the respective representations, warranties, covenants and termination rights of the parties, and the termination fee payable by ESL, are reasonable and the most favorable to ESL and its shareholders reasonably attainable from TransDigm.

The Board of Directors considered the fact that the merger agreement requires TransDigm to use its reasonable best efforts to take actions necessary to satisfy the regulatory conditions, and includes a commitment by TransDigm to obtain applicable consents and approvals under antitrust laws and

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assume the risks related to certain conditions and requirements that may be imposed by regulators in connection with securing such consents and approvals up to specified thresholds and limitations.

The Board of Directors considered TransDigm's representations, warranties and covenants contained in the merger agreement relating to TransDigm's financing commitments and the fact that the merger is not subject to a financing condition. The Board of Directors also considered the delivery by TransDigm of a debt commitment letter by banks of international reputation.

The fact that if ESL were to receive a company takeover proposal from a third party that the Board of Directors determines is, or is reasonably likely to lead to, a superior proposal, the Board of Directors would be able, subject to certain conditions, to consider such superior proposal and change its recommendation that ESL's shareholders vote in favor of the merger proposal and/or terminate the merger agreement in order to enter into a definitive agreement providing for a superior proposal subject to payment of a termination fee of \$128,855,000 to TransDigm, which amount the Board of Directors believed to be reasonable under the circumstances, taking into account the benefits of the merger to ESL's shareholders, the range of such termination fees in similar transactions, and the Board's belief that a fee of such size would not preclude or unreasonably restrict company takeover proposals.

The Board of Directors considered the availability of appraisal rights with respect to the merger for ESL shareholders who properly exercise their rights under the DGCL, which would give such shareholders the ability to seek and be paid a judicially determined appraisal of the fair value of their shares at the completion of the merger.

The Board of Directors considered the likelihood of the consummation of the transactions contemplated by the merger agreement, the absence of a financing condition, the representation of TransDigm in the merger agreement that as of the closing of the merger it will have sufficient funds to pay its obligations under the merger agreement, including the merger consideration, TransDigm's proven ability to consummate acquisitions, the obligations of TransDigm to obtain applicable regulatory approvals, as well as ESL's ability to specifically enforce TransDigm's obligations under the merger agreement.

The Board of Directors also considered a number of uncertainties, risks and other factors in its deliberations concerning the merger and the other transactions contemplated by the merger agreement, including, but not limited to, the following (not necessarily in order of relative importance):

The fact that ESL shareholders will lose the opportunity to realize the potential long-term value of the successful execution of ESL's current strategy as an independent public company.

The fact that the announcement and pendency of the merger, or the failure to complete the merger, may result in significant costs to ESL, could affect the trading price of ESL's common stock, or could negatively impact ESL's relationships with its employees (including making it more difficult to attract and retain key personnel and the possible loss of key management and other personnel) and its customers, providers, suppliers, joint venture partners and regulators (including as a result of customer or other contracts with

provisions that require consent for, or have implications upon, a change of control of ESL).

The Board of Directors considered the time and effort of management required to consummate the merger, which could disrupt ESL's business operations and may divert employees' attention away from ESL's day-to-day operations.

The fact that the merger would be a transaction in which gain or loss is recognized by ESL's shareholders for U.S. federal income tax purposes.

The fact that there can be no assurance that all conditions to the parties' obligations to consummate the merger will be satisfied, including approval by ESL's shareholders.

The fact that the completion of the merger would require regulatory consents and approvals, including approval under or expiration or termination of the applicable waiting periods under the HSR Act and

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other applicable antitrust laws, the risk that regulatory agencies may not approve the merger or may impose terms and conditions on their approvals that exceed the thresholds and limitations that TransDigm agreed to in the merger agreement or otherwise adversely affect the business and financial results of the combined company, and the amount of time that might be required to obtain all required regulatory consents and approvals.

The risk that the debt financing contemplated by TransDigm's debt commitment letter will not be obtained, resulting in TransDigm having insufficient funds to consummate the merger.

The Board of Directors considered the restrictions on ESL's conduct of business prior to completion of the merger, which could delay or prevent ESL from undertaking business opportunities that may arise or taking other actions with respect to its operations that the Board of Directors and management might believe were appropriate or desirable.

The fact that the termination fee of \$128,855,000 is payable to TransDigm under certain specified circumstances, including upon the termination of the merger agreement in order to enter into a definitive agreement with respect to a superior proposal.

Certain of ESL's directors and executive officers may have interests in the merger that are different from, or in addition to, those of ESL's shareholders generally. For a discussion of these interests, see Proposal 1: Adoption of the Merger Agreement The Merger Interests of the Directors and Executive Officers of ESL in the Merger beginning on page 53.

After taking into account all of the factors set forth above, as well as others, the Board of Directors concluded that the risks and uncertainties associated with the merger were outweighed by the potential benefits of the merger to ESL's shareholders.

The Board of Directors unanimously determined that the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement were advisable and in the best interests of ESL and its shareholders and approved the merger agreement. Accordingly, the Board of Directors unanimously recommends that ESL's shareholders vote **FOR** the merger proposal.

The foregoing discussion of factors considered by the Board of Directors is not intended to be exhaustive, but summarizes the material factors considered by the Board of Directors in its consideration of the merger agreement and the merger. In light of the variety of factors considered in connection with their evaluation of the merger agreement and the merger, the Board of Directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching their determinations and recommendations. Moreover, each member of the Board of Directors applied his or her own personal business judgment to the process and may have given different weight to different factors. The Board of Directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support their ultimate determinations. The Board of Directors based their recommendations on the totality of the information presented, including thorough discussions with, and questioning of, ESL's executive management and ESL's and the Board of Directors' outside financial advisors and outside legal counsel. It should be noted that this explanation of the reasoning of the Board of Directors and certain information presented in this section is forward-looking in nature and should be read in light of the factors set forth in Forward-Looking Statements beginning on page 22.

Opinion of ESL's Financial Advisor

At the meeting at which the Board of Directors voted to approve the proposed merger, Goldman Sachs rendered to the Board of Directors its oral opinion, subsequently confirmed in writing, to the effect that, as of October 9, 2018, and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the \$122.50 in cash per share to be paid to the holders (other than TransDigm and its affiliates) of shares of ESL common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

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The full text of the written opinion of Goldman Sachs, dated October 9, 2018, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement as Annex B. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Board of Directors in connection with its consideration of the proposed merger and the opinion does not constitute a recommendation as to how any holder of shares of ESL common stock should vote with respect to the proposed merger or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to shareholders and Annual Reports on Form 10-K of ESL for the five years ended September 29, 2017;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of ESL;

certain estimated selected income statement information for ESL for the quarter ended September 28, 2018 and certain estimated selected balance sheet information for ESL as of September 28, 2018, prepared by its management;

certain other communications from ESL to its shareholders;

certain publicly available research analyst reports for ESL; and

certain internal financial analyses and forecasts for ESL prepared by its management, as approved for Goldman Sachs' use by ESL, which we refer to as the "Forecasts" in this proxy statement and which are summarized below under the section entitled "Proposal 1: Adoption of the Merger Agreement - The Merger Financial Forecasts" beginning on page 50 of this proxy statement.

Goldman Sachs also held discussions with members of the senior management of ESL regarding their assessment of the past and current business operations, financial condition and future prospects of ESL; reviewed the reported price and trading activity for the shares of ESL common stock; compared certain financial and stock market information for ESL with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the aerospace and defense industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with the consent of the Board of Directors, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed, with the consent of the Board of Directors, that the

Forecasts had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of ESL. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of ESL or any of its subsidiaries and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the proposed merger would be obtained without any adverse effect on the expected benefits of the proposed merger in any way meaningful to its analysis. Goldman Sachs assumed that the proposed merger would be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion did not address the underlying business decision of ESL to engage in the proposed merger, or the relative merits of the proposed merger as compared to any strategic alternatives that may have

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been available to ESL; nor did it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addressed only the fairness from a financial point of view to the holders (other than TransDigm and its affiliates) of shares of ESL common stock, as of October 9, 2018, the date of its opinion, of the \$122.50 in cash per share to be paid to such holders pursuant to the merger agreement. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the merger agreement or the proposed merger or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the proposed merger, including, the fairness of the proposed merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of ESL; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of ESL, or class of such persons, in connection with the proposed merger, whether relative to the \$122.50 in cash per share to be paid to the holders (other than TransDigm and its affiliates) of shares of ESL common stock pursuant to the merger agreement or otherwise. Goldman Sachs did not express any opinion as to the impact of the proposed merger on the solvency or viability of ESL or TransDigm or the ability of ESL or TransDigm to pay their respective obligations when they come due. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of its opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after October 9, 2018, the date of its opinion. Goldman Sachs' advisory services and its opinion were provided for the information and assistance of the Board of Directors in connection with its consideration of the proposed merger and the opinion does not constitute a recommendation as to how any holder of shares of ESL common stock should vote with respect to the proposed merger or any other matter. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

Summary of Financial Analyses

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Board of Directors in connection with the rendering to the Board of Directors of the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 8, 2018, the last trading day before Goldman Sachs rendered its opinion to the Board of Directors, and is not necessarily indicative of current market conditions.

Historical Stock Trading Analysis. Goldman Sachs analyzed the \$122.50 in cash per share to be paid to the holders (other than TransDigm and its affiliates) of shares of ESL common stock pursuant to the merger agreement in relation to the undisturbed closing price per share (which occurred July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL), the closing price per share as of October 8, 2018, the highest price per share for the 52-week period ended July 19, 2018 (which occurred July 25, 2017), the volume-weighted average price, which we refer to as VWAP, per share for the one-month period ended July 19, 2018, and the broker median price per share as of October 8, 2018, per IBES consensus. This analysis indicated that the \$122.50 in cash per share to be paid to the holders (other than TransDigm and its affiliates) of shares of ESL common stock pursuant to the merger agreement represented:

a premium of 62% based on the undisturbed closing price per share (which occurred July 19, 2018, the last trading day prior to market rumors regarding a potential sale of ESL) of \$75.45;

a premium of 38% based on the closing price per share as of October 8, 2018 of \$89.01;

a premium of 22% based on the highest price per share for the 52-week period ended July 19, 2018 of \$100.30 (which occurred July 25, 2017);

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a premium of 67% based on the VWAP per share for the one-month period ended July 19, 2018 of \$73.46; and

a premium of 57% based on the broker median price per share as of October 8, 2018, per IBES consensus, of \$78.00.

Illustrative Present Value of Future Share Price Analyses

Goldman Sachs performed an analysis to derive a range of illustrative present values per share of ESL common stock as of September 28, 2018, based on theoretical future prices calculated by Goldman Sachs for the shares of ESL common stock.

Using the Forecasts, Goldman Sachs derived a range of theoretical future enterprise values for ESL as of September 30 of each of calendar years 2019 through 2022, by applying a range of illustrative multiples of enterprise value to EBITDA for the next 12-month period, which we refer to as NTM EBITDA in this proxy statement, of 8.0x to 10.0x to an estimate of ESL's NTM EBITDA for the following year, as reflected in the Forecasts. The range of illustrative multiples of enterprise value to NTM EBITDA of 8.0x to 10.0x applied by Goldman Sachs as described above were derived by Goldman Sachs utilizing its professional judgment and experience, taking into account average implied multiples of enterprise value to NTM EBITDA for ESL over various periods ended July 19, 2018.

Goldman Sachs then derived a range of theoretical future values per share of ESL common stock as of September 30, 2019, 2020, 2021 and 2022 by subtracting the estimated net debt (defined for this purpose as ESL's debt, capital leases and other financing obligations less cash) and minority interest of ESL as of that date, in each case, as reflected in the Forecasts from the theoretical future enterprise values for ESL described above and dividing the result by the estimated fully-diluted shares of ESL common stock outstanding on a standalone basis as of that date as reflected in the Forecasts. Using a discount rate of 11%, reflecting an estimate of ESL's cost of equity, Goldman Sachs discounted to present value as of September 28, 2018, the range of theoretical future values per share of ESL common stock it derived as of September 30 of each of calendar years 2019 through 2022. Goldman Sachs derived the discount rate of 11% that it used by application of the capital asset pricing model (CAPM), which requires certain company-specific inputs, including a beta for ESL, as well as certain financial metrics for the United States financial markets generally. These calculations yielded a range of illustrative present values per share of ESL common stock as of September 28, 2018 of \$81 to \$112 (rounded to the nearest \$1 per share).

Illustrative Discounted Cash Flow Analyses

Using the Forecasts, Goldman Sachs performed an illustrative discounted cash flow analysis of Esterline. Using a mid-year convention and discount rates ranging from 9.5% to 10.5%, reflecting estimates of ESL's weighted average cost of capital, Goldman Sachs discounted to present value as of September 28, 2018 (i) estimates of unlevered free cash flow for ESL for fiscal years 2019 through 2023, as reflected in the Forecasts, and (ii) a range of illustrative terminal values for ESL, which were calculated by applying perpetuity growth rates ranging from 2.5% to 3.5%, to a terminal year estimate of the free cash flow to be generated by ESL, as reflected in the Forecasts (which analysis implied exit terminal year EV/ LTM EBITDA multiples ranging from 7.9x to 10.6x). Goldman Sachs derived such discount rates by application of CAPM, which requires certain company-specific inputs, including ESL's target capital structure weightings, the cost of long-term debt, future applicable marginal cash tax rate and a beta for Esterline, as well as certain financial metrics for the United States financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs then derived ranges of illustrative enterprise values for ESL by adding the ranges of present values it derived above.

Goldman Sachs then subtracted the net debt and minority interests as of September 28, 2018, as provided by ESL's management and

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approved for Goldman Sachs' use by ESL, from the range of illustrative enterprise values it derived for ESL, to derive a range of illustrative equity values for ESL. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of ESL, as provided by ESL's management and approved for Goldman Sachs' use by ESL, to derive a range of illustrative present values per share of the ESL's common stock ranging from \$89 to \$117 (rounded to the nearest \$1 per share).

Selected Transactions Analysis

Goldman Sachs analyzed certain publicly available information relating to acquisition transactions announced in the past seven years involving target companies with operations in the aerospace and defense industry.

While none of the target companies in the selected transactions are directly comparable to ESL and none of the selected transactions are directly comparable to the proposed merger, the target companies in the selected transactions are companies with operations that, for the purposes of analysis, may be considered similar in certain respects to ESL's financial results and market size.

Using publicly available information for each of the selected transactions, Goldman Sachs calculated the implied enterprise value of the applicable target company based on the consideration paid in the applicable transaction, as a multiple of the target company's EBITDA for the last 12-month period ended prior to announcement of the applicable transaction, which we refer to as "LTM EBITDA" in this proxy statement. The results are set forth below.

| Announcement Date | Target | Acquiror | Enterprise Value / LTM EBITDA |
|--------------------------|------------------------|---------------------------|--------------------------------------|
| September 21, 2011 | | United Technologies Corp. | 12.9x |
| May 20, 2014 | Goodrich Corporation | Cobham plc. | 11.1x |
| February 6, 2015 | Aeroflex Holding Corp | Harris Corporation | 9.3x |
| May 24, 2017 | Exelis Inc. | Safran S.A. | 10.1x ⁽¹⁾ |
| September 4, 2017 | Zodiac Aerospace | United Technologies Corp. | 15.9x ⁽²⁾ |
| March 18, 2018 | Rockwell Collins, Inc. | Melrose Industries plc. | 8.5x |
| September 11, 2018 | GKN plc. | Woodward Inc. | 9.5x |
| Median | L Orange GmbH | | 9.8x |

(1) Normalized multiple of 10.1x based on revised offer estimated using LTM EBITDA based on disclosed normalized EBIT multiple and LTM financials as of May 2017.

(2) United Technologies' acquisition of Rockwell Collins was reviewed for illustrative purposes, but was not included in the median calculation or reference range due to differences in the size and financial profile of Rockwell Collins as compared to ESL.

Based on the results of the foregoing calculations and Goldman Sachs' analyses of the various selected transactions and its professional judgment and experience, Goldman Sachs applied a reference range of LTM EBITDA multiples of 8.5x to 12.9x to ESL's EBITDA, as provided in the summary preliminary results for the just-completed fiscal year 2018, as provided by ESL's management, to derive a range of implied enterprise values for ESL. Goldman Sachs subtracted from this range of implied enterprise values the ESL's net debt (defined for this purpose as the ESL's debt,

capital leases and other financing obligations less cash) and minority interest as of September 28, 2018, calculated using information provided by ESL's management, and divided the result by the total number of fully-diluted shares of ESL common stock outstanding as of October 8, 2018, calculated using information provided by ESL's management, to derive a range of implied values per share of ESL common stock of \$78 to \$122 (rounded to the nearest \$1 per share).

Table of Contents*Premia Paid Analysis*

Goldman Sachs reviewed and analyzed, using Thomson Reuters data, the premia paid in all cash acquisitions of publicly traded companies in the United States announced during the period from January 1, 2013 through October 8, 2018, in which the target company had an implied enterprise value of between \$250 million and \$5 billion based on the consideration paid in the applicable transaction. For each year during this period and over certain periods, Goldman Sachs calculated the average premium and, for certain periods referred to below, various median premiums reflected by the respective prices paid in the transactions as compared to the last closing prices of the target companies shares prior to the announcement of the transaction. The following shows a summary of the results of the review:

| Year | Number of Transactions | Average Premium | |
|--------------------------------|-------------------------------|------------------------|--|
| 2013 | 66 | 29% | |
| 2014 | 56 | 35% | |
| 2015 | 67 | 32% | |
| 2016 | 91 | 40% | |
| 2017 | 76 | 23% | |
| 2018 (through October 8, 2018) | 34 | 20% | |

| | Number of Transactions | Average Premium | Median Premium |
|--------------|-------------------------------|------------------------|-----------------------|
| Last 5 Years | 343 | 31% | 26% |

| | Number of Transactions | Average Premium | Median Premium |
|-----------------------------|-------------------------------|------------------------|-----------------------|
| Last 3 Years | 220 | 31% | 25% |
| Last 1 Year | 53 | 24% | 21% |
| 25 th Percentile | | | 14% |
| 75 th Percentile | | | 42% |

Based on its review of the foregoing data and its professional judgment and experience, Goldman Sachs applied a reference range of illustrative premia of 25% to 35% to the closing price per share of ESL common stock as of July 19, 2018, the last completed undisturbed trading day. This analysis resulted in a range of implied values of \$94 to \$102 per share of ESL common stock (rounded to the nearest \$1 per share).

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to ESL or the proposed merger.

Goldman Sachs prepared these analyses for purposes of providing its opinion to the Board of Directors as to the fairness from a financial point of view to the holders (other than TransDigm and its affiliates) of shares of ESL common stock, as of the date of the opinion, of the \$122.50 in cash per share to be paid to such holders pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon projections of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable

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than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of ESL, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The \$122.50 in cash per share to be paid to the holders of ESL common stock pursuant to the merger agreement was determined through arm's-length negotiations between ESL and TransDigm and was approved by the Board of Directors. Goldman Sachs provided advice to ESL during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to ESL or the Board of Directors or that any specific amount of consideration constituted the only appropriate consideration for the proposed merger.

As described in Proposal 1: Adoption of the Merger Agreement The Merger Recommendation of the Board of Directors and Reasons for the Merger, Goldman Sachs' opinion was one of many factors taken into consideration by the Board of Directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the delivery of its fairness opinion to the Board of Directors and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex B to this proxy statement.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of ESL, TransDigm, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the proposed merger. Goldman Sachs has acted as financial advisor to ESL in connection with, and has participated in certain of the negotiations leading to, the proposed merger. Goldman Sachs expects to receive fees for its services in connection with the proposed merger, all of which are contingent upon consummation of the proposed merger, and ESL has agreed to reimburse certain of Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. Goldman Sachs has provided certain financial advisory and/or underwriting services to ESL and/or its affiliates from time to time. During the two year period ended October 9, 2018, the Investment Banking Division of Goldman Sachs has not been engaged by Esterline or its affiliates to provide financial advisory or underwriting services for which Goldman Sachs has recognized compensation. Goldman Sachs has provided certain financial advisory and/or underwriting services to TransDigm and its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including having acted as a joint lead agent with respect to a term loan facility (aggregate principal amount \$650,000,000) of TransDigm in October 2016; a joint lead arranger with respect to a term loan facility (aggregate principal amount \$1,819,000,000) of TransDigm in August 2017; a joint lead arranger with respect to a term loan facility (aggregate principal amount \$5,158,000,000) of TransDigm in November 2017; a joint lead arranger with respect to a term loan facility (aggregate principal amount \$1,810,000,000) of TransDigm in February 2018; and a joint bookrunner with respect to a term loan facility (aggregate principal amount \$500,000,000) of TransDigm in May 2018. During the two year period ended October 9, 2018, Goldman Sachs has recognized compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to TransDigm and/or its affiliates of approximately \$1,000,000. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to ESL, TransDigm or their respective affiliates, for which its Investment Banking Division may receive compensation.

The Board of Directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the proposed merger. Pursuant to an engagement letter dated June 21, 2018, ESL engaged Goldman Sachs to act as its financial advisor in connection with

the proposed merger. The engagement letter between ESL and Goldman Sachs provides for a transaction fee that is estimated, based on information available as of the date of announcement, at approximately \$38 million, all of which is contingent upon consummation of the proposed

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merger. In addition, ESL has agreed to reimburse Goldman Sachs for certain of its expenses, including reasonable attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Financial Forecasts

In connection with a possible transaction, certain non-public, unaudited prospective financial information for fiscal years 2018 through 2023 was provided to the Board of Directors, Goldman Sachs, ESL's financial advisor, and to certain participants in the sale process, including TransDigm and its advisors. This unaudited prospective financial information is referred to as the Forecasts.

Although we periodically may issue limited guidance regarding financial performance for the current fiscal year, with the exception of information provided in conjunction with ESL's investor day on June 19, 2014, ESL does not normally publicly disclose long-term projections as to future revenue, earnings or other results due to, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates, including the difficulty of predicting economic and market conditions. The Forecasts were not prepared with a view to public disclosure and are included in this proxy statement only because such information was made available as described above. The Forecasts were not prepared with a view to compliance with generally accepted accounting principles as applied in the United States, which we refer to as GAAP, the published guidelines of the SEC regarding projections and forward-looking statements or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The prospective financial information included in this proxy statement has been prepared by, and is the responsibility of, ESL's management. Ernst & Young LLP has neither audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying prospective financial information and, accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto. Any Ernst & Young LLP reports that are incorporated by reference into this proxy statement relate to ESL's historical financial information. It does not extend to the prospective financial information and should not be read to do so.

As part of ESL's customary annual processes, a five-year plan is presented to the Board of Directors for review and approval. This five-year plan is not ordinarily disclosed publicly and its primary uses are to drive ESL's strategic planning and to serve as the basis for ESL's long-term incentive plan. ESL management reviewed its proposed fiscal years 2018 through 2023 five-year plan at a Board of Directors meeting on May 15, 2018, and the Board of Directors approved the final plan at a subsequent meeting on June 19, 2018. This approved plan was used as the basis for the Forecasts that were provided to the Board of Directors, Goldman Sachs, ESL's financial advisor, and to certain participants in the sale process, including TransDigm and its advisors. For fiscal year 2018, the Forecasts were prepared on an adjusted pro forma basis, and excluded (a) any financial impact, including revenue, gross profit, EBIT, and all expense, including the loss on sale, of the Kirkhill business, the assets of which were sold late in the second fiscal quarter to TransDigm, (b) the impact of the \$48.6 million one-time tax expense resulting from the U.S. Tax Cuts and Jobs Act of 2017, which was recorded in ESL's fiscal first quarter, (c) expenses associated with a temporary shutdown at one of ESL's locations in ESL's fiscal fourth quarter, and (d) any fees or expenses of outside advisors, whether financial, legal, or strategic, related to this sale process.

Although a summary of the Forecasts is presented with numerical specificity, it reflects numerous assumptions and estimates as to future events made by our management, including with respect to general market, economic, and political conditions, the award to ESL of future business, and ESL's operational performance, that our management believed were reasonable at the time the Forecasts were prepared, taking into account the relevant information available to management at the time. However, this information is not fact and should not be relied upon as necessarily indicative of actual future results. Important factors that may affect actual results and cause the Forecasts

not to be achieved include general economic conditions, accuracy of certain accounting assumptions, changes in actual or projected cash flows, competitive pressures, changes in tax

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laws and other factors described or referenced under the section entitled "Forward-Looking Statements" beginning on page 22. In addition, the Forecasts do not take into account any circumstances or events occurring after the date that they were prepared and do not give effect to the merger. As a result, there can be no assurance that the Forecasts will or would be realized, and actual results may be materially better or worse than those contained in the Forecasts.

The Forecasts are not a reliable indication of future results, and ESL and its management team and advisors do not endorse the Forecasts as such, and they do not make any representation to readers of this document concerning the ultimate performance of ESL or the combined company compared to the Forecasts. ESL is including these projections in this document solely because it was among the financial information made available to the Board of Directors, Goldman Sachs, and TransDigm and its advisors in connection with their evaluation of the merger, and not to influence your decision on how to vote on any proposal.

The Forecasts should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding ESL contained in our public filings with the SEC. Our management reviewed the Forecasts with the Board of Directors, which considered the Forecasts in connection with its evaluation and approval of the merger agreement and the merger. In preparing its financial analyses and opinion summarized under the section entitled "Proposal 1: Adoption of the Merger Agreement - The Merger - Opinion of ESL's Financial Advisor" beginning on page 43, Goldman Sachs relied on the accuracy and completeness of the information provided with respect to the Forecasts and the assurances of our management that it was not aware of any facts or circumstances that would make such information inaccurate or misleading in any material respect.

The Forecasts constitute a forward-looking statement. For information on factors that may cause ESL's future results to materially vary, see the section entitled "Forward-Looking Statements" beginning on page 22, and information in our consolidated financial statements and notes thereto included in our most recent filings on Form 10-K and Amendment No. 1 on Form 10-K/A and subsequent periodic and interim report filings (see "Where You Can Find More Information" beginning on page 101).

Except to the extent required by applicable federal securities laws, we do not intend, and expressly disclaim any responsibility, to update or otherwise revise the Forecasts to reflect circumstances existing after the date when ESL prepared the Forecasts or to reflect the occurrence of future events or changes in general economic or industry conditions, even in the event that any of the assumptions underlying the Forecasts are shown to be in error.

In light of the foregoing factors and the uncertainties inherent in the Forecasts, shareholders are cautioned not to place undue reliance on the Forecasts.

Certain of the measures included in the Forecasts may be considered non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by ESL may not be comparable to similarly titled amounts used by other companies.

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The following table reflects selected metrics reflected in, or generated from, the Forecasts:

| | Fiscal Year ⁽¹⁾ (in millions of U.S. dollars) | | | | | |
|---|--|---------------|---------------|---------------|---------------|---------------|
| | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E |
| Sales | \$ 1,994 | \$ 2,068 | \$ 2,209 | \$ 2,298 | \$ 2,374 | \$ 2,459 |
| Gross Profit | \$ 678 | \$ 700 | \$ 751 | \$ 788 | \$ 829 | \$ 862 |
| EBIT | \$ 191 | \$ 202 | \$ 247 | \$ 275 | \$ 305 | \$ 328 |
| EBITDA ⁽²⁾ | \$ 291 | \$ 306 | \$ 355 | \$ 384 | \$ 410 | \$ 430 |
| Net Income | \$ 118 | \$ 129 | \$ 163 | \$ 184 | \$ 207 | \$ 225 |
| Depreciation and Amortization | \$ 101 | \$ 104 | \$ 107 | \$ 109 | \$ 105 | \$ 102 |
| Capital Expenditures | \$ (70) | \$ (70) | \$ (70) | \$ (70) | \$ (70) | \$ (70) |
| Reductions in Net Working Capital | \$ 16 | \$ 16 | \$ (15) | \$ (10) | \$ 3 | \$ (5) |
| Unlevered Free Cash Flow⁽³⁾ | \$ 184 | \$ 196 | \$ 201 | \$ 227 | \$ 257 | \$ 263 |
| Net Debt and Minority Interest | \$ 317 | \$ 354 | \$ 441 | \$ 478 | \$ 465 | \$ 452 |

(1) ESL's fiscal year end is the last Friday in September.

(2) EBITDA is calculated as EBIT plus depreciation and amortization.

(3) Unlevered Free Cash Flow is calculated as EBIT less cash taxes, capital expenditures, and increases in working capital, plus depreciation and amortization.

In addition, on October 5, 2018, certain estimated preliminary results, also calculated on an adjusted pro forma basis, for the just-completed fiscal year ended September 28, 2018 were shared with the Board of Directors, Goldman Sachs, ESL's financial advisor, and to certain participants in the sale process, including TransDigm and its advisors, as follows:

| | 2018E |
|-----------------------|----------|
| Sales | \$ 1,998 |
| EBIT | \$ 208 |
| EBITDA ⁽¹⁾ | \$ 308 |

(1) EBITDA is calculated as EBIT plus depreciation and amortization.

Reconciliation of the adjusted pro forma preliminary results for the just-completed fiscal year ended September 28, 2018 to the preliminary results is as shown below:

| | Preliminary Results | Kirkhill Removal | Deal Expenses Removal | Facility Shutdown Expenses | Adjusted Pro Forma Preliminary Results |
|-------|---------------------|------------------|-----------------------|----------------------------|--|
| Sales | \$ 2,033 | \$ (35) | \$ | \$ | \$ 1,998 |
| EBIT | \$ 182 | \$ 16 | \$ 7 | \$ 3 | \$ 208 |

| | | | | | | | | | | |
|--------|----|-----|----|----|----|---|----|---|----|-----|
| EBITDA | \$ | 283 | \$ | 15 | \$ | 7 | \$ | 3 | \$ | 308 |
|--------|----|-----|----|----|----|---|----|---|----|-----|

Also, on October 5, 2018, certain estimated preliminary balance sheet items for the just-completed fiscal year ended September 28, 2018 were shared with the Board of Directors, Goldman Sachs, ESL's financial advisor, and to certain participants in the sale process, including TransDigm and its advisors, as follows:

| | 2018E |
|---------------------|--------------|
| Cash | \$ 372 |
| Term loan balance | \$ 180 |
| Revolver balance | \$ 0 |
| Balance on eurobond | 330 |

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Interests of the Directors and Executive Officers of ESL in the Merger

When considering the recommendation of the Board of Directors that you vote to approve the proposal to adopt the merger agreement, you should be aware that our directors and executive officers may have interests in the merger that may be different from, or in addition to, your interests as a shareholder. The Board of Directors was aware of and considered these interests to the extent such interests existed at the time, among other matters, in evaluating and overseeing the negotiation of the merger agreement, in approving the merger agreement and the merger and in recommending that the merger agreement be adopted by the shareholders of ESL. For purposes of each of the ESL plans and agreements described below, the consummation of the merger will constitute a change in control, change of control or term of similar meaning with respect to ESL.

Arrangements with TransDigm

As of the date of this proxy statement, none of our executive officers has entered into any agreement with TransDigm or any of its affiliates regarding employment with the surviving corporation or one or more of its affiliates.

Treatment of Company Awards

Options. Company Options held by our directors and executive officers will be treated like all other Company Options at the effective time of the merger. At the effective time of the merger, each Company Option granted under a Company Stock Plan that is outstanding immediately prior to the effective time, whether vested or unvested, will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) the amount by which \$122.50 exceeds the per-share exercise price of such Company Option, by (ii) the total number of shares of ESL common stock underlying such Company Option, which cash payment will be made within 5 business days following the effective time. If the per-share exercise price of any such Company Option is equal to or greater than \$122.50, such Company Option will be cancelled as of the effective time without the payment of any consideration.

Restricted Stock Units. Company RSUs held by our directors and executive officers will be treated like all other Company RSUs at the effective time of the merger. At the effective time of the merger, each award of Company RSUs granted under a Company Stock Plan that is outstanding immediately prior to the effective time, whether vested or unvested, will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) \$122.50, by (ii) the total number of shares of ESL common stock underlying such Company RSU, which cash payment will be made within 5 business days following the effective time.

Performance Stock Units. Company PSUs held by our directors and executive officers will be treated like all other Company PSUs at the effective time of the merger. At the effective time of the merger, each award of Company PSUs granted under a Company Stock Plan that is outstanding immediately prior to the effective time, whether vested or unvested (treating for this purpose any performance-based vesting condition to which such Company PSU is subject as having been attained at the target level with proration), will be cancelled and converted into the right to receive an amount in cash (without interest and subject to deduction for any required withholding tax) equal to the product obtained by multiplying (i) \$122.50, by (ii) the total number of shares of ESL common stock underlying such Company PSU, which cash payment will be made within 5 business days following the effective time.

Shares Held by Directors and Executive Officers. Any shares of ESL common stock held by our directors and executive officers will be treated in the same manner as outstanding shares of ESL common stock held by all other shareholders of ESL entitled to receive the merger consideration.

Table of Contents**Merger-Related Payments**

The table below sets forth the estimated amounts that each director, named executive officer, and other executive officer of ESL would be eligible to receive (without subtraction of applicable withholding taxes through net settlement or otherwise) with regard to shares of ESL common stock, Company Options, Company RSUs, and Company PSUs, in each case, that are outstanding held as of November 1, 2018, assuming the merger closes on November 1, 2018. Depending on when the merger is completed, directors and executive officers may receive a grant of additional equity awards for the 2019 fiscal year (which amounts are not determinable at this time and therefore are not reflected in the table) and certain outstanding equity shown in the table below may become vested in accordance with their terms without regard to the merger. Mr. George and Ms. Mason are listed as named executive officers in the table because they appear as named executive officers in ESL's annual proxy statement for the fiscal year ended September 29, 2017.

Merger Proxy Beneficial Ownership Table

(as of November 1, 2018)

| | Shares (#) | Value of Shares (\$) ⁽¹⁾ | Vested Company Options (#) ⁽²⁾ | Value of Vested Company Options(\$) ⁽³⁾ | Unvested Company Options (#) ⁽⁴⁾ | Value of Unvested Company Options (\$) ⁽⁵⁾ | Company RSUs (#) ⁽⁶⁾ | Value of Company RSUs (\$) ⁽⁷⁾ | Company PSUs (#) ⁽⁸⁾ | Value of Company PSUs (\$) ⁽⁹⁾ | Total Value (\$) |
|--------|---------------|---|--|---|--|---|---------------------------------------|--|---------------------------------------|---|------------------------|
| of | | | | | | | | | | | |
| ors | | | | | | | | | | | |
| el J. | 4,894.000 | \$ 599,515 | | \$ | | \$ | | \$ | | \$ | \$ 599,515 |
| el J. | 2,573.000 | \$ 315,193 | | \$ | | \$ | | \$ | | \$ | \$ 315,193 |
| es M. | 15,200.000 | \$ 1,862,000 | | \$ | | \$ | | \$ | | \$ | \$ 1,862,000 |
| ny P. | | | | | | | | | | | |
| schini | 21,937.000 | \$ 2,687,283 | | \$ | | \$ | | \$ | | \$ | \$ 2,687,283 |
| y. | 26,696.000 | \$ 3,270,260 | | \$ | | \$ | | \$ | | \$ | \$ 3,270,260 |
| L. | | | | | | | | | | | |
| ll | 14,923.000 | \$ 1,828,068 | | \$ | | \$ | | \$ | | \$ | \$ 1,828,068 |
| E. | | | | | | | | | | | |
| le | 8,225.000 | \$ 1,007,563 | | \$ | | \$ | | \$ | | \$ | \$ 1,007,563 |
| . | | | | | | | | | | | |
| a | 5,713.000 | \$ 699,843 | | \$ | | \$ | | \$ | | \$ | \$ 699,843 |
| d | | | | | | | | | | | |
| tive | | | | | | | | | | | |
| rs | | | | | | | | | | | |
| C. | 42,468.000 | \$ 5,202,330 | 64,450 | \$ 1,999,200 | 61,950 | \$ 2,347,565 | 27,000 | \$ 3,307,500 | 11,800 | \$ 1,445,500 | \$ 14,307,700 |
| er | 15,830.000 | \$ 1,939,175 | 87,400 | \$ 5,330,267 | 17,300 | \$ 653,215 | 3,100 | \$ 379,750 | 2,500 | \$ 306,250 | \$ 8,600,000 |

| | | | | | | | | | | | | |
|-------|-----------|--------------|--------|--------------|--------|------------|-------|------------|-------|------------|---------|--|
| t D. | | | | | | | | | | | | |
| e(10) | | | | | | | | | | | | |
| a J. | | | | | | | | | | | | |
| (11) | 7,447.890 | \$ 912,367 | 54,600 | \$ 3,152,391 | 11,600 | \$ 437,908 | 5,400 | \$ 661,500 | 2,389 | \$ 292,639 | \$ 5,45 | |
| A. | | | | | | | | | | | | |
| | 3,369.243 | \$ 412,732 | 11,550 | \$ 511,821 | 13,050 | \$ 536,871 | 5,300 | \$ 649,250 | 2,283 | \$ 279,708 | \$ 2,39 | |
| S. | | | | | | | | | | | | |
| | 9,340.910 | \$ 1,144,261 | 12,150 | \$ 378,505 | 12,850 | \$ 486,622 | 6,000 | \$ 735,000 | 2,669 | \$ 327,007 | \$ 3,07 | |
| ative | | | | | | | | | | | | |
| rs | | | | | | | | | | | | |
| . | | | | | | | | | | | | |
| n | 1,661.580 | \$ 203,544 | 6,400 | \$ 94,010 | 6,500 | \$ 199,465 | 2,400 | \$ 294,000 | | | | |