

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP  
Form PRER14A  
October 05, 2018  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
(Rule 14a-101)**

**SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
(Amendment No. 2)**

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 Pursuant to § 240.14a-12

**WESTINGHOUSE AIR BRAKE 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):

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 \$0.01 per share, of Westinghouse Air Brake Technologies Corporation

2. Aggregate number of securities to which transaction applies:

98,480,083 (represents an estimate of the maximum number of shares of common stock of Westinghouse Air Brake Technologies Corporation ( Wabtec ) issuable upon completion of the transactions contemplated by the Agreement and Plan of Merger dated as of May 20, 2018, among General Electric Company, Transportation Systems Holdings Inc. ( SpinCo ), Wabtec and Wabtec US Rail Holdings, Inc. (the Merger Agreement ), as described in this proxy statement).

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):

\$109.31 (calculated in accordance with Rule 0-11(c)(1)(i) and 0-11(a)(4) under the Securities Exchange Act of 1934, as amended, based on the average of the high and low prices of shares of common stock of Wabtec, into which shares of common stock of SpinCo will be converted, as reported on the New York Stock Exchange on August 1, 2018).

4. Proposed maximum aggregate value of transaction: \$10,764,857,873

Calculated pursuant to Rule 0-11(c)(1)(i) and 0-11(a)(4) under the Securities Exchange Act of 1934, as amended, based on the average of the high and low prices of shares of common stock of Wabtec, into which shares of common stock of SpinCo will be converted, as reported on the New York Stock Exchange on August 1, 2018 and based on the expected merger exchange ratio.

5. Total fee paid: \$1,340,225

Calculated pursuant to Section 14(g) of the Securities Exchange Act of 1934, as amended, and Rule 0-11(c)(1)(i) thereunder, by multiplying \$10,764,857,873 by 0.0001245.

Fee paid previously with preliminary materials.

oCheck 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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This proxy statement relates to a special meeting of stockholders of Westinghouse Air Brake Technologies Corporation ( Wabtec ) to approve the proposals described herein with respect to the merger (the Merger ) of Wabtec US Rail Holdings, Inc., a Delaware corporation ( Merger Sub ), which is a wholly owned subsidiary of Wabtec, with and into Transportation Systems Holdings Inc., a Delaware corporation ( SpinCo ), which is a wholly owned subsidiary of General Electric Company ( GE ), whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and as a wholly owned subsidiary of Wabtec. SpinCo will file a registration statement with the Securities and Exchange Commission (the SEC ) to register shares of its common stock, par value \$0.01 per share, certain of which common shares will be distributed to GE stockholders prior to the Merger. In the Merger, the shares of SpinCo common stock held by GE and GE stockholders will be converted into the right to receive shares of Wabtec common stock. In addition, Wabtec has filed a registration statement on Form S-4 (No. 333-227444) with the SEC to register the shares of its common stock, par value \$0.01 per share, that will be issued in the Merger. The Merger will be preceded by a direct sale of certain assets of GE Transportation (the Direct Sale ) from GE to Wabtec US Rail, Inc. (the Direct Sale Purchaser ) in exchange for a cash payment of \$2.9 billion. Concurrently, the Direct Sale Purchaser will assume certain liabilities of GE Transportation in connection with the Direct Sale. GE and Wabtec may elect, in an economically equivalent structure, to reduce the assets included in the Direct Sale by \$25 million and, in such event, GE would contribute such assets to SpinCo and would receive shares of non-voting preferred stock in SpinCo (the SpinCo preferred stock ) in the SpinCo Transfer in addition to the SpinCo common stock that GE will otherwise be receiving in the SpinCo Transfer. If GE and Wabtec make such an election, the Direct Sale Price would be reduced by \$25 million. The SpinCo preferred stock would not be distributed in the Distribution or converted in the Merger and, accordingly, would remain outstanding as stock of SpinCo and held by GE immediately following the effective time of the Merger. The SpinCo preferred stock would pay cumulative quarterly dividends at a rate, and have other terms, to be agreed by GE and Wabtec that would be intended to result in the fair market value of the SpinCo preferred stock equaling its face value. At any time after the seventh anniversary of the effective time of the Merger, SpinCo would be permitted (but would not be obligated) to redeem the SpinCo preferred stock for a per share redemption price (including an amount in satisfaction of any accrued and unpaid dividends).

Based on market conditions prior to the closing of the Merger, corporate finance considerations and timing considerations, GE will determine whether the shares of SpinCo common stock that will be distributed to GE stockholders will be distributed in a spin-off or a split-off. In a spin-off, all GE stockholders would receive from GE, on a *pro rata* basis, a number of shares of SpinCo common stock constituting not less than 80.25% of the outstanding shares of SpinCo common stock (the Distribution Shares ). In a split-off, GE would offer its stockholders the option to exchange shares of GE common stock for shares of SpinCo common stock in an exchange offer, resulting in a reduction in GE s outstanding shares. If the exchange offer is undertaken and consummated, the remaining Distribution Shares, if any, would be distributed on a *pro rata* basis to GE stockholders whose shares of GE common stock remain outstanding after the consummation of the exchange offer. Immediately following the consummation of the spin-off or split-off, as the case may be, and in connection with the Merger, the shares of SpinCo held by GE and GE stockholders will be converted into the right to receive shares of Wabtec common stock in the Merger. This proxy statement and Wabtec s registration statement on Form S-4 assume that the Distribution Shares will be distributed to GE stockholders pursuant to a spin-off. In addition, SpinCo is expected to file a registration statement on Form 10 to register the Distribution Shares under the assumption that such shares of SpinCo common stock will be distributed to GE stockholders pursuant to a spin-off. GE may make its final decision as to whether the SpinCo common stock will be distributed in a spin-off or split-off after the date of the special meeting.

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**Preliminary Copy**

**NOTICE OF SPECIAL MEETING— , 2018  
AND PROXY STATEMENT**

**MERGER PROPOSED—YOUR VOTE IS IMPORTANT**

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

1001 Air Brake Avenue  
Wilmerding, Pennsylvania 15148

Dear Wabtec Stockholder:

We invite you to attend the special meeting of stockholders of Westinghouse Air Brake Technologies Corporation ( Wabtec ), doing business as Wabtec Corporation, on , 2018 at in Pittsburgh, Pennsylvania.

At the special meeting you will be asked to:

1. authorize the issuance of shares of Wabtec common stock in the Merger (the Share Issuance );
2. amend Wabtec's Restated Certificate of Incorporation dated January 30, 1995, as amended December 31, 2003 and May 14, 2013 (the Wabtec Charter ), to increase the number of authorized shares of common stock from 200 million to 500 million (the Wabtec Charter Amendment ); and
3. if it is determined by the board of directors to be necessary or appropriate, approve adjournments or postponements of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the Share Issuance and the Wabtec Charter Amendment.

As previously announced, on May 20, 2018, Wabtec entered into an Agreement and Plan of Merger (the Merger Agreement ) with General Electric Company ( GE ), Transportation Systems Holdings Inc., a Delaware corporation ( SpinCo ), which is a wholly owned subsidiary of GE, and Wabtec US Rail Holdings, Inc., a Delaware corporation ( Merger Sub ), which is a wholly owned subsidiary of Wabtec, pursuant to which Wabtec will combine with GE's transportation business (collectively, GE Transportation ) in a modified Reverse Morris Trust transaction, through the merger (the Merger ) of Merger Sub with and into SpinCo, whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and as a wholly owned subsidiary of Wabtec. The Merger will be preceded by a direct sale of certain assets of GE Transportation (the Direct Sale ) from GE to Wabtec US Rail, Inc. (the Direct Sale Purchaser ) in exchange for a cash payment of \$2.9 billion. Concurrently, the Direct Sale Purchaser will assume certain liabilities of GE Transportation in connection with this purchase.

**If the proposals to approve the Share Issuance and the Wabtec Charter Amendment are not approved, the Merger and the related transactions cannot be completed.**

As more fully described in the accompanying proxy statement, in order to complete the Merger and the related transactions, immediately following the Direct Sale, GE will transfer the remaining business and operations of GE Transportation to SpinCo (to the extent not completed previously) and GE will distribute certain of the shares of SpinCo's common stock to GE's stockholders by way of a spin-off or a split-off (the Distribution ), as determined in GE's discretion. Immediately after the Distribution, the Merger will be completed, and each outstanding share of SpinCo common stock will be converted automatically into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement.

Upon consummation of the Merger and calculated based on Wabtec's outstanding common stock immediately prior to the Merger on a fully-diluted, as-converted and as-exercised basis, 50.1% of the outstanding shares of Wabtec

common stock would be held collectively by GE and pre-Merger holders of GE common stock (with approximately 9.9% of the outstanding shares of Wabtec common stock expected to be held by GE) and 49.9% of the outstanding shares of Wabtec common stock would be held by pre-Merger Wabtec stockholders. The shares held by GE will be subject to GE's obligations under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled "Other Agreements—Tax Matters Agreement") and (y) the Shareholders Agreement to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger and prior thereto, to vote all of such shares in the proportion required under the Shareholders Agreement (as described in the section of this proxy statement entitled "Other

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Agreements—Shareholders Agreement ). After the Merger, the Wabtec common stock will continue to be listed on the New York Stock Exchange ( NYSE ) under Wabtec s current symbol, WAB.

*Where calculations are presented in this proxy statement on a fully-diluted, as-converted and as-exercised basis, such calculations reflect a number of outstanding shares of Wabtec common stock that will be higher than the number of shares of Wabtec common stock actually outstanding at the relevant time, which variance may affect the actual percentages upon consummation of the Merger. Such calculations also make assumptions about the ownership of Wabtec common stock by, among others, holders of Wabtec equity awards.*

**The board of directors of Wabtec recommends that stockholders vote:**

1. **FOR the authorization of the issuance of shares of Wabtec common stock in the Merger (the Share Issuance);**
2. **FOR the amendment to Wabtec’s Restated Certificate of Incorporation dated January 30, 1995, as amended December 31, 2003 and May 14, 2013, to increase the number of authorized shares of common stock from 200 million to 500 million (the Wabtec Charter Amendment ); and**
3. **If it is determined by the board of directors to be necessary or appropriate, FOR the approval of adjournments or postponements of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the Share Issuance and the Wabtec Charter Amendment.**

The Wabtec Board has fixed the close of business on , 2018 as the record date for the determination of stockholders entitled to receive notice of and vote at the special meeting or any adjournment(s) thereof.

*Your vote is very important.* Whether or not you plan to attend the special meeting, please vote by completing, signing and dating the enclosed proxy card for the special meeting and mailing the proxy card in the enclosed envelope. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR each of proposals 1 through 3 presented at the special meeting. In addition, you may vote by proxy by calling the toll-free telephone number or by using the Internet as described in the instructions included with the enclosed proxy card. If you do not return your proxy card, vote over the Internet or by telephone, or if you do not specifically instruct your bank, broker or other nominee how to vote any shares that are held for you in street name, your shares will not be voted at the special meeting. Voting over the Internet, by telephone or by proxy card does not affect your right to vote in person if you attend the special meeting.

If you have any questions or need assistance voting your shares of Wabtec common stock, please contact Morrow Sodali LLC, Wabtec s proxy solicitor, by calling (800) 662-5200 toll-free.

This document is a proxy statement of Wabtec for its use in soliciting proxies for the special meeting. This proxy statement answers questions about the Merger, the related transactions and the special meeting and includes a summary description of the Merger and the related transactions. We urge you to review this entire document carefully. **In particular, you should consider the matters discussed under Risk Factors beginning on page 115.**

Sincerely yours,

Albert J. Neupaver  
Executive Chairman

This proxy statement is dated , 2018 and is first being mailed to Wabtec stockholders on or about , 2018.

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**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

1001 Air Brake Avenue  
Wilmerding, Pennsylvania 15148

**NOTICE OF SPECIAL MEETING— , 2018**

**Date, Time and Place**

- , 2018
- : a.m. Eastern time
- , Pittsburgh, Pennsylvania

**Purpose**

Authorize the issuance of shares of Wabtec common stock in the Merger (the Share Issuance ).  
Amend Wabtec's Restated Certificate of Incorporation dated January 30, 1995, as amended December 31, 2003 and May 14, 2013 (the Wabtec Charter ), to increase the number of authorized shares of common stock from 200 million to 500 million (the Wabtec Charter Amendment ).  
If it is determined by the board of directors to be necessary or appropriate, approve adjournments or postponements of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the Share Issuance and the Wabtec Charter Amendment.

**Procedures**

If you own stock directly, please vote by Internet, by telephone or by completing, signing and dating the enclosed proxy card for the special meeting and mailing the proxy card in the enclosed envelope.  
• If you own stock through a bank, stockbroker or trustee, please vote by following the instructions included in the material that you receive from your bank, stockbroker or trustee.  
Only stockholders of record on , 2018 will receive notice of and may vote at the special meeting.  
Please refer to the proxy statement of which this notice is a part for further information with respect to the business to be transacted at the Wabtec special meeting. Wabtec will transact no other business at the meeting except such business as may properly be brought before the meeting or any adjournments or postponements thereof.

**YOUR VOTE IS IMPORTANT!**

**REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:**

**VIA THE INTERNET**

Go to the website address on your proxy card or voting instruction form and follow the instructions.

**BY MAIL**

Sign, date and return your proxy card or voting instruction form in the enclosed envelope.

**BY TELEPHONE**

Call the toll-free number on your proxy card or voting instruction form and follow the instructions for telephone voting shown on your proxy card or voting instruction form.

**IN PERSON**

Attend the special meeting in Pittsburgh, Pennsylvania.

The Wabtec board of directors (the Wabtec Board ) has unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger, the Share Issuance and the Wabtec Charter Amendment, and determined that the Merger Agreement and the transactions contemplated thereby are advisable and in the best interests of Wabtec and its stockholders. The Wabtec Board unanimously recommends that Wabtec

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stockholders vote FOR each of proposals 1 through 3 being submitted to a vote of stockholders at the special meeting.

**In considering the recommendation of the Wabtec Board, you should be aware that Wabtec directors and executive officers have financial interests in the transactions that are different from, or in addition to, the interests of Wabtec stockholders generally. See the section entitled "The Transactions—Interests of Wabtec's Directors and Executive Officers in the Transactions" of the accompanying proxy statement.**

If you have any questions concerning the proxy statement, would like additional copies of this proxy statement, or need help voting your shares of Wabtec common stock, please contact the proxy solicitor at:

Morrow Sodali LLC

470 West Ave, Stamford, CT 06902

Stockholders, please call Toll Free 1-800-662-5200

Banks and Brokerage Firms, please call 1-203-658-9400

**Your vote is important. Please vote over the Internet, by telephone or by returning your proxy card promptly.**

David L. DeNinno

Executive Vice President,

General Counsel and Secretary

, 2018



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**Helpful Information**

For a description of the use of certain terms in this proxy statement, please see the section of this proxy statement entitled "Certain Definitions" beginning on page 186.

**References to Additional Information**

This proxy statement incorporates important business and financial information about Wabtec from documents filed with the Securities and Exchange Commission (SEC) that is not included in or delivered with this proxy statement. This information is available to Wabtec stockholders without charge by accessing the SEC's website maintained at www.sec.gov or upon written request directed to David L. DeNinno, Esq., Executive Vice President, General Counsel and Secretary, Westinghouse Air Brake Technologies Corporation, 1001 Air Brake Avenue, Wilmerding, Pennsylvania 15148-0001, Telephone: (412) 825-1000. See "Where You Can Find More Information; Incorporation by Reference."

All information contained or incorporated by reference in this proxy statement with respect to Wabtec, Merger Sub, Direct Sale Purchaser and their respective subsidiaries, as well as information on Wabtec after the consummation of the Transactions, has been provided by Wabtec. All information contained or incorporated by reference in this proxy statement with respect to GE, SpinCo or their respective subsidiaries or GE Transportation and with respect to the terms and conditions of the Distribution has been provided by GE.

The information included in this proxy statement regarding the Distribution is being provided for informational purposes only and does not purport to be complete. For additional information on the Distribution and the terms and conditions thereof, Wabtec stockholders are urged to read, when available, SpinCo's registration statement that will be filed on Form 10 under the assumption that shares of SpinCo common stock will be distributed to GE stockholders pursuant to a spin-off (or such other form as may be required by applicable SEC rules), Wabtec's registration statement on Form S-4 (No. 333-227444), and all other documents GE, SpinCo or Wabtec file with the SEC relating to the Merger. This proxy statement constitutes only a proxy statement for Wabtec stockholders relating to the special meeting and is not an offer to sell or a solicitation of an offer to purchase shares of Wabtec common stock, GE common stock or SpinCo common stock.



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### **Questions and Answers About the Special Meeting and the Transactions**

*The following are some of the questions that Wabtec stockholders may have and answers to those questions. These questions and answers, as well as the summary section that follows, are not meant to be a substitute for the information contained in the remainder of this proxy statement, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement. You are urged to read this proxy statement in its entirety prior to making any decision.*

### **Questions and Answers About the Special Meeting**

#### ***Why am I receiving these materials?***

Stockholder approval of the Share Issuance and the Wabtec Charter Amendment is required in connection with the Merger. Wabtec is holding a special meeting of its stockholders to obtain such approvals. The Merger, together with the Direct Sale, will have the effect of combining GE Transportation with Wabtec's existing business. Wabtec cannot complete the Merger unless the Share Issuance is approved by a majority of votes cast by Wabtec stockholders on the Share Issuance proposal at the special meeting and the Wabtec Charter Amendment is approved by a majority of the outstanding shares of Wabtec common stock.

This proxy statement includes important information about the Transactions and the special meeting of Wabtec stockholders. Wabtec stockholders should read this information carefully and in its entirety. Copies of the Material Agreements are attached as Annexes A through F to this proxy statement. The special meeting of stockholders will be held at : a.m. Eastern time, on , 2018 at , Pittsburgh, Pennsylvania . The enclosed voting materials allow Wabtec stockholders to vote their shares without attending the Wabtec special meeting. *The vote of Wabtec stockholders is very important and Wabtec encourages its stockholders to vote their proxy as soon as possible. Please follow the instructions set forth on the enclosed proxy card (or on the voting instruction form that is provided to you by the record holder if your shares of Wabtec common stock are held in the name of a bank, broker or other nominee).*

#### ***What proposals will be voted on at the special meeting?***

Wabtec stockholders will vote on the following proposals:

1. To authorize the issuance of shares of Wabtec common stock in the Merger (the Share Issuance ).
  2. To amend the Wabtec Charter to increase the number of authorized shares of common stock from 200 million to 500 million (the Wabtec Charter Amendment ).
- If it is determined by the board of directors to be necessary or appropriate, to approve adjournments or
3. postponements of the special meeting to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the Share Issuance and the Wabtec Charter Amendment.

#### ***What votes are required to approve the Proposals?***

Pursuant to NYSE rules and as required under the Merger Agreement, Proposal 1 (the Share Issuance) must be approved by a majority of the votes cast by Wabtec stockholders on Proposal 1 at the special meeting. An abstention will be treated as a vote cast under NYSE rules and will have the same effect as a vote against the proposal. In accordance with applicable rules, banks, brokers and other nominees who hold shares of common stock in street name on behalf of beneficial owners do not have discretionary authority to vote the shares with respect to the proposals described in this proxy statement. If your shares are held in street name and you do not instruct your broker, bank or other nominee to vote your shares, your shares will not be voted. Because only votes cast with respect to Proposal 1 are counted, a failure to instruct your broker, bank or other nominee to vote your shares held in street name will have

no effect on the outcome of Proposal 1. If Proposal 1 is not approved, the Merger cannot be completed.

In accordance with applicable law and as required under the Merger Agreement, Proposal 2 (the Wabtec Charter Amendment) must be approved at the special meeting by a majority of the outstanding shares of Wabtec common stock. An abstention will have the same effect as a vote against the proposal. In accordance with applicable rules, banks, brokers and other nominees who hold shares of common stock in street name on behalf of beneficial owners do not have discretionary authority to vote the shares with respect to the proposals described in this proxy statement. If your shares are held in street name and you do not instruct your broker,

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bank or other nominee to vote your shares, your shares will not be voted. Because the required vote with respect to Proposal 2 is based upon the number of outstanding Wabtec shares and not the number of shares that are actually voted, a failure to instruct your broker, bank or other nominee to vote your shares held in street name will have the same effect as a vote cast against the Wabtec Charter Amendment. If Proposal 2 is not approved, the Merger cannot be completed.

Proposal 3 (the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes in favor of Proposal 1 and Proposal 2) must be approved by a majority of the votes cast by Wabtec stockholders on Proposal 3 at the special meeting. Because only votes present and entitled to vote at the special meeting are counted, a failure to instruct your broker, bank or other nominee to vote your shares held in street name will have no effect on the outcome of Proposal 3.

Approval of any other matter that properly comes before the special meeting shall, unless required otherwise by applicable law or the Wabtec Bylaws, require the affirmative vote of a majority of shares present and entitled to vote on the matter.

### *Who is entitled to vote at the special meeting?*

Only stockholders of record of Wabtec common stock as of the close of business on the record date of \_\_\_\_\_, 2018 are entitled to notice of, and to vote at, the special meeting. Each share of Wabtec common stock represents one vote. There were \_\_\_\_\_ shares of common stock outstanding as of \_\_\_\_\_, 2018.

A list of stockholders entitled to vote at the meeting will be available for inspection by any Wabtec stockholder for any purpose germane to the special meeting at 1001 Air Brake Avenue, Wilmerding, PA 15148 for at least 10 days prior to the special meeting and will also be available for inspection at the special meeting.

### *How do I vote my shares?*

Shares of common stock represented by a properly executed and timely proxy will, unless it has previously been revoked, be voted in accordance with its instructions. In the absence of specific instructions, the shares represented by a properly executed and timely proxy will be voted in accordance with the Wabtec Board's recommendations as follows:

**FOR** the Share Issuance;

**FOR** the Wabtec Charter Amendment; and

**FOR** the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.

No other business is expected to come before the special meeting; however, should any other matter properly come before the special meeting, the proxy holders intend to vote such shares in accordance with their best judgment on such matter.

If you are a stockholder whose shares are registered in your name, you may vote your shares in person at the special meeting or by one of the three following methods:

**Vote by Internet**, by going to the website address on your proxy card or voting instruction form and following the instructions for Internet voting shown on the website.

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**Vote by Telephone**, by dialing the toll-free number on your proxy card or voting instruction form and following the instructions for telephone voting shown on the proxy card or voting instruction form.

**Vote by Proxy Card**, by completing, signing, dating and mailing a proxy card or voting instruction form in the envelope provided.

*If a Wabtec stockholder's shares are held in street name through its bank, broker or other nominee, will that bank, broker or other nominee vote those shares?*

If your shares are held by a bank, broker or other nominee on your behalf in street name, your bank, broker or other nominee will send you instructions as to how to provide voting instructions for your shares by proxy. Many banks and brokerage firms have a process for their customers to provide voting instructions by telephone or via the Internet, in addition to providing voting instructions by proxy card. Please follow the instructions for voting that your bank, broker or other nominee sends you. If you receive instructions from more than one bank, broker or nominee, please respond to each set of instructions.

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In accordance with the applicable rules, banks, brokers and other nominees who hold shares of common stock in street name for their customers do not have discretionary authority to vote the shares with respect to any of the matters to be considered at the special meeting. Because banks, brokers and other nominees do not have discretionary voting authority with respect to any of the proposals described in this proxy statement, if you fail to provide your bank, broker or other nominee with voting instructions with respect to your shares held in street name with respect to at least one of the proposals, then those shares will not be present in person or represented by proxy at the special meeting. Accordingly, there will be no broker non-votes and shares held in street name will not be voted on any of the proposals unless the bank, broker or other nominee has received voting instructions from its customer with respect to such proposal.

***If a Wabtec stockholder is not going to attend the special meeting, should that stockholder return its proxy card or otherwise vote its shares?***

Yes. Returning the proxy card or voting by calling the toll-free number shown on the proxy card or visiting the website shown on the proxy card before the required deadline ensures that the shares will be represented and voted at the special meeting, even if a Wabtec stockholder will be unable to or does not attend.

***What are the voting deadlines?***

The deadline for submitting a proxy using the Internet or the telephone is 11:59 p.m. Eastern time on \_\_\_\_\_, 2018. If you are returning a proxy card by mail, you should mail your completed proxy card sufficiently in advance for it to be received no later than 11:59 p.m. Eastern time on \_\_\_\_\_, 2018.

***Do I need an admission ticket to attend the special meeting?***

Yes. If you attend the special meeting, you will be asked to present an admission ticket or proof of ownership and valid photo identification. Your admission ticket is:

• Attached to your proxy card;

• Can be printed from the online voting site; or

• A letter or a recent account statement showing your ownership of Wabtec common stock as of the record date, if you hold shares through a bank, broker or other nominee.

***What constitutes a quorum?***

To conduct the business of the special meeting, there must be a quorum. This means at least a majority of the outstanding shares of Wabtec common stock entitled to vote on the record date must be present in person or represented by proxy at the meeting. You are considered a part of the quorum if you vote over the Internet, by telephone or by submitting a properly signed proxy card. If you are present in person or represented by proxy at the meeting, but abstain from voting on any proposal, your shares will still be counted for purposes of determining whether a quorum exists. Because banks, brokers and other nominees who hold shares of common stock in street name on behalf of beneficial owners do not have discretionary authority to vote the shares with respect to the proposals described in this proxy statement, a failure to instruct your broker, bank or other nominee to vote your shares held in street name with respect to at least one of the proposals means your shares will not be present in person or represented by proxy at the special meeting and will not be counted toward determining whether a quorum exists. Failure of a quorum to be present at the special meeting will necessitate an adjournment or postponement and will subject Wabtec to additional expense.

***Can I change my vote after mailing my proxy card or submitting voting instructions by Internet or telephone?***

Yes, you can change your vote in any of the following ways:

- by sending a signed notice of revocation to the Secretary of Wabtec at 1001 Air Brake Avenue, Wilmerding, PA 15148, that is received prior to 11:59 p.m. Eastern time on \_\_\_\_\_, 2018, stating that the Wabtec stockholder revokes its proxy;
- by properly completing a new proxy card bearing a later date and properly submitting it so that it is received prior to the special meeting;

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- by logging onto the Internet website specified on the proxy card in the same manner a stockholder would to submit its proxy electronically or by calling the toll-free number specified on the proxy card, in each case, prior to 11:59 p.m. Eastern time on \_\_\_\_\_, 2018, and in each case if the Wabtec stockholder is eligible to do so and following the instructions on the proxy card; or

by attending the special meeting and voting in person.

Simply attending the special meeting will not revoke a proxy. In the event of multiple online or telephone votes by a stockholder, each vote will supersede the previous vote and the last vote cast will be deemed to be the final vote of the stockholder unless such vote is revoked in person at the special meeting.

If a Wabtec stockholder holds shares in street name through its bank, broker or other nominee, and has directed such person to vote its shares, it should instruct such person to change its vote, or if in the alternative a Wabtec stockholder wishes to vote in person at the special meeting, it must bring to the special meeting a letter from the bank, broker or other nominee confirming its beneficial ownership of the shares and that the bank, broker or other nominee is not voting the shares at the special meeting.

### ***Who is soliciting these proxies?***

Wabtec is soliciting these proxies and the cost of the solicitation will be borne by Wabtec, including the charges and expenses of record holders holding shares in their name as nominee that are incurred in connection with forwarding proxy materials to the beneficial owners of such shares.

In addition to the use of the mail, proxies may be solicited by Wabtec's officers, directors and employees in person, by telephone or by email. Such individuals will not be additionally compensated for such solicitation but may be reimbursed for reasonable out-of-pocket expenses incurred in connection with such solicitation. To help assure the presence, in person or by proxy, of the largest number of Wabtec stockholders possible, Wabtec has also retained Morrow Sodali LLC, 470 West Ave, Stamford, CT 06902, to assist in soliciting proxies on Wabtec's behalf. Wabtec has agreed to pay Morrow Sodali LLC a proxy solicitation fee of \$17,500.00, plus reasonable out-of-pocket costs and expenses.

### ***Where can I find the voting results of the special meeting?***

Wabtec intends to announce preliminary voting results at the special meeting and publish final voting results in a Current Report on Form 8-K to be filed with the SEC within four business days of the special meeting.

## **Questions and Answers About the Transactions**

### ***What is Wabtec proposing?***

Wabtec is proposing to combine GE Transportation with Wabtec's existing business, which will be effected through a series of transactions, including the Merger, that are described in more detail below and elsewhere in this proxy statement.

### ***What are the key steps of the Transactions?***

Below is a summary of the key steps of the Transactions. A step-by-step description of material events relating to the Transactions is set forth under The Transactions.

GE will conduct the Internal Reorganization.

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Certain assets of GE Transportation will be sold by GE to Direct Sale Purchaser for a cash payment of \$2.9 billion (the Direct Sale Purchase Price ). Direct Sale Purchaser will assume certain liabilities of GE Transportation in connection with this purchase. Wabtec and the other Borrowers entered into the Credit Agreement on June 8, 2018, which includes (i) a \$1.2 billion unsecured revolving credit facility (the Revolving Credit Facility ), which replaced Wabtec's previous revolving credit facility, (ii) a \$350.0 million refinancing term loan (the Refinancing Term Loan ), which refinanced Wabtec's previous term loan, and (iii) a \$400.0 million delayed draw term loan (the Delayed Draw Term Loan ). Wabtec also obtained commitments (the Bridge Commitments ) in respect of a bridge loan facility (the Bridge Loan Facility ) in an amount not to exceed \$2.5 billion. On September 14, 2018, in accordance with the Commitment Letter, the Bridge Commitments were permanently reduced to \$0



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in connection with Wabtec's issuance of \$500 million aggregate principal amount of its Floating Rate Senior Notes due 2021 (the Floating Rate Notes), \$750 million aggregate principal amount of its 4.150% Senior Notes due 2024 (the 2024 Notes) and \$1.25 billion aggregate principal amount of its 4.700% Senior Notes due 2028 (the 2028 Notes, and, together with the Floating Rate Notes and the 2024 Notes, the New Wabtec Notes). The New Wabtec Notes were issued pursuant to the Indenture, dated August 8, 2013 (the Base Indenture), between Wabtec and Wells Fargo Bank, National Association, as trustee (the Trustee), as supplemented by the Second Supplemental Indenture, dated November 3, 2016 (the Second Supplemental Indenture), between Wabtec, the subsidiary guarantors party thereto and the Trustee, and the Ninth Supplemental Indenture, dated September 14, 2018 (the Ninth Supplemental Indenture and, together with the Base Indenture and the Second Supplemental Indenture, the New Wabtec Notes Indenture), between Wabtec, the subsidiary guarantors party thereto and the Trustee. Wabtec will use funds available under the Delayed Draw Term Loan and the proceeds from the issuance of the New Wabtec Notes to pay the Direct Sale Purchase Price.

GE and its subsidiaries will transfer the SpinCo Business to SpinCo and its subsidiaries (to the extent not already held by SpinCo and its subsidiaries) in the SpinCo Transfer.

In connection with the SpinCo Transfer, SpinCo will issue to GE additional shares of SpinCo common stock.

Following this issuance of additional shares to GE, GE will own 8,700,000,000 shares of SpinCo common stock, or such other amount as GE shall determine with Wabtec's consent, which will constitute all of the outstanding stock of SpinCo.

GE will effect the Distribution by distributing on a *pro rata* basis all of the Distribution Shares to GE stockholders as of the record date for the Distribution. GE will deliver the Distribution Shares to the exchange agent, who will hold such shares for the benefit of GE stockholders. GE has the option, however, to effect the Distribution pursuant to a split-off. In the event GE elects to effect the Distribution pursuant to a split-off, GE would offer to holders of GE common stock the right to exchange all or a portion of their GE common stock for a number of Distribution Shares (which, in the aggregate, may be less than all of the Distribution Shares) at a discount to the implied value of the SpinCo common stock (based on the per-share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement), subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange (the GE Exchange Offer). In the event the GE Exchange Offer is consummated, GE would distribute the remaining Distribution Shares, if any, on a *pro rata* basis to GE stockholders whose shares of GE common stock remain outstanding after the consummation of the GE Exchange Offer.

Immediately after the Distribution, Merger Sub will merge with and into SpinCo, whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and as a wholly owned subsidiary of Wabtec. In the Merger, each share of SpinCo common stock will be converted into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this proxy statement entitled The Merger Agreement—Merger Consideration. Upon consummation of the Merger and calculated based on Wabtec's outstanding common stock immediately prior to the Merger on a fully-diluted, as-converted and as-exercised basis, 50.1% of the outstanding shares of Wabtec common stock would be held collectively by GE and pre-Merger holders of GE common stock (with approximately 9.9% of the outstanding shares of Wabtec common stock expected to be held by GE) and 49.9% of the outstanding shares of Wabtec common stock would be held by pre-Merger Wabtec stockholders. The shares held by GE will be subject to GE's obligations under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled Other Agreements—Tax Matters Agreement) and (y) the Shareholders Agreement to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger and prior thereto, to vote all of such shares in the proportion required under the Shareholders Agreement (as described in the section of this proxy statement entitled Other Agreements—Shareholders Agreement).

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***What is the effect of calculations being presented on a fully-diluted, as-converted and as-exercised basis?***

Where calculations are presented in this proxy statement on a fully-diluted, as-converted and as-exercised basis, such calculations reflect a number of outstanding shares of Wabtec common stock that will be higher than the number of shares of Wabtec common stock actually outstanding at the relevant time, which variance may affect the actual percentages upon consummation of the Merger. In addition, in those instances, references to Wabtec stockholders owning 49.9% of the outstanding Wabtec common stock assume that the holders of instruments convertible into or exercisable for Wabtec common stock are the owners of the underlying Wabtec common stock and, with limited exceptions, assume that Wabtec equity awards, including those that may be settled in cash, are instruments convertible into or exercisable for Wabtec common stock.

***What are the material U.S. federal income tax consequences to Wabtec and its stockholders resulting from the Transactions?***

Wabtec will not recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger, the Distribution or the Direct Sale. Because Wabtec stockholders will not participate in the Distribution, the Merger or the Direct Sale, Wabtec stockholders generally will not recognize gain or loss as a result of such transactions. Wabtec stockholders should consult their own tax advisors for a full understanding of the tax consequences to them of the Distribution, the Merger and the Direct Sale. The material U.S. federal income tax consequences of the Distribution, the Merger and the Direct Sale to Wabtec stockholders are described in more detail in *The Transactions—Material U.S. Federal Income Tax Consequences of the Distribution, the Merger and the Direct Sale*.

***What will Wabtec stockholders receive in connection with the Merger?***

All shares of Wabtec common stock issued and outstanding immediately before the Merger will remain issued and outstanding immediately after the consummation of the Merger. Immediately after consummation of the Merger, and calculated on a fully-diluted, as-converted and as-exercised basis, pre-Merger Wabtec stockholders will continue to own shares in Wabtec, which will include GE Transportation as it exists following the Separation, constituting 49.9% of the outstanding shares of Wabtec common stock.

Wabtec stockholders will not receive separate merger consideration as part of the Merger and no additional shares of Wabtec common stock will be issued to Wabtec stockholders pursuant to the Merger. Wabtec stockholders will receive the commercial benefit of Wabtec's ownership of GE Transportation as it exists following consummation of the Separation. Wabtec stockholders will thus hold an interest in a diversified, global company that is better positioned to meet anticipated growth, including with respect to intelligence and network optimization products and services, and to capitalize on increased opportunities for cross-selling and the provision of aftermarket services, with significant adjusted EBITDA and revenue growth opportunities, strong forecasted future cash flows, anticipated tax benefits, and additional executive management talent. See *Wabtec's Reasons for the Transactions*.

As a result of the Transactions, Wabtec stockholders' ownership of Wabtec common stock will also mean that they own an interest in a company with increased levels of indebtedness. Wabtec and the other Borrowers entered into the Credit Agreement on June 8, 2018, which includes (i) a \$1.2 billion Revolving Credit Facility, (ii) a \$350.0 million Refinancing Term Loan and (iii) a \$400.0 million Delayed Draw Term Loan. Wabtec also obtained Bridge Commitments in respect of the Bridge Loan Facility in an amount not to exceed \$2.5 billion. On September 14, 2018, in accordance with the Commitment Letter, the Bridge Commitments were permanently reduced to \$0 in connection with Wabtec's issuance of \$500 million aggregate principal amount of the Floating Rate Notes, \$750 million aggregate principal amount of the 2024 Notes and \$1.25 billion aggregate principal amount of the 2028 Notes. Wabtec will use funds available under the Delayed Draw Term Loan and the proceeds from the issuance of the New Wabtec Notes to pay the Direct Sale Purchase Price. The Credit Agreement is expected to have approximately \$812 million of unused

availability immediately following consummation of the Transactions. In addition, the Credit Agreement contains an uncommitted accordion feature allowing Wabtec to request, in an aggregate amount not to exceed \$600.0 million, increases to the borrowing commitments under the Revolving Credit Facility or a new incremental term loan commitment. See Debt Financing.

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### ***What are the principal adverse effects of the Transactions to Wabtec stockholders?***

Following the consummation of the Transactions, Wabtec stockholders will participate in a company that holds GE Transportation as it exists following the Separation, but their percentage interest in Wabtec will be diluted.

Immediately after consummation of the Merger, pre-Merger Wabtec stockholders are expected to own no more than 49.9% of the outstanding shares of Wabtec common stock, calculated on a fully-diluted, as-converted and as-exercised basis. Therefore, the voting power represented by the shares of Wabtec common stock held by pre-Merger Wabtec stockholders will be lower immediately following the Merger than immediately prior to the Merger. In addition, the issuance of shares of Wabtec common stock pursuant to the Merger may negatively affect the market price of Wabtec common stock.

In addition, if GE elects to effect the Distribution pursuant to a split-off, the GE stockholders that participate in the GE Exchange Offer will be exchanging their shares of GE common stock for a number of Distribution Shares at a discount to the implied value of the SpinCo common stock (based on the per share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement) subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange. The existence of a discount may negatively affect the market price of Wabtec common stock. See **Risk Factors** for a further discussion of the material risks associated with the Transactions.

Further, Wabtec will use funds available under the Delayed Draw Term Loan and the proceeds from the issuance of the New Wabtec Notes to pay the Direct Sale Purchase Price. This additional indebtedness could materially and adversely affect the liquidity, results of operations and financial condition of Wabtec. Wabtec also expects to incur significant one-time costs in connection with the Transactions, which may have an adverse impact on Wabtec's liquidity, cash flows and operating results in the periods in which they are incurred. Finally, Wabtec's management will be required to devote a significant amount of time and attention to the process of integrating the operations of Wabtec's business and GE Transportation, as it exists following the Separation. If Wabtec management is not able to manage the integration process effectively, or if any significant business activities are interrupted as a result of the integration process, Wabtec's business could suffer and its stock price may decline.

### ***What is the estimated total value of the consideration to be paid by Wabtec in the Transactions?***

Wabtec will pay GE \$2.9 billion in cash as consideration for the Direct Sale. Subject to adjustment under certain circumstances as set forth in the Merger Agreement, Wabtec will issue approximately 98.5 million shares of Wabtec common stock in the Merger. Based upon the reported closing sale price of \$ per share for Wabtec common stock on the NYSE on , 2018, the total value of the shares of Wabtec common stock to be issued by Wabtec in the Merger would be approximately \$ and the cash to be received by GE in the Transactions, including in respect of the Direct Sale, would be approximately \$ . The actual value of the Wabtec common stock to be issued in the Merger will depend on the market price of shares of Wabtec common stock at the time of the Merger.

### ***Are there possible adverse effects on the value of Wabtec common stock ultimately to be received by GE stockholders?***

The issuance of shares of Wabtec common stock pursuant to the Merger may affect negatively the market price of Wabtec common stock. The market price of Wabtec common stock also will be affected by the performance of the post-Transaction combined company and other risks associated with the Transactions.

In addition, if GE elects to effect the Distribution pursuant to a split-off, the GE stockholders that participate in the GE Exchange Offer will be exchanging their shares of GE common stock for a number of Distribution Shares at a

discount to the implied value of the SpinCo common stock (based on the per share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement) subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange. The existence of a discount may negatively affect the market price of Wabtec common stock.

These risks and other risk factors associated with the Transactions are described in more detail in the section of this proxy statement entitled Risk Factors.

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### ***How will the Transactions impact the future liquidity and capital resources of Wabtec?***

Wabtec and the other Borrowers entered into the Credit Agreement on June 8, 2018, which includes (i) a \$1.2 billion Revolving Credit Facility, (ii) a \$350.0 million Refinancing Term Loan and (iii) a \$400.0 million Delayed Draw Term Loan. Wabtec also obtained Bridge Commitments in respect of the Bridge Loan Facility in an amount not to exceed \$2.5 billion. On September 14, 2018, in accordance with the Commitment Letter, the Bridge Commitments were permanently reduced to \$0 in connection with Wabtec's issuance of \$500 million aggregate principal amount of the Floating Rate Notes, \$750 million aggregate principal amount of the 2024 Notes and \$1.25 billion aggregate principal amount of the 2028 Notes. Wabtec will use funds available under the Delayed Draw Term Loan and the proceeds from the issuance of the New Wabtec Notes to pay the Direct Sale Purchase Price. The Credit Agreement is expected to have approximately \$812 million of unused availability immediately following consummation of the Transactions. In addition, the Credit Agreement contains an uncommitted accordion feature allowing Wabtec to request, in an aggregate amount not to exceed \$600.0 million, increases to the borrowing commitments under the Revolving Credit Facility or a new incremental term loan commitment. See Debt Financing.

Wabtec's debt financing could materially and adversely affect the liquidity, results of operations and financial condition of Wabtec. Wabtec also expects to incur significant one-time costs in connection with the Transactions, which may have an adverse impact on Wabtec's liquidity, cash flows and operating results in the periods in which they are incurred. Finally, Wabtec management will be required to devote a significant amount of time and attention to the process of integrating the operations of Wabtec's business and GE Transportation. If Wabtec management is not able to manage the integration process effectively, or if any significant business activities are interrupted as a result of the integration process, Wabtec's business could suffer and its stock price may decline. See Risk Factors for a further discussion of the material risks associated with the Transactions.

Following the consummation of the Transactions, it is expected that post-Transaction GE Transportation will be owned by Wabtec through SpinCo, which will be a wholly owned subsidiary of Wabtec and will hold the SpinCo Business, and Direct Sale Purchaser, which will also be a wholly owned subsidiary of Wabtec and will hold the assets, potentially including the equity interests in certain pre-Transaction subsidiaries of GE that compose part of GE Transportation, acquired in the Direct Sale and the liabilities assumed in the Direct Sale. Nevertheless, because of the significant assets and operations represented by GE Transportation, Wabtec expects that, following the consummation of the Transaction, SpinCo, Direct Sale Purchaser, and/or other entities through which GE Transportation (as it exists following the Separation) is owned and operated may be required to become guarantors of the indebtedness of the Borrowers under the Credit Agreement, the New Wabtec Notes and Wabtec's existing senior unsecured notes.

### ***What is a modified Reverse Morris Trust transaction?***

A Reverse Morris Trust transaction structure typically allows a parent company (here, GE) to divest a business (here, GE Transportation) tax-efficiently. In a typical Reverse Morris Trust transaction, the parent generally will receive a cash payment from the subsidiary to be spun off (an exit dividend), usually financed by new borrowings at the subsidiary level, after which the parent will divest stock of the subsidiary (here, SpinCo) through a dividend (a spin-off) or exchange offer (a split-off) of the subsidiary stock to parent stockholders. Immediately after the distribution, the subsidiary effects a merger with an unrelated company (here, Wabtec), in a transaction in which the unrelated company's stockholders will hold less than 50% of the capital stock of the combined company immediately after the transaction. In this regard, the Transactions are similar to a traditional Reverse Morris Trust transaction because they include both GE's distribution of SpinCo common stock in the Distribution and SpinCo's substantially simultaneous merger with a subsidiary of Wabtec in the Merger.

However, the Transactions are referred to in this document as a modified Reverse Morris Trust transaction for two reasons. First, unlike in a typical Reverse Morris Trust transaction, GE's distribution of SpinCo common stock will be

preceded by the Direct Sale of certain assets of GE Transportation (and an assumption of certain liabilities of GE Transportation) in exchange for a \$2.9 billion cash payment to GE in lieu of an exit dividend from GE Transportation (which would be typical in a Reverse Morris Trust transaction). Second, while a distribution in a typical Reverse Morris Trust transaction would be tax-free to the parent and its stockholders, here the receipt of stock in the Distribution is intended to be tax-free to the GE stockholders but the transaction is intended to be taxable to GE.

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By utilizing the Direct Sale rather than having SpinCo incur debt and distribute an exit dividend to GE, the modified Reverse Morris Trust structure should result in tax benefits to Wabtec (including by avoiding certain ambiguities under the depreciation rules in U.S. federal income tax law that otherwise might be relevant), which will be shared between the parties (up to a cap) as realized by Wabtec after the Merger. The Direct Sale also should reduce administrative complexity and financing costs.

### ***How do the Transactions impact Wabtec's dividend policy?***

The Transactions are not expected to affect Wabtec's dividend policy. See Summary Historical and Pro Forma Financial Data—Wabtec Dividend Policy for a further discussion of Wabtec's current dividend policy.

### ***What will GE receive in the Transactions?***

GE will receive a \$2.9 billion cash payment as consideration for the Direct Sale. Furthermore, following consummation of the Merger, GE is expected to hold approximately 9.9% of the outstanding shares of Wabtec common stock on a fully-diluted, as-converted and as-exercised basis, subject to GE's obligation under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled Other Agreements—Tax Matters Agreement) and (y) the Shareholders Agreement to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger (as described in the section of this proxy statement entitled Other Agreements—Shareholders Agreement).

### ***What will GE stockholders receive in the Transactions?***

Following the Separation, GE will distribute all of the Distribution Shares to the holders of GE common stock. Specifically, GE will effect the Distribution by distributing on a *pro rata* basis all of the Distribution Shares to GE stockholders as of the record date for the Distribution. GE will deliver the Distribution Shares to the exchange agent, who will hold such shares for the benefit of GE stockholders. GE stockholders will not be able to trade shares of SpinCo common stock during this period or at any time before or after the consummation of the Merger. In the Merger, each share of SpinCo common stock will be converted into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this proxy statement entitled The Merger Agreement—Merger Consideration.

GE has the option, however, to effect the Distribution pursuant to a split-off. In the event GE elects to effect the Distribution pursuant to a split-off, GE would offer to holders of GE common stock the right to exchange all or a portion of their GE common stock for a number of Distribution Shares (which, in the aggregate, may be less than all of the Distribution Shares) at a discount to the implied value of the SpinCo common stock (based on the per-share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement), subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange. In the event the GE Exchange Offer is consummated, GE would distribute the remaining Distribution Shares, if any, on a *pro rata* basis to GE stockholders whose shares of GE common stock remain outstanding after the consummation of the GE Exchange Offer.

### ***Are there any conditions to the consummation of the Transactions?***

Yes. The consummation of the Transactions is subject to a number of conditions, including:

- the approval by Wabtec stockholders of the Share Issuance;
- the approval by Wabtec stockholders of the Wabtec Charter Amendment;



the termination or expiration of the applicable waiting period under the HSR Act;  
the taking, making or obtaining of all material actions by, consents or approvals of, or in respect of or filings with any governmental authority required to permit the Transactions;  
the effectiveness under the Securities Act of SpinCo's registration statement on Form 10 or such Form(s) as shall be required under applicable SEC rules and Wabtec's registration statement on Form S-4, and the absence of any stop order issued by the SEC or any pending proceeding before the SEC seeking a stop order with respect thereto;

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the receipt of the GE Tax Opinions and the Wabtec Tax Opinion by GE and Wabtec, respectively;  
the receipt of the Direct Sale Purchase Price by GE;  
the completion of the various transaction steps contemplated by the Merger Agreement and the Separation Agreement, including the International Reorganization, the Direct Sale, the SpinCo Transfer and the Distribution; and  
other customary conditions.

To the extent permitted by applicable law, GE and SpinCo, on the one hand, and Wabtec and Merger Sub, on the other hand, may waive the satisfaction of the conditions to their respective obligations to consummate the Transactions. If Wabtec waives the satisfaction of a material condition to the consummation of the Transactions, Wabtec will evaluate the facts and circumstances at that time and re-solicit stockholder approval of the Share Issuance and the Wabtec Charter Amendment if required to do so by law or the rules of the NYSE.

This proxy statement describes these conditions in more detail under [The Merger Agreement—Conditions to the Merger](#).

### ***When will the Transactions be completed?***

The Transactions are expected to be completed by early 2019, subject to customary closing conditions, as described in this proxy statement. However, it is possible that the Transactions could be completed at an earlier time, at a later time or not at all. The Merger Agreement provides that GE or Wabtec may terminate the Merger Agreement if the Merger is not consummated on or before May 20, 2019 (the one-year anniversary of the date of the Merger Agreement) subject to extension to August 20, 2019 (the fifteen-month anniversary of the date of the Merger Agreement), upon either Wabtec's or GE's written request, if the only reason that the Transactions have not closed is due to certain conditions relating to regulatory approvals having not yet been satisfied. For a discussion of the conditions to consummate of the Transactions and the circumstances under which the Merger Agreement may be terminated by the parties, see [The Merger Agreement—Conditions to the Merger](#) and [The Merger Agreement—Termination](#), respectively.

### ***Are there risks associated with the Transactions?***

Yes. The material risks and uncertainties associated with the Transactions are discussed in the section of this proxy statement entitled [Risk Factors](#) and the section of this proxy statement entitled [Cautionary Statement on Forward-Looking Statements](#). Those risks include, among others, the possibility that the Transactions will not be completed on the contemplated timeline or at all, the possibility that integration may not be successful or anticipated benefits of the Transactions may not be realized, uncertainty about the impact of the Transactions and related costs on the value of Wabtec common stock, the impact of reduced ownership and voting power for existing holders of Wabtec common stock, the impact of increased leverage on Wabtec's financial condition, results of operations and cash flows, and the possibility that Wabtec may be unable to provide certain benefits, services and resources to GE Transportation that historically have been provided by GE.

### ***What stockholder approvals are needed in connection with the Transactions?***

Wabtec cannot complete the Transactions unless the proposal relating to the Share Issuance is approved by a majority of votes cast by Wabtec stockholders on the Share Issuance proposal at the special meeting and the proposal relating to the Wabtec Charter Amendment is approved by a majority of outstanding shares of Wabtec common stock.

### ***Where will the Wabtec shares to be issued in the Merger be listed?***

Wabtec common stock is listed on the NYSE under the symbol [WAB](#). After the consummation of the Transactions, all shares of Wabtec common stock issued in the Merger, and all other outstanding shares of Wabtec common stock, will continue to be listed on the NYSE and trade under the same symbol.

***Will there be any change to the Wabtec Board or executive officers of Wabtec after the consummation of the Transactions?***

Yes. In connection with the Transactions, the size of the Wabtec Board will be increased to include three additional directors, each of whom is required to be independent as defined in the listing standards of the NYSE, to be designated as nominees by GE (subject to the nominees being reasonably acceptable to the Nominating and

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Corporate Governance Committee of the Wabtec Board), effective at the time of closing of the Merger. The Merger Agreement provides that, at the direction of GE, the GE designees will be assigned among the Wabtec Board's classes of directors so that one GE designee is appointed to the class of directors that is up for reelection at each of the first three annual meetings of Wabtec stockholders that occurs after the closing of the Merger. Additionally, in certain circumstances (see The Merger Agreement—Post-Closing Wabtec Board of Directors and Officers ), the Wabtec Board will take all actions necessary to include the GE designee up for reelection at the first annual meeting of Wabtec stockholders that occurs after the closing of the Merger as nominee for the Wabtec Board at such annual meeting, to recommend that Wabtec stockholders vote in favor of the GE designee and to support the election of the GE designee at such annual meeting. The executive officers of Wabtec immediately prior to consummation of the Merger are generally expected to be the executive officers of Wabtec immediately following consummation of the Merger, with Albert J. Neupaver remaining as Wabtec's executive chairman and Raymond T. Betler remaining as Wabtec's president and CEO. Following consummation of the Transactions, Stéphane Rambaud-Measson will become president and CEO of Wabtec's Transit Segment and Rafael O. Santana, president and CEO of GE Transportation, will become president and CEO of Wabtec's Freight Segment.

***Do GE stockholders have to vote to approve the Transactions?***

No.

***Have any Wabtec stockholders already agreed to vote for the Share Issuance and the Wabtec Charter Amendment?***

Yes. Certain stockholders, directors and officers of Wabtec beneficially owning approximately 10.9% of the outstanding shares of Wabtec common stock entered into a Voting Agreement with GE under which these persons agreed to vote in favor of the Share Issuance proposal and the Wabtec Charter Amendment proposal. The parties to the Voting Agreement are subject to certain other agreements, including restrictions on their ability to transfer their shares prior to the earlier of the special meeting of Wabtec stockholders to approve these proposals and the termination of the Voting Agreement. See Other Agreements—The Voting Agreement.

***Can Wabtec stockholders dissent and require appraisal of their shares?***

No.

***Will the instruments that govern the rights of Wabtec stockholders with respect to their shares of Wabtec common stock after the consummation of the Transactions be different from those that govern the rights of current Wabtec stockholders?***

No. The only proposed change is to increase the number of authorized shares of common stock from 200 million to 500 million. The rights of Wabtec stockholders with respect to their shares of Wabtec common stock after the consummation of the Transactions will otherwise continue.

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***Who can answer my questions?***

If you have any questions about the Transactions or the special meeting, need assistance in voting your shares or need additional copies of this proxy statement or the enclosed proxy card, you should contact:

Morrow Sodali LLC  
470 West Ave, Stamford, CT 06902  
Stockholders, please call Toll Free 1-800-662-5200  
Banks and Brokerage Firms, please call 1-203-658-9400

or

Westinghouse Air Brake Technologies Corporation  
1001 Air Brake Avenue  
Wilmerding, PA 15148  
Attention: Investor Relations  
Telephone: (412) 825-1019

***Where can I find more information about Wabtec and GE Transportation?***

Wabtec stockholders can find more information about Wabtec and GE Transportation in [Information on Wabtec](#) and [Information on GE Transportation](#) and from the various sources described in [Where You Can Find More Information; Incorporation by Reference](#).

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**Summary**

*The following summary contains certain information described in more detail elsewhere in this proxy statement. It does not contain all the details concerning the Transactions, including information that may be important to you. To better understand the Transactions, you should carefully review this entire proxy statement and the documents it refers to. See *Where You Can Find More Information; Incorporation by Reference.**

**The Companies**

*Westinghouse Air Brake Technologies Corporation*

1001 Air Brake Avenue  
Wilmerding, PA 15148

Westinghouse Air Brake Technologies Corporation, doing business as Wabtec Corporation, is a Delaware corporation with headquarters in Wilmerding, Pennsylvania. George Westinghouse founded the original Westinghouse Air Brake Co. in 1869 when he invented the air brake. Westinghouse Air Brake Company was formed in 1990 when it acquired certain assets and operations from American Standard, Inc., now known as Trane. The company went public on the New York Stock Exchange in 1995. In 1999, the company merged with MotivePower Industries, Inc. and adopted the name Wabtec. In 2017, Wabtec acquired Faiveley Transport, S.A. ( Faiveley Transport ), a leading provider of value-added, integrated systems and services, principally for the global transit rail market. Today, Wabtec is one of the largest providers of value-added, technology-based equipment, systems and services for the global passenger transit and freight rail industries. Through its subsidiaries, Wabtec manufactures a range of products for locomotives, freight cars and passenger transit vehicles. Wabtec also builds new switcher and commuter locomotives, and provides aftermarket services. Wabtec has roughly 18,000 employees and facilities located throughout the world.

*Wabtec US Rail Holdings, Inc.*

c/o Westinghouse Air Brake Technologies Corporation  
1001 Air Brake Avenue  
Wilmerding, PA 15148

Wabtec US Rail Holdings, Inc., a Delaware corporation, referred to in this proxy statement as Merger Sub, is a direct, wholly owned subsidiary of Wabtec that was organized specifically for the purpose of completing the Merger. Merger Sub has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and in connection with the Transactions.

*Wabtec US Rail, Inc.*

c/o Westinghouse Air Brake Technologies Corporation  
1001 Air Brake Avenue  
Wilmerding, PA 15148

Wabtec US Rail, Inc., a Delaware corporation, referred to in this proxy statement as Direct Sale Purchaser, is a direct, wholly owned subsidiary of Wabtec that was organized specifically for the purpose of completing the Direct Sale. Direct Sale Purchaser has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and in connection with the Transactions.

*General Electric Company*

41 Farnsworth Street  
Boston, MA 02210

General Electric Company, is a New York corporation, with its principal executive offices in Boston, Massachusetts. GE is a global digital industrial company, transforming industry with software-defined machines and solutions that are connected, responsive and predictive. With products and services ranging from aircraft engines, power generation and oil and gas production equipment to medical imaging, financing and industrial products, GE serves customers in over 180 countries and employed approximately 313,000 people worldwide as of December 31, 2017. Since its incorporation in 1892, GE has developed or acquired new technologies and services that have considerably broadened and changed the scope of its activities.

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*Transportation Systems Holdings Inc.*

c/o General Electric Company

41 Farnsworth Street

Boston, MA 02210

Transportation Systems Holdings Inc., a Delaware corporation, referred to in this proxy statement as SpinCo, is a direct, wholly owned subsidiary of GE that was organized specifically for the purpose of housing the SpinCo Business and effecting the Merger. SpinCo has engaged in no business activities to date and it has no material assets or liabilities of any kind, other than those incident to its formation and in connection with the Transactions. Prior to the closing of the Distribution and the Direct Sale, GE and SpinCo will own, directly and, indirectly, GE Transportation. GE Transportation is a global technology leader and supplier to the railroad, mining, marine, stationary power and drilling industries.

### **The Transactions**

GE, Wabtec, SpinCo and Merger Sub, entered into the Merger Agreement on May 20, 2018, and GE, SpinCo, Wabtec and Direct Sale Purchaser entered into the Separation Agreement on May 20, 2018, which together provide for the combination of Wabtec and GE Transportation through a modified Reverse Morris Trust transaction structure. In connection with the Separation of GE Transportation from the remaining business of GE, GE will conduct the Internal Reorganization.

In connection with the Direct Sale, certain assets of GE Transportation, potentially including the equity interests of certain pre-Transaction subsidiaries of GE that compose part of GE Transportation, will be sold to Direct Sale Purchaser for a cash payment of \$2.9 billion, and Direct Sale Purchaser will assume certain liabilities of GE Transportation in connection with this purchase. Thereafter, GE will transfer the SpinCo Business to SpinCo and its subsidiaries (to the extent not already held by SpinCo and its subsidiaries) in the SpinCo Transfer, and SpinCo will issue to GE additional shares of SpinCo common stock. Following this issuance of additional SpinCo common stock to GE, GE will own 8,700,000,000 shares of SpinCo common stock, or such other amount as GE shall determine with Wabtec's consent, which will constitute all of the outstanding stock of SpinCo.

GE will effect the Distribution by distributing on a *pro rata* basis all of the Distribution Shares to GE stockholders as of the record date for the Distribution. GE will deliver the Distribution Shares to the exchange agent, who will hold such shares for the benefit of GE stockholders. GE has the option, however, to effect the Distribution pursuant to a split-off. In the event GE elects to effect the Distribution pursuant to a split-off, GE would offer to holders of GE common stock the right to exchange all or a portion of their GE common stock for a number of Distribution Shares (which, in the aggregate, may be less than all of the Distribution Shares) at a discount to the implied value of the SpinCo common stock (based on the per-share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement), subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange. In the event the GE Exchange Offer is consummated, GE would distribute the remaining Distribution Shares, if any, on a *pro rata* basis to GE stockholders whose shares of GE common stock remain outstanding after the consummation of the GE Exchange Offer.

Immediately after the Distribution and on the closing date of the Merger, Merger Sub will merge with and into SpinCo, whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and a wholly owned subsidiary of Wabtec. In the Merger, subject to adjustment in accordance with the Merger Agreement, each share of SpinCo common stock will be converted into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this proxy statement entitled "The Merger Agreement—Merger Consideration."



Upon consummation of the Merger and calculated based on Wabtec's outstanding common stock immediately prior to the Merger on a fully-diluted, as-converted and as-exercised basis, 50.1% of the outstanding shares of Wabtec common stock would be held collectively by GE and pre-Merger holders of GE common stock (with approximately 9.9% of the outstanding shares of Wabtec common stock expected to be held by GE) and 49.9% of the outstanding shares of Wabtec common stock would be held by pre-Merger Wabtec stockholders. The shares held by GE will be subject to GE's obligations under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled "Other Agreements—Tax Matters Agreement") and (y) the Shareholders Agreement to

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sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger and prior thereto, to vote all of such shares in the proportion required under the Shareholders Agreement (as described in the section of this proxy statement entitled Other Agreements—Shareholders Agreement ).

Subject to adjustment under certain circumstances as set forth in the Merger Agreement, Wabtec will issue approximately 98.5 million shares of Wabtec common stock in the Merger. Based upon the reported closing sale price of \$ per share for Wabtec common stock on the NYSE on , 2018, the total value of the shares of Wabtec common stock to be issued by Wabtec in the Merger would be approximately \$ and the cash to be received by GE in the Transactions, including in respect of the Direct Sale, would be approximately \$ . The actual value of the Wabtec common stock to be issued in the Merger will depend on the market price of shares of Wabtec common stock at the time of the Merger.

After the Merger, Wabtec will own and operate the SpinCo Business and the assets acquired in the Direct Sale. It is anticipated that SpinCo, which will be Wabtec s wholly owned subsidiary, will hold the SpinCo Business and Direct Sale Purchaser, which will also be Wabtec s wholly owned subsidiary, will hold the assets purchased and the liabilities assumed in connection with the Direct Sale. Together, SpinCo and Direct Sale Purchaser will own and operate post-Transaction GE Transportation. Wabtec will also continue its current businesses. All shares of Wabtec common stock, including those issued in the Merger, will be listed on the NYSE under Wabtec s current trading symbol WAB.

Set forth below are diagrams that graphically illustrate, in simplified form, (i) the existing corporate structures, (ii) the corporate structures immediately following the Direct Sale, the SpinCo Transfer and the Distribution but before the Merger and (iii) the corporate structures immediately following the consummation of the Merger. A step-by-step description of material events relating to the Transactions is set forth under The Transactions.

**Existing Structure**

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**Structure following the Separation (including the Internal Reorganization), the Direct Sale, the SpinCo Transfer and the Distribution but prior to the Merger**

**Structure following the Merger**

After completion of all of the steps described in the section of this proxy statement entitled "The Transactions," it is anticipated that SpinCo, which will be Wabtec's wholly owned subsidiary, will hold the SpinCo Business and Direct Sale Purchaser, which will also be Wabtec's wholly owned subsidiary, will hold the assets purchased and the liabilities assumed in connection with the Direct Sale. Together, SpinCo and Direct Sale Purchaser will own and operate the post-Transaction GE Transportation.

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In connection with the Transactions, on the date of the Distribution, GE or its subsidiaries and SpinCo or the SpinCo Transferred Subsidiaries will enter into the Additional Agreements relating to, among other things, intellectual property, employee matters, tax matters, research and development and transition services. See Other Agreements.

### **Opinion of Wabtec's Financial Advisor**

Goldman Sachs & Co. LLC (Goldman Sachs) rendered to the Wabtec Board its oral opinion, which was subsequently confirmed by delivery of a written opinion, dated May 20, 2018, that, as of the date of such written opinion and based upon and subject to the factors and assumptions as set forth in such written opinion, the Aggregate Consideration (as defined below) to be paid by Wabtec pursuant to the Merger Agreement was fair from a financial point of view to Wabtec. For purposes of Goldman Sachs' financial analyses and opinion, the term Aggregate Consideration means (i) the Share Issuance, (ii) the Direct Sale Purchase Price, as adjusted pursuant to the Separation Agreement, and (iii) the payments relating to the Company Structure Benefits (as defined in the Tax Matters Agreement) pursuant to Section 13 of the Tax Matters Agreement (the TMA Payments).

The full text of the written opinion of Goldman Sachs, dated May 20, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached hereto as Annex G. Goldman Sachs provided advisory services and its opinion for the information and assistance of the Wabtec Board in connection with its consideration of the Transactions. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of Wabtec common stock should vote with respect to the Share Issuance, the Wabtec Charter Amendment or any other matter. Pursuant to an engagement letter between Wabtec and Goldman Sachs, Wabtec has agreed to pay Goldman Sachs a transaction fee of \$32 million plus a discretionary fee of up to \$4 million, all of which is contingent upon consummation of the Transactions. See The Transactions—Opinion of Wabtec's Financial Advisor for further information.

### **Debt Financing**

On May 20, 2018, in connection with their entry into the Merger Agreement, Wabtec entered into the Commitment Letter with the Commitment Parties pursuant to which the Commitment Parties agreed to provide debt financing to Wabtec, including financing for the Direct Sale Purchase Price. Wabtec and the other Borrowers entered into the Credit Agreement on June 8, 2018, which includes (i) a \$1.2 billion Revolving Credit Facility, (ii) a \$350.0 million Refinancing Term Loan and (iii) a \$400.0 million Delayed Draw Term Loan. Wabtec also obtained Bridge Commitments in respect of the Bridge Loan Facility in an amount not to exceed \$2.5 billion. On September 14, 2018, in accordance with the Commitment Letter, the Bridge Commitments were permanently reduced to \$0 in connection with Wabtec's issuance of \$500 million aggregate principal amount of the Floating Rate Notes, \$750 million aggregate principal amount of the 2024 Notes and \$1.25 billion aggregate principal amount of the 2028 Notes. Wabtec will use funds available under the Delayed Draw Term Loan and the proceeds from the issuance of the New Wabtec Notes to pay the Direct Sale Purchase Price. The Credit Agreement is expected to have approximately \$812 million of unused availability immediately following consummation of the Transactions. See Debt Financing for further information.

### **Interests of Wabtec's Directors and Executive Officers in the Transactions**

Wabtec directors and executive officers have financial interests in the Transactions that are different from, or in addition to, the interests of Wabtec stockholders generally. The members of the Wabtec Board were aware of and considered these interests, among other matters, in deciding to approve the terms of the Merger Agreement and the Transactions, including the Merger, and in recommending to Wabtec stockholders that they vote to approve the Share Issuance and the Wabtec Charter Amendment. See The Transactions—Interests of Wabtec's Directors and Executive Officers in the Transactions for further information.

**Board of Directors and Management of Wabtec Following the Transactions**

Following the consummation of the Distribution, Merger Sub will merge with and into SpinCo, whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and a wholly owned subsidiary of Wabtec. Directors of Wabtec serving on the Wabtec Board immediately before the consummation of the Merger are expected to continue to serve as directors of Wabtec immediately following the

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closing of the Merger. In connection with the Transactions, the size of the Wabtec Board will be increased to include three additional directors, each of whom is required to be independent as defined in the listing standards of the NYSE, to be designated as nominees by GE (subject to the nominees being reasonably acceptable to the Nominating and Corporate Governance Committee of the Wabtec Board), effective at the time of closing of the Merger. The Merger Agreement provides that, at the direction of GE, the GE designees will be assigned among the Wabtec Board's classes of directors so that one GE designee is appointed to the class of directors that is up for reelection at each of the first three annual meetings of Wabtec stockholders that occurs after the closing of the Merger. Additionally, in certain circumstances (see The Merger Agreement – Post-Closing Wabtec Board of Directors and Officers ), the Wabtec Board will take all actions necessary to include the GE designee up for reelection at the first annual meeting of Wabtec stockholders that occurs after the closing of the Merger as nominee for the Wabtec Board at such annual meeting, to recommend that Wabtec stockholders vote in favor of the GE designee and to support the election of the GE designee at such annual meeting. The executive officers of Wabtec immediately prior to consummation of the Merger are generally expected to be the executive officers of Wabtec immediately following consummation of the Merger, with Albert J. Neupaver remaining as Wabtec's executive chairman and Raymond T. Betler remaining as Wabtec's president and CEO. Following consummation of the Transactions, Stéphane Rambaud-Measson will become president and CEO of Wabtec's Transit Segment and Rafael O. Santana, president and CEO of GE Transportation, will become president and CEO of Wabtec's Freight Segment.

### **Wabtec Stockholder Approval**

Wabtec cannot complete the Transactions unless the proposal relating to the Share Issuance is approved by a majority of votes cast by Wabtec stockholders on the proposal at the special meeting, either in person or by proxy (assuming a quorum is present), and the Wabtec Charter Amendment is approved by a majority of outstanding shares of Wabtec common stock.

### **Wabtec Stockholders Meeting**

Under the terms of the Merger Agreement, Wabtec has agreed to call, give notice of, convene and hold a special meeting of its stockholders for the purpose of voting upon the proposals to approve the Share Issuance and the Wabtec Charter Amendment. The Wabtec Board has called a special meeting of Wabtec stockholders to be held on \_\_\_\_\_, 2018, for Wabtec stockholders of record on \_\_\_\_\_, 2018. The definitive proxy statement was mailed to Wabtec stockholders on or about \_\_\_\_\_, 2018.

Wabtec's directors and executive officers held approximately \_\_\_\_\_% of the shares entitled to vote at Wabtec's special meeting of stockholders as of \_\_\_\_\_, 2018. GE's and SpinCo's directors, executive officers and their affiliates owned an aggregate of approximately \_\_\_\_\_% of the shares of Wabtec common stock entitled to vote at Wabtec's special meeting of stockholders as of \_\_\_\_\_, 2018.

Certain stockholders, directors and officers of Wabtec beneficially owning approximately 10.9% of the outstanding shares of Wabtec common stock entered into a Voting Agreement with GE under which these persons agreed to vote in favor of the Share Issuance proposal and the Wabtec Charter Amendment proposal. The parties to the Voting Agreement are subject to certain other agreements, including restrictions on their ability to transfer their shares prior to the earlier of the special meeting of Wabtec stockholders to approve these proposals and the termination of the Voting Agreement. See Other Agreements—The Voting Agreement.

### **Accounting Treatment and Considerations**

Accounting Standard Codification 805, Business Combinations, requires the use of the acquisition method of accounting for business combinations. In applying the acquisition method, it is necessary to identify both the

accounting acquiree and the accounting acquiror. In a business combination effected through an exchange of equity interests, such as the Merger, the entity that issues the interests (Wabtec, in this case) is generally the acquiring entity. In identifying the acquiring entity in a combination effected through an exchange of equity interests, however, all pertinent facts and circumstances must be considered, including the following:

*Issuance of equity by Wabtec.* Wabtec expects to issue approximately 98.5 million shares of Wabtec common stock in the Merger.

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*Incurrence of debt by Wabtec.* Approximately \$2.9 billion of indebtedness is expected to be incurred in connection with the Transactions to fund the Direct Sale. Following the consummation of the Transactions, it is expected that post-Transaction GE Transportation will be owned by Wabtec through SpinCo, which will be a wholly owned subsidiary of Wabtec and will hold the SpinCo Business, and Direct Sale Purchaser, which will also be a wholly owned subsidiary of Wabtec and will hold the assets, potentially including the equity interests in certain pre-Transaction subsidiaries of GE that compose part of GE Transportation, acquired in the Direct Sale and the liabilities assumed in the Direct Sale. Nevertheless, because of the significant assets and operations represented by GE Transportation, Wabtec expects that following the consummation of the Transaction, SpinCo, Direct Sale Purchaser, and/or other entities through which GE Transportation is owned and operated may be required to become guarantors of the indebtedness of the Borrowers under the Credit Agreement, the New Wabtec Notes and Wabtec's existing senior unsecured notes.

*The relative voting interests of Wabtec stockholders after the consummation of the Transactions.* In this case and calculated on a fully-diluted, as-converted and as-exercised basis, GE and pre-Merger holders of GE common stock will collectively hold 50.1% of the equity ownership and associated voting rights in Wabtec after the consummation of the Transactions (with approximately 9.9% of the outstanding shares of Wabtec common stock expected to be held by GE) and 49.9% of the outstanding shares of Wabtec common stock will be held by pre-Merger Wabtec stockholders. The shares held by GE will be subject to GE's obligations under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled "Other Agreements—Tax Matters Agreement") and (y) the Shareholders Agreement to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger and prior thereto, to vote all of such shares in the proportion required under the Shareholders Agreement (as described in the section of this proxy statement entitled "Other Agreements—Shareholders Agreement").

*The composition of the governing body of Wabtec after the consummation of the Transactions.* The Wabtec Board currently consists of 12 directors. In connection with the Transactions, the size of the Wabtec Board will be increased to include three additional directors, each of whom is required to be independent as defined in the listing standards of the NYSE, to be designated as nominees by GE (subject to the nominees being reasonably acceptable to the Nominating and Corporate Governance Committee of the Wabtec Board), effective at the time of closing of the Merger. The Merger Agreement provides that, at the direction of GE, the GE designees will be assigned among the Wabtec Board's classes of directors so that one GE designee is appointed to the class of directors that is up for reelection at each of the first three annual meetings of Wabtec stockholders that occurs after the closing of the Merger. Additionally, in certain circumstances (see "Merger Agreement – Post-Closing Wabtec Board of Directors and Officers"), the Wabtec Board will take all actions necessary to include the GE designee up for reelection at the first annual meeting of Wabtec stockholders that occurs after the closing of the Merger as nominee for the Wabtec Board at such annual meeting, to recommend that Wabtec stockholders vote in favor of the GE designee and to support the election of the GE designee at such annual meeting.

*The composition of the senior management of Wabtec after the consummation of the Transactions.* The executive officers of Wabtec immediately prior to consummation of the Merger are generally expected to be the executive officers of Wabtec immediately following consummation of the Merger, with Albert J. Neupaver remaining as Wabtec's executive chairman and Raymond T. Betler remaining as Wabtec's president and CEO. Following consummation of the Transactions, Stéphane Rambaud-Measson will become president and CEO of Wabtec's Transit Segment and Rafael O. Santana, president and CEO of GE Transportation, will become president and CEO of Wabtec's Freight Segment.

Wabtec management has determined that Wabtec will be the accounting acquiror in the Merger based on the facts and circumstances outlined above and the analysis of the relevant GAAP guidance. Consequently, Wabtec will apply



acquisition accounting to the assets and liabilities of GE Transportation acquired or assumed upon the consummation of the Direct Sale and the Merger. The historical financial statements of Wabtec for periods ended prior to the consummation of the Merger will reflect only the operations and financial condition of Wabtec. Subsequent to the consummation of the Merger, the financial statements of Wabtec will include the combined operations and financial condition of Wabtec and GE Transportation.

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**Regulatory Approvals**

Under the HSR Act, the parties must file pre-merger notifications with the U.S. Federal Trade Commission ( FTC ) and the Antitrust Division of the United States Department of Justice ( DOJ ) and observe specified waiting periods before consummating the Merger. Wabtec and GE each filed the requisite notification and report forms with the FTC and the DOJ on June 22, 2018. Wabtec and GE have each received a request for additional information ( second request ) from the DOJ. The second request is not an uncommon part of the regulatory review process under the HSR Act in respect of large transactions. The effect of the second request is to extend the waiting period imposed by the HSR Act until 30 days after Wabtec and GE have substantially complied with their respective request, unless that period is extended voluntarily by both parties or terminated sooner by the DOJ. Wabtec and GE will continue to cooperate fully with the DOJ as it reviews the proposed transaction. In addition to the expiration of the waiting period under the HSR Act, the parties have agreed to take, make or obtain all material actions by, consents or approvals of, or in respect of or filings with any governmental authority required to permit the consummation of the Merger, including the governmental authorizations to be sought in Austria, Brazil, Canada, Germany, Kazakhstan, Mexico, Pakistan, Russia, South Africa and Ukraine. The required waiting period in Canada has expired, and the parties have already obtained clearance from Austria, Germany and Russia.

**Federal Securities Law Consequences; Resale Restriction**

Wabtec common stock issued in the Merger will not be subject to any restrictions on transfer arising under the Securities Act, except for shares of Wabtec common stock issued to any person who may be deemed to be an affiliate of Wabtec under the Securities Act.

**No Appraisal or Dissenters Rights**

None of the stockholders of Wabtec, Merger Sub, Direct Sale Purchaser, GE or SpinCo will be entitled to exercise appraisal rights or to demand payment for their shares in connection with the Transactions.

TABLE OF CONTENTS**Summary Historical, Pro Forma and Supplemental Financial Data**

The following summary combined financial data of GE Transportation and summary consolidated financial data of Wabtec are being provided to help you in your analysis of the financial aspects of the Transactions. You should read this information in conjunction with the financial information included elsewhere and incorporated by reference in this proxy statement. See Management's Discussion and Analysis of Financial Condition and Results of Operations for GE Transportation, Where You Can Find More Information; Incorporation by Reference, Information on GE Transportation, Information on Wabtec, Selected Historical Financial Data and Unaudited Pro Forma Condensed Combined Financial Statements.

**Summary Historical Combined Financial Data of GE Transportation**

The following data of GE Transportation as of June 30, 2018, and for the six-month periods ended June 30, 2018 and June 30, 2017, have been derived from the unaudited combined financial statements of GE Transportation included elsewhere in this proxy statement. The following data of GE Transportation as of December 31, 2017 and 2016, and for the three years in the period ended December 31, 2017, have been derived from the audited combined financial statements of GE Transportation included elsewhere in this proxy statement. This information is only a summary and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations for GE Transportation, the combined financial statements of GE Transportation and the notes thereto and the unaudited pro forma condensed combined financial statements of Wabtec and GE Transportation included elsewhere in this proxy statement.

In thousands	Six Months Ended June		Year Ended December 31,		
	2018	2017	2017	2016	2015
<b>Income Statement Data</b>					
Total revenues	\$ 1,773,888	\$ 1,980,585	\$ 3,930,308	\$ 4,606,591	\$ 5,421,479
Gross profit	486,597	418,019	923,234	1,171,637	1,325,936
Other operating and non-operating expenses <sup>(1)</sup>	(274,287 )	(260,936 )	(490,835 )	(464,120 )	(489,037 )
Earnings before income taxes	212,310	157,083	432,399	707,517	836,899
Provision for income taxes	(44,084 )	(56,984 )	(44,303 )	(167,428 )	(349,275 )
Net earnings	168,226	100,099	388,096	540,089	487,624
Less net earnings attributable to noncontrolling interests	4,136	6,811	14,311	6,144	7,547
Net earnings attributable to GE	\$ 164,090	\$ 93,288	\$ 373,785	\$ 533,945	\$ 480,077

(1) Includes selling, general and administrative expenses, impairment of goodwill, non-operating benefit costs and other (expense) income.

In thousands	As of June		As of December 31,
	2018	2017	2016
<b>Balance Sheet Data</b>			
Total assets	\$ 3,839,271	\$ 3,544,573	\$ 3,626,918
Cash and cash equivalents	131,516	105,338	151,151
Total liabilities	2,008,697	1,871,350	2,243,954

Total equity	1,830,574	1,673,223	1,382,964		
	<b>Six Months Ended June</b>		<b>Year Ended December 31,</b>		
	<b>30,</b>				
<b>In thousands</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash provided by (used for):					
Operating activities	\$ 76,436	\$ (34,120 )	\$ 322,004	\$ 853,712	\$ 875,234
Investing activities	(68,393 )	(143,973 )	(200,956 )	(168,214 )	(225,875 )
Financing activities	20,548	229,226	(171,062 )	(625,586 )	(622,770 )

TABLE OF CONTENTS**Summary Historical Consolidated Financial Data of Wabtec**

The following data of Wabtec as of June 30, 2018, and for the six-month periods ended June 30, 2018 and June 30, 2017, have been derived from the unaudited consolidated financial statements of Wabtec, which are incorporated by reference herein from Wabtec's quarterly report on Form 10-Q filed with the SEC for the six-month period ended June 30, 2018. The following data of Wabtec as of December 31, 2017 and 2016, and for the three years in the period ended December 31, 2017, have been derived from the audited consolidated financial statements of Wabtec, which are incorporated by reference herein from Wabtec's current report on Form 8-K filed with the SEC on September 10, 2018. The summary historical consolidated financial data presented below is not necessarily indicative of the results of operations or financial condition that may be expected for any future period or date. This information is only a summary and should be read in conjunction with the financial statements of Wabtec and the notes thereto and the Management's Discussion and Analysis of Financial Condition and Results of Operations section contained in Wabtec's quarterly report on Form 10-Q filed with the SEC for the six-month period ended June 30, 2018 and Wabtec's current report on Form 8-K filed with the SEC on September 10, 2018, which are incorporated by reference in this proxy statement. See [Where You Can Find More Information; Incorporation By Reference](#).

<b>In thousands, except per share data</b>	<b>Six Months Ended June</b>		<b>Year Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Income Statement Data</b>					
Net Sales	\$ 2,167,857	\$ 1,848,287	\$ 3,881,756	\$ 2,931,188	\$ 3,307,998
Gross profit	634,848	543,670	1,065,313	924,239	1,047,816
Operating expenses	(380,046 )	(315,801 )	(644,234 )	(467,632 )	(438,962 )
Income from operations	254,802	227,869	421,079	456,607	608,854
Interest expense, net	(52,204 )	(37,422 )	(77,884 )	(50,298 )	(27,254 )
Other (expenses) income, net	4,757	5,747	8,868	6,528	3,768
Net income attributable to Wabtec stockholders	\$ 172,782	\$ 145,914	\$ 262,261	\$ 304,887	\$ 398,628
<b>Diluted Earnings per Common Share</b>					
Basic					
Net income attributable to Wabtec stockholders per share	\$ 1.80	\$ 1.52	\$ 2.74	\$ 3.37	\$ 4.14
Diluted					
Net income attributable to Wabtec stockholders per share	\$ 1.79	\$ 1.52	\$ 2.72	\$ 3.34	\$ 4.10
Cash dividends declared per share	\$ 0.24	\$ 0.20	\$ 0.44	\$ 0.36	\$ 0.28
Weighted average shares outstanding					
Basic	95,867	95,370	95,453	90,359	96,074
Diluted	96,471	96,071	96,125	91,141	97,006
<b>As of June</b>					
<b>30,</b>					
<b>As of December 31,</b>					
<b>In thousands</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>		
<b>Balance Sheet Data</b>					

Total assets	\$ 6,677,606	\$ 6,579,980	\$ 6,581,018
Cash and cash equivalents	245,574	233,401	398,484
Total debt	1,884,921	1,870,528	1,892,776
Total equity	2,874,628	2,828,532	2,976,825

<b>In thousands</b>	<b>Six Months Ended June 30,</b>		<b>Year Ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash provided by (used for):					
Operating activities	\$ 67,904	\$ (13,703 )	\$ 188,811	\$ 450,530	\$ 450,844
Investing activities	(69,100 )	(884,629 )	(1,033,474 )	(232,966 )	(177,194 )
Financing activities	22,764	41,590	(97,431 )	522,971	(251,498 )

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The following summary unaudited pro forma condensed combined financial statements are presented to illustrate the estimated effects of the Transactions described in this proxy statement under The Transactions. The following unaudited pro forma condensed combined balance sheet as of June 30, 2018, and the unaudited pro forma condensed combined statement of income for the six months ended June 30, 2018 and the year ended December 31, 2017 (collectively, the Pro Forma Statements ) have been prepared in compliance with the requirements of Regulation S-X under the Securities Act using accounting policies in accordance with U.S. GAAP.

The Pro Forma Statements should be read in conjunction with the audited consolidated financial statements of Wabtec as of and for the year ended December 31, 2017, which are incorporated by reference herein from Wabtec s current report on Form 8-K filed with the SEC on September 10, 2018, Wabtec s interim financial statements as of and for the six-month period ended June 30, 2018, which are incorporated by reference herein from Wabtec s quarterly report on Form 10-Q filed with the SEC for the quarter ended June 30, 2018, and the audited combined financial statements of GE Transportation as of and for the year ended December 31, 2017 and GE Transportation s interim financial statements as of and for the six-month period ended June 30, 2018, which are, in each case, included elsewhere in this proxy statement. GE Transportation s historical financial statements included in this proxy statement have been presented on a carve-out basis from GE s consolidated financial statements using the historical results of operations, cash flows, assets and liabilities of GE Transportation and include allocations of corporate expenses from GE. These allocations reflect significant assumptions, and the financial statements do not fully reflect what GE Transportation s financial position, results of operations or cash flows would have been had it been a stand-alone company during the periods presented. As a result, historical financial information is not necessarily indicative of GE Transportation s future results of operations, financial position or cash flows. The note disclosure requirements of annual consolidated financial statements provide additional disclosures to that required for pro forma condensed combined financial information.

The unaudited Pro Forma Statements give effect to the Transactions as if they had occurred on January 1, 2017, for the purposes of the unaudited pro forma condensed combined statements of income for the six months ended June 30, 2018 and the year ended December 31, 2017. The unaudited Pro Forma Statements give effect to the Transactions as if they had occurred on June 30, 2018, for the purposes of the unaudited pro forma condensed combined balance sheet. In the opinion of Wabtec s management, these Pro Forma Statements include all material adjustments necessary to be in accordance with Article 11 of Regulation S-X under the Securities Act. The Pro Forma Statements are presented for illustrative purposes only and may not be indicative of the results of operations that would have occurred if the events reflected therein had been in effect on the dates indicated or the results which may be obtained in the future. In preparing the Pro Forma Statements, no adjustments have been made to reflect the potential operating synergies and administrative cost savings or the costs of integration activities that could result from the combination of Wabtec and GE Transportation. Actual amounts recorded upon consummation of the Transactions will differ from the Pro Forma Statements, and the differences may be material. See Where You Can Find More Information; Incorporation by Reference, Unaudited Pro Forma Combined Consolidated Financial Statements and the interim combined financial statements of GE Transportation and the notes thereto and audited combined financial statements of GE Transportation and notes thereto, which are, in each case, included elsewhere in this proxy statement.

*Unaudited Pro Forma Condensed Combined Statement of Income Data*

The following table presents the unaudited pro forma combined consolidated statement of income data for the six months ended June 30, 2018.

<u>In millions, except per share data</u>	<b>Wabtec</b>	<b>GE</b>	<b>Reclassification Pro Forma</b>	<b>Pro Forma</b>
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<i>(in U.S. dollars unless otherwise indicated)</i>	<b>Historical</b>	<b>Transportation Historical</b>	<b>Adjustments</b>	<b>Adjustments</b>	<b>Combined Wabtec/GE Transportation</b>
Sales of goods	\$ 2,167.9	\$ 1,101.8	\$ (91.3 )	\$ (29.2 )	\$ 3,149.2
Sales of services	—	672.1	91.3	(58.0 )	705.4
Net sales	2,167.9	1,773.9	—	(87.2 )	3,854.6
Cost of goods sold	(1,533.0 )	(881.3 )	153.1	19.6	(2,241.6 )
Cost of services sold	—	(406.0 )	(73.9 )	(3.1 )	(483.0 )
Gross profit	634.8	486.6	79.2	(70.7 )	1,129.9
Income from operations before income taxes	207.4	212.3	—	(161.5 )	258.2
Income tax expense	(36.6 )	(44.1 )	—	36.2	(44.5 )
Net income	170.7	168.2	—	(125.3 )	213.6
Less: Net income attributable to noncontrolling interest	2.1	(4.1 )	—	—	(2.0 )
Net income attributable to Wabtec stockholders	\$ 172.8	\$ 164.1	\$ —	\$ (125.3 )	\$ 211.6

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The following table presents the unaudited pro forma combined consolidated statement of income data for the year ended December 31, 2017.

<b><u>In millions, except per share data</u></b> <i>(in U.S. dollars unless otherwise indicated)</i>	<b>GE</b>				<b>Pro Forma</b>
	<b>Wabtec</b>	<b>Transportation</b>	<b>Reclassification</b>	<b>Pro Forma</b>	<b>Combined</b>
	<b>Historical</b>	<b>Historical</b>	<b>Adjustments</b>	<b>Adjustments</b>	<b>Wabtec/GE</b>
					<b>Transportation</b>
Sales of goods	\$ 3,881.8	\$ 2,546.6	\$ (196.1 )	\$ (73.8 )	\$ 6,158.5
Sales of services	—	1,383.7	196.1	(78.9 )	1,500.9
Net sales	3,881.8	3,930.3	—	(152.7 )	7,659.4
Cost of goods sold	(2,816.4 )	(2,129.7 )	319.0	52.5	(4,574.6 )
Cost of services sold	—	(877.4 )	(149.4 )	(4.4 )	(1,031.2 )
Gross profit	1,065.3	923.2	169.6	(104.6 )	2,053.5
Income from operations before income taxes	352.2	432.4	—	(385.9 )	398.7
Income tax expense	(89.8 )	(44.3 )	—	113.8	(20.3 )
Net income	262.4	388.1	—	(272.1 )	378.4
Less: Net income attributable to noncontrolling interest	—	(14.3 )	—	—	(14.3 )
Net income attributable to Wabtec stockholders	\$ 262.4	\$ 373.8	\$ —	\$ (272.1 )	\$ 364.1

*Unaudited Pro Forma Condensed Combined Balance Sheet Data*

The following table presents the unaudited pro forma combined consolidated balance sheet data as of June 30, 2018.

<b><u>In millions</u></b> <i>(in U.S. dollars unless otherwise indicated)</i>	<b>GE</b>				<b>Pro Forma</b>
	<b>Wabtec</b>	<b>Transportation</b>	<b>Reclassification</b>	<b>Pro Forma</b>	<b>Combined</b>
	<b>Historical</b>	<b>Historical</b>	<b>Adjustments</b>	<b>Adjustments</b>	<b>Wabtec/GE</b>
					<b>Transportation</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 245.6	\$ 131.5	\$ —	\$ (127.2 )	\$ 249.9
Total assets	6,677.6	3,839.3	—	11,897.5	22,414.4
<b>Liabilities and Shareholders' Equity</b>					
Long-term debt	1,857.8	67.5	—	2,810.7	4,736.0
Total liabilities	3,803.0	2,008.7	—	2,891.4	8,703.1
Total shareholders' equity	2,857.3	1,785.9	—	9,006.1	13,649.3

**Summary Comparative Historical and Pro Forma Per Share Data**

The following table sets forth certain historical and pro forma per share data for Wabtec. The Wabtec historical data has been derived from and should be read together with Wabtec's unaudited consolidated financial statements and related notes thereto contained in Wabtec's quarterly report on Form 10-Q filed with the SEC for the six-month period ended June 30, 2018 and Wabtec's audited consolidated financial statements and related notes thereto as of and for the year ended December 31, 2017, which are incorporated by reference herein from Wabtec's current report on Form 8-K filed with the SEC on September 10, 2018. See "Where You Can Find More Information; Incorporation by Reference."

The pro forma data as of and for the six-month period ended June 30, 2018 and for the year ended December 31, 2017 has been derived from the unaudited pro forma condensed combined financial statements included elsewhere in this proxy statement. See Unaudited Pro Forma Condensed Combined Financial Statements.

This comparative historical and pro forma per-share data is being provided for illustrative purposes only. Wabtec and GE Transportation may have performed differently had the Transactions occurred prior to the periods or at the date presented. You should not rely on the pro forma per-share data presented as being indicative of the results that would have been achieved had Wabtec and GE Transportation been combined during the periods or at the date presented or of the future results or financial condition of Wabtec or GE Transportation to be achieved following the consummation of the Transactions.

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	As of and for the Six Months Ended June 30, 2018		As of and for the Year Ended December 31, 2017	
	Wabtec Historical	Pro Forma Combined	Wabtec Historical	Pro Forma Combined
<b>In thousands, except per share data</b>				
<b>Diluted Earnings per Common Share</b>				
Basic				
Net income attributable to Wabtec stockholders	\$ 1.80	\$ 1.09	\$ 2.74	\$ 1.87
Diluted				
Net income attributable to Wabtec stockholders	\$ 1.79	\$ 1.08	\$ 2.72	\$ 1.87
Weighted average shares outstanding				
Basic	95,867	194,347	95,453	193,933
Diluted	96,471	194,951	96,125	194,605

**Historical Common Stock Market Price and Dividend Data**

Historical market price data for SpinCo and GE Transportation has not been presented as GE Transportation is currently operated by GE and SpinCo is a wholly owned subsidiary of GE and there is no established trading market in SpinCo common stock. Shares of SpinCo common stock do not currently trade separately from GE common stock.

Shares of Wabtec common stock currently trade on the NYSE under the symbol WAB. There were \_\_\_\_\_ holders of record of Wabtec common stock at the close of business on \_\_\_\_\_, 2018. A number of Wabtec stockholders hold their shares in street name; therefore Wabtec believes that there are substantially more beneficial owners of Wabtec common stock. On May 18, 2018, the last trading day before the announcement of the Transactions, the last sale price of Wabtec common stock reported by the NYSE was \$95.19. The last sale price of Wabtec common stock reported by the NYSE on October 3, 2018 was \$104.97.

The following table sets forth on a per share basis the cash dividend declared, and the high and low sales prices of Wabtec common stock as reported on the NYSE:

	Wabtec Common Stock		
	High	Low	Dividend
<b>2018</b>			
First Quarter	\$ 86.24	\$ 69.75	\$ 0.120
Second Quarter	\$ 104.21	\$ 78.80	\$ 0.120
Third Quarter	\$ 115.40	\$ 96.56	\$ 0.120
Fourth Quarter (through October 3, 2018)	\$ 107.02	\$ 102.76	\$ N/A
<b>2017</b>			
First Quarter	\$ 88.87	\$ 74.06	\$ 0.100
Second Quarter	\$ 92.00	\$ 77.09	\$ 0.100
Third Quarter	\$ 93.81	\$ 69.20	\$ 0.120
Fourth Quarter	\$ 82.13	\$ 71.96	\$ 0.120

**2016**

First Quarter	\$ 80.61	\$ 60.28	\$ 0.080
Second Quarter	\$ 88.46	\$ 66.14	\$ 0.080
Third Quarter	\$ 82.00	\$ 65.54	\$ 0.100
Fourth Quarter	\$ 89.18	\$ 74.32	\$ 0.100

**Wabtec Dividend Policy**

Wabtec currently intends to continue paying dividends on a quarterly basis, although the declaration of any future dividends will be determined by the Wabtec Board and will depend on many factors, including available cash, estimated cash needs, earnings, financial condition, operating results, and capital requirements, as well as limitations in Wabtec's contractual agreements, applicable law, regulatory constraints, industry practice and other business considerations that the Wabtec Board considers relevant. Wabtec's ability to declare and pay future dividends on Wabtec common stock may be restricted by the provisions of the DGCL and covenants in Wabtec's then-existing indebtedness arrangements.

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### **The Transactions**

GE, Wabtec, SpinCo and Merger Sub, entered into the Merger Agreement on May 20, 2018, and GE, SpinCo, Wabtec and Direct Sale Purchaser entered into the Separation Agreement on May 20, 2018, which together provide for the combination of Wabtec and GE Transportation through a modified Reverse Morris Trust transaction structure. In connection with the Separation of GE Transportation from the remaining business of GE, GE will conduct the Internal Reorganization.

In connection with the Direct Sale, certain assets of GE Transportation, potentially including the equity interests of certain pre-Transaction subsidiaries of GE that compose part of GE Transportation, will be sold to Direct Sale Purchaser for a cash payment of \$2.9 billion, and Direct Sale Purchaser will assume certain liabilities of GE Transportation in connection with this purchase. Thereafter, GE will transfer the SpinCo Business to SpinCo and its subsidiaries (to the extent not already held by SpinCo and its subsidiaries) in the SpinCo Transfer, and SpinCo will issue to GE additional shares of SpinCo common stock in the SpinCo Transfer. Following this issuance of additional SpinCo common stock to GE, GE will own 8,700,000,000 shares of SpinCo common stock, or such other amount as GE shall determine with Wabtec's consent, which will constitute all of the outstanding stock of SpinCo.

GE will effect the Distribution by distributing on a *pro rata* basis all of the Distribution Shares to GE stockholders as of the record date for the Distribution. GE will deliver the Distribution Shares to the exchange agent, who will hold such shares for the benefit of GE stockholders. GE has the option, however, to effect the Distribution pursuant to a split-off. In the event GE elects to effect the Distribution pursuant to a split-off, GE would offer to holders of GE common stock the right to exchange all or a portion of their GE common stock for a number of Distribution Shares (which, in the aggregate, may be less than all of the Distribution Shares) at a discount to the implied value of the SpinCo common stock (based on the per-share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement), subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange. In the event the GE Exchange Offer is consummated, GE would distribute the remaining Distribution Shares, if any, on a *pro rata* basis to GE stockholders whose shares of GE common stock remain outstanding after the consummation of the GE Exchange Offer.

Immediately after the Distribution and on the closing date of the Merger, Merger Sub will merge with and into SpinCo, whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and a wholly owned subsidiary of Wabtec. In the Merger, subject to adjustment in accordance with the Merger Agreement, each share of SpinCo common stock will be converted into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this proxy statement entitled *The Merger Agreement—Merger Consideration*.

Upon consummation of the Merger and calculated based on Wabtec's outstanding common stock immediately prior to the Merger on a fully-diluted, as-converted and as-exercised basis, 50.1% of the outstanding shares of Wabtec common stock would be held collectively by GE and pre-Merger holders of GE common stock (with approximately 9.9% of the outstanding shares of Wabtec common stock expected to be held by GE) and 49.9% of the outstanding shares of Wabtec common stock would be held by pre-Merger Wabtec stockholders. The shares held by GE will be subject to GE's obligations under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled *Other Agreements—Tax Matters Agreement*) and (y) the Shareholders Agreement to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger and prior thereto, to vote all of such shares in the proportion required under the Shareholders Agreement (as described in the section of this proxy statement entitled *Other Agreements—Shareholders Agreement*).

Subject to adjustment under certain circumstances as set forth in the Merger Agreement, Wabtec will issue approximately 98.5 million shares of Wabtec common stock in the Merger. Based upon the reported closing sale price of \$        per share for Wabtec common stock on the NYSE on       , 2018, the total value of the shares of Wabtec common stock to be issued by Wabtec in the Merger would be approximately \$        and the cash to be received by GE in the Transactions, including in respect of the Direct Sale, would be approximately \$       . The actual value of the Wabtec common stock to be issued in the Merger will depend on the market price of shares of Wabtec common stock at the time of the Merger.

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After the Merger, Wabtec will own and operate the SpinCo Business and the assets acquired in the Direct Sale. It is anticipated that SpinCo, which will be Wabtec's wholly owned subsidiary, will hold the SpinCo Business and Direct Sale Purchaser, which will also be Wabtec's wholly owned subsidiary, will hold the assets purchased and the liabilities assumed in connection with the Direct Sale. Together, SpinCo and Direct Sale Purchaser will own and operate post-Transaction GE Transportation. Wabtec will also continue its current businesses. All shares of Wabtec common stock, including those issued in the Merger, will be listed on the NYSE under Wabtec's current trading symbol WAB.

Below is a step-by-step description of the sequence of material events relating to the Transactions.

### *Step 1 Internal Reorganization*

GE will undertake an internal reorganization in which the assets and liabilities of GE Transportation will be segregated from the assets and liabilities of GE's remaining business.

### *Step 2 Direct Sale*

On the date of the Distribution, immediately prior to the SpinCo Transfer, GE shall sell certain assets of GE Transportation, potentially including the equity interests of certain pre-Transaction subsidiaries of GE that compose part of GE Transportation, to Direct Sale Purchaser for a cash payment of \$2.9 billion. Concurrently, the Direct Sale Purchaser will assume certain liabilities of GE Transportation in connection with this purchase.

Wabtec and the other Borrowers entered into the Credit Agreement on June 8, 2018, which includes (i) a \$1.2 billion Revolving Credit Facility, (ii) a \$350.0 million Refinancing Term Loan and (iii) a \$400.0 million Delayed Draw Term Loan. Wabtec also obtained Bridge Commitments in respect of the Bridge Loan Facility in an amount not to exceed \$2.5 billion. On September 14, 2018, in accordance with the Commitment Letter, the Bridge Commitments were permanently reduced to \$0 in connection with Wabtec's issuance of \$500 million aggregate principal amount of the Floating Rate Notes, \$750 million aggregate principal amount of the 2024 Notes and \$1.25 billion aggregate principal amount of the 2028 Notes. Wabtec will use funds available under the Delayed Draw Term Loan and the proceeds from the issuance of the New Wabtec Notes to pay the Direct Sale Purchase Price.

### *Step 3 SpinCo Transfer*

On the date of the Distribution, immediately following the Direct Sale, GE shall transfer the SpinCo Business, which will comprise the remaining business and operations of GE Transportation after giving effect to the Direct Sale, to SpinCo and its subsidiaries (to the extent not already held by SpinCo and its subsidiaries). SpinCo will assume certain liabilities of the SpinCo Business.

### *Step 4 Issuance of SpinCo Common Stock to GE*

In connection with the SpinCo Transfer, SpinCo will issue and deliver to GE additional shares of SpinCo common stock. Following this issuance of additional shares to GE, GE will own 8,700,000,000 shares of SpinCo common stock, or such other amount as GE shall determine with Wabtec's consent, which will constitute all of the outstanding stock of SpinCo.

### *Step 5 Distribution*

Based on market conditions prior to the closing of the Merger, corporate finance considerations and timing considerations, GE will determine whether the Distribution Shares will be distributed to GE stockholders pursuant to a spin-off or a split-off. This proxy statement assumes that the Distribution Shares will be distributed in a spin-off. GE

may make its final decision as to whether the SpinCo common stock will be distributed in a spin-off or split-off after the date of the special meeting.

In this case, GE will effect the Distribution by distributing on a *pro rata* basis all of the Distribution Shares to GE stockholders as of the record date for the Distribution. GE will deliver the Distribution Shares to the exchange agent, who will hold such shares for the benefit of GE stockholders.



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In the event GE elects to effect the Distribution pursuant to a split-off, GE would offer to holders of GE common stock the right to exchange all or a portion of their GE common stock for a number of Distribution Shares (which, in the aggregate, may be less than all of the Distribution Shares) at a discount to the implied value of the SpinCo common stock (based on the per-share value of Wabtec common stock multiplied by the exchange ratio set forth in the Merger Agreement), subject to proration if the GE stockholders have validly tendered more shares of GE common stock than GE is offering to accept for exchange. In the event the GE Exchange Offer is consummated, GE would distribute the remaining Distribution Shares, if any, on a *pro rata* basis to GE stockholders whose shares of GE common stock remain outstanding after the consummation of the GE Exchange Offer. Any GE stockholders that validly tender (and do not validly withdraw) shares of GE common stock for shares of SpinCo common stock in the GE Exchange Offer would have, with respect to such tendered shares, waived their rights to receive, and forfeited any rights to, shares of SpinCo common stock subsequently distributed on a *pro rata* basis to GE stockholders. In connection with the GE Exchange Offer, SpinCo would file with the SEC a registration statement on Form S-4 and Form S-1 to register the shares of its common stock that would be distributed to GE stockholders. In addition, Wabtec would file with the SEC an amendment to its registration statement on Form S-4. The terms and conditions of the GE Exchange Offer would be described in SpinCo's registration statement on Form S-4 and Form S-1 and Wabtec's amended registration statement on Form S-4. Wabtec and Wabtec stockholders would not be a party to the GE Exchange Offer and would not be asked to separately vote on the GE Exchange Offer or to otherwise participate in the GE Exchange Offer. The information included in this section regarding the GE Exchange Offer is being provided to Wabtec stockholders for informational purposes only and does not purport to be complete. This proxy statement constitutes only a proxy statement for Wabtec stockholders relating to the special meeting and is not an offer to sell or a solicitation of an offer to purchase shares of Wabtec common stock, GE common stock or SpinCo common stock.

*Step 6 Merger*

Immediately after the Distribution and on the closing date of the Merger, Merger Sub will merge with and into SpinCo, whereby the separate corporate existence of Merger Sub will cease and SpinCo will continue as the surviving company and a wholly owned subsidiary of Wabtec. In the Merger, subject to adjustment in accordance with the Merger Agreement, each share of SpinCo common stock will be converted into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this proxy statement entitled *The Merger Agreement—Merger Consideration*.

Upon consummation of the Merger and calculated based on Wabtec's outstanding common stock immediately prior to the Merger on a fully-diluted, as-converted and as-exercised basis, 50.1% of the outstanding shares of Wabtec common stock would be held collectively by GE and pre-Merger holders of GE common stock (with approximately 9.9% of the outstanding shares of Wabtec common stock expected to be held by GE) and 49.9% of the outstanding shares of Wabtec common stock would be held by pre-Merger Wabtec stockholders. The shares held by GE will be subject to GE's obligations under (x) the Tax Matters Agreement to sell a number of shares of Wabtec common stock within two years of the Distribution Date (as described in the section of this proxy statement entitled *Other Agreements—Tax Matters Agreement*) and (y) the Shareholders Agreement to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger and prior thereto, to vote all of such shares in the proportion required under the Shareholders Agreement (as described in the section of this proxy statement entitled *Other Agreements—Shareholders Agreement*).

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Set forth below are diagrams that graphically illustrate, in simplified form, (i) the existing corporate structures, (ii) the corporate structures immediately following the Direct Sale, the SpinCo Transfer and the Distribution but before the Merger and (iii) the corporate structures immediately following the consummation of the Merger.

**Existing Structure**

**Structure following the Separation (including the Internal Reorganization), the Direct Sale, the SpinCo Transfer and the Distribution but prior to the Merger**

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### **Structure following the Merger**

After completion of all of the steps described above, it is anticipated that SpinCo, which will be Wabtec's wholly owned subsidiary, will hold the SpinCo Business and Direct Sale Purchaser, which will also be Wabtec's wholly owned subsidiary, will hold the assets purchased and the liabilities assumed in connection with the Direct Sale. Together, SpinCo and Direct Sale Purchaser will own and operate post-Transaction GE Transportation.

In connection with the Transactions, on the date of the Distribution, GE or its subsidiaries and SpinCo or the SpinCo Transferred Subsidiaries will enter into the Additional Agreements relating to, among other things, intellectual property, employee matters, tax matters, research and development and transition services. See Other Agreements. Pursuant to the Tax Matters Agreement, after completion of all of the steps described above, GE will be obligated to sell a number of shares of Wabtec common stock within two years of the Distribution Date. See Other Agreements—Tax Matters Agreement. Pursuant to the Shareholders Agreement, after completion of all of the steps described above, GE will be obligated to sell, subject to limited exceptions, all of the shares of Wabtec common stock GE beneficially owns within three years of the closing date of the Merger (as described in the section of this proxy statement entitled Other Agreements—Shareholders Agreement ).

### **Determination of Number of Shares of SpinCo Common Stock to Be Distributed to GE Stockholders**

Immediately prior to the Distribution, the total number of shares of SpinCo common stock outstanding will equal 8,700,000,000 shares or such other amount as GE shall determine with Wabtec's consent. GE is expected to retain 19.75% of the outstanding shares of SpinCo common stock. Accordingly, assuming that there are outstanding 8,700,000,000 shares of SpinCo common stock immediately prior to the Distribution, the total number of shares of SpinCo common stock to be distributed to holders of GE common stock as a *pro rata* dividend will be equal to 6,981,750,000 shares. The actual number of shares of SpinCo common stock to be distributed to GE stockholders, and the actual number of shares of SpinCo common stock to be retained by GE, will be determined by GE prior to the Distribution. All shares of SpinCo common stock will be converted into the right to receive shares of Wabtec common stock at the effective time of the Merger.

### ***No Fractional Shares; Exchange of Certificates***

Each issued and outstanding share of SpinCo common stock will be converted in the Merger into the right to receive a number of shares of Wabtec common stock based on the exchange ratio set forth in the Merger Agreement, as described in the section of this proxy statement entitled The Merger Agreement—Merger

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Consideration. In the conversion, no fractional shares of Wabtec common stock will be delivered to SpinCo stockholders. All fractional shares of Wabtec common stock that any SpinCo stockholder otherwise would be entitled to receive as a result of the Merger will be aggregated by the exchange agent on behalf of Wabtec. The exchange agent will cause the whole shares obtained thereby to be sold on behalf of the SpinCo stockholders that would otherwise be entitled to receive such fractional shares of Wabtec common stock pursuant to the Merger, in the open market or otherwise, in each case at then-prevailing market prices, and, in no case later than five business days after the Distribution. The exchange agent will make available the net proceeds thereof, subject to the deduction of the amount of any withholding taxes and brokerage charges, commissions and conveyance and similar taxes, on a *pro rata* basis, without interest, as soon as practicable to the SpinCo stockholders that would otherwise be entitled to receive such fractional shares of Wabtec common stock pursuant to the Merger.

Upon consummation of the Merger, shares of SpinCo common stock held by GE or GE stockholders will no longer be outstanding and will automatically be canceled and retired and will cease to exist. Prior to the Merger, Wabtec will deposit with the exchange agent, for the benefit of holders of SpinCo common stock, book-entry shares representing the shares of Wabtec common stock issuable to the holders of SpinCo common stock in the Merger.

### **Background of the Transactions**

Wabtec continually invests in new products and services with the objective of strategically growing its business, both organically and through acquisitions, joint ventures and other transactions.

GE continually reviews its portfolio to determine whether any changes are advisable and, on June 12, 2017, GE's incoming Chief Executive Officer announced that GE was initiating a comprehensive review with a focus on each of its businesses' performance, growth outlook, cost structures, returns and competitive environment.

On June 20, 2017, senior executives of Wabtec and GE met to discuss the railway transportation business generally, the parties' respective industry outlooks and recent events affecting GE. The meeting was arranged by Morgan Stanley & Co. LLC (Morgan Stanley), a financial advisor to GE. At the conclusion of the meeting, the participants agreed to meet again in a few weeks to consider whether discussions of a possible strategic transaction may be worth pursuing.

On July 12, 2017, Wabtec and GE signed a confidentiality agreement. Over the course of the next several months, Wabtec and GE exchanged confidential information and engaged in preliminary discussions about a possible strategic transaction.

In September 2017, Wabtec retained Goldman Sachs as its financial advisor and Jones Day as its legal advisor in connection with the possible strategic transaction.

On November 13, 2017, GE disclosed that it was considering possible strategic alternatives for several businesses of GE, including GE Transportation.

In late November, representatives of Wabtec and GE continued to work on potential synergies that may be involved in a possible transaction and a general outline of potential terms, and agreed that their respective financial advisors should meet to discuss a potential transaction. These meetings occurred in early December 2017.

During the weeks of December 11, 2017 and December 18, 2017, representatives of Wabtec and GE conducted facility tours and engaged in detailed discussions regarding potential synergies that may be realized in a combination of GE Transportation and Wabtec. During this period, Wabtec's senior management kept the Wabtec Board apprised on a regular basis on the progress of the discussions with respect to the possible transaction.

Wabtec management also reviewed the preliminary discussions about a strategic transaction with respect to GE Transportation with the Wabtec Board at the Wabtec Board meetings held on December 4, 2017, January 26, 2018, February 5-6, 2018, February 20, 2018 and March 6, 2018. In each such meeting, the Wabtec Board directed Wabtec's senior management to continue discussions with GE, although the Wabtec Board recognized that transactions like the possible transaction were difficult to negotiate due to their scope and complexity.

Discussions and due diligence progressed during January 2018, February 2018 and March 2018. Early during that time period, representatives of Wabtec and GE began to focus on a possible transaction in which Wabtec and

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GE Transportation would be combined in a Reverse Morris Trust transaction in which GE Transportation would be either spun off or split-off to GE stockholders and thereafter merged with a subsidiary of Wabtec whereby GE stockholders would receive a majority of the common stock of the combined company on a tax-free basis.

On January 26, 2018, following a meeting of the Wabtec Board, Wabtec's CEO sent to GE's Head of Corporate Development a proposed term sheet for a possible combination of Wabtec and GE Transportation. The parties negotiated the proposed term sheet over the next several weeks, including the allocation of value between Wabtec and GE.

GE senior management met with the GE Board and various committees of the GE Board on numerous occasions in 2018 to discuss progress on the discussions with Wabtec while continuing to explore other strategic alternatives for GE Transportation, including an initial public offering.

Following the exchange of draft term sheets over the next several weeks and continuing due diligence, on March 19, 2018, Wabtec and GE signed a term sheet outlining the key high-level terms of a possible transaction. The term sheet was nonbinding except for certain customary binding provisions, including an exclusivity provision under which GE agreed to work exclusively with Wabtec on the possible transaction for 30 days. The term sheet contemplated a possible Reverse Morris Trust transaction for the combination of Wabtec and GE Transportation whereby GE would receive a cash payment from SpinCo in the range of \$2.9 billion to \$3.0 billion and GE stockholders would receive a majority of the combined company's common stock, with the amount of the cash payment and percentage of common stock being subject to continued discussions. The notion that a portion of the consideration to GE would be payable in cash was part of the parties' discussions from the outset, in part because such payments are typical in Reverse Morris Trust transactions.

The Wabtec Board met on April 16, 2018 to review the possible transaction in detail. Representatives of Goldman Sachs and Jones Day participated in the meeting. At the meeting, Wabtec's senior management reviewed the strategic and financial rationale of the possible transaction, the results of due diligence and discussions with GE to date. A representative of Jones Day reviewed the Wabtec directors' fiduciary duties in the circumstances, the material terms of draft transaction documentation, the major open issues at the time and the major actions involved in the possible transaction. The Transactions were considered by the Wabtec Board at this and subsequent meetings as a potential alternative to Wabtec continuing to operate pursuant to its existing business plan under its existing capital structure. The representatives of Goldman Sachs then provided a financial review of the possible transaction. Following these discussions, the Wabtec Board directed Wabtec's management and legal and financial advisors to continue discussions with representatives of GE.

In April and through May 20, 2018, the parties continued due diligence and exchanged drafts of the principal Transaction Documents. Representatives of GE, including representatives from Davis Polk & Wardwell LLP, GE's legal counsel, and Morgan Stanley and Dyal & Co. LLC (Dyal), GE's financial advisors, and representatives of Wabtec, including representatives from Jones Day and Goldman Sachs, met on a substantially continuous basis in New York City in respect of the possible transaction and the principal Transaction Documents during most of the first three weeks of May 2018. Key terms negotiated in this period included:

- the portion of Wabtec common stock to be owned by GE and GE stockholders following the consummation of the Transactions;
- the terms of the cash and debt purchase price adjustments;
- the pro forma leverage and indebtedness of the combined company;
- the allocation of certain liabilities of GE Transportation;
- the amount of the cash payment to GE of \$2.9 billion, in line with the \$2.9 billion–\$3.0 billion amount reflected in the March 2018 nonbinding term sheet;

the parties' decision that it would be in their mutual interests to pursue the Direct Sale rather than having SpinCo incur debt and distribute an exit dividend to GE, because the modified Reverse Morris Trust structure should result in tax benefits to Wabtec (including by avoiding certain ambiguities under the depreciation rules in U.S. federal income tax law that otherwise might be relevant), which will be shared between the parties (up to a cap) as realized by Wabtec after the Merger. The Direct Sale also should reduce administrative complexity and financing costs;

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provisions relating to the composition of the Wabtec Board following the closing of the Transactions;

provisions relating to closing certainty, including obligations to seek antitrust approvals, termination fees and certain closing conditions;

the terms of the tax matters agreement, including terms governing payments to be made to GE in respect of certain tax benefits expected to be realized by the combined company as a result of the Transactions;

obligations of various Wabtec parties to support the Transactions; and

GE retaining a portion of the interest in SpinCo rather than distributing it to GE stockholders and the terms of the Shareholders Agreement that would apply in respect of GE's ownership of Wabtec shares that would be issued in the Merger in respect of that retained interest.

The GE Board met on May 17, 2018 and unanimously approved the Transactions.

On May 14, 2018 and May 19, 2018, the Wabtec Board met to review the possible transaction. Representatives of Goldman Sachs and Jones Day participated in the meetings. At the May 19, 2018 meeting, Wabtec's senior management reviewed the strategic and financial rationale of the possible transaction, and the final results of due diligence and economic terms of the possible transaction. A representative of Jones Day reviewed the Wabtec directors' fiduciary duties in the circumstances, and the material terms of drafts of the principal Transaction Documents. The representatives of Goldman Sachs then provided a financial review of the possible transaction. At the meeting on May 19, 2018, Goldman Sachs rendered to the Wabtec Board its oral opinion, which was subsequently confirmed by delivery of a written opinion, dated May 20, 2018, that, as of the date of such written opinion and based upon and subject to the factors and assumptions as set forth in such written opinion, the Aggregate Consideration to be paid by Wabtec pursuant to the Merger Agreement was fair from a financial point of view to Wabtec (See *The Transactions—Opinion of Wabtec's Financial Advisor* ). A representative of Jones Day also provided an update on the status of the debt financing (See *Debt Financing* ), as well as the various Transaction Documents. Following discussions with Wabtec management and Wabtec's legal and financial advisors, the Wabtec Board unanimously determined that the Transactions, as well as the Wabtec Charter Amendment and the Share Issuance, were advisable and in the best interests of Wabtec and its stockholders, and approved the Transactions and the Transaction Documents, including the Wabtec Charter Amendment, the Share Issuance and the proposed debt financing.

Over the May 19-20, 2018 weekend, representatives of Wabtec and GE finalized the Transaction Documents providing for the Transactions.

On May 20, 2018, Wabtec and GE publicly announced the Transactions.

### **Wabtec's Reasons for the Transactions**

In deciding to approve the Transactions, as well as the Wabtec Charter Amendment and the Share Issuance, the Wabtec Board, in consultation with Wabtec's senior management and financial advisors, considered, among other things, the potential strategic benefits to be achieved by combining GE Transportation and Wabtec relative to Wabtec's prospects on a standalone basis, the expected financial benefits of the Transactions and the terms of Transactions and Transaction Documents, as well as potential risks and negative considerations associated with the Transactions.

### ***Factors Supporting the Transactions***

The Wabtec Board considered the following factors, among others, as supporting its decision to approve the Transactions:

#### *Strategic Benefits*

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The combined company is expected to be a diversified global leader in the transportation and logistics business with pro forma 2017 combined revenues of \$8 billion;

- the combined company is expected to be better positioned to meet anticipated growth in demand for train intelligence and network optimization products; and

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Wabtec's and GE Transportation's respective businesses are believed to be complementary with a large, global installed customer base. It is anticipated that the combined company will have the ability to provide customers with more desirable and affordable solutions and aftermarket services in rapidly evolving categories than the two companies would have separately.

### *Financial Benefits*

- Wabtec believes that the combination will occur at an attractive time in the railway industry cycle and expects significant growth in revenue and adjusted EBITDA as the cycle rebounds from trough levels; the Transactions are expected to be accretive to cash earnings per share beginning in the first full year after the closing of the Transactions;
- Wabtec expects to realize \$250 million total run-rate operating synergies, driven by cost and revenue opportunities, within four years after the closing of the Transactions;
- the step-up in tax basis associated with the Transactions is expected by Wabtec to result in average annual cash tax benefits for 15 years of \$150.0 million, with the first \$470.0 million of cumulative cash benefits to be paid to GE and the remainder (which Wabtec estimated at a net present value of \$1.1 billion) to accrue to the combined company;
- the combined company has forecasted future cash flows which Wabtec expects will allow for rapid deleveraging after the closing of the Transactions and enable the combined company to maintain an investment grade debt rating; and
- the Transactions were valued by the Wabtec Board at \$11.1 billion based on the Wabtec share price of \$83.79 on April 19, 2018—the last unaffected trading day prior to media speculation regarding a potential transaction. When adjusted for the estimated net tax step-up value of \$1.1 billion accruing to the combined company, the Transactions were valued by the Wabtec Board at \$10.0 billion. The Wabtec Board considered that these valuations were favorable.

### *Transaction Terms*

The Transactions, including the aggregate consideration being paid by Wabtec in the Transactions, were the result of extensive arms'-length negotiations between Wabtec and GE;

- the prospective financial results of GE Transportation (as well as the risks involved in achieving those results), the fit of GE Transportation with Wabtec's previously established strategic goals (which include adding capabilities, expanding customer and geographic access and increasing scale) and the results of Wabtec's due diligence review of GE Transportation;
- the opinion of Goldman Sachs, dated May 20, 2018, to the Wabtec Board that, as of such date and based upon and subject to the factors and assumptions as set forth in such opinion, the Aggregate Consideration being paid by Wabtec pursuant to the Merger Agreement was fair from a financial point of view to Wabtec, as more fully described in the section of this proxy statement entitled "The Transactions—Opinion of Wabtec's Financial Advisor";
- the Wabtec Board would be expanded to include three additional directors, each of whom shall be independent as defined in the listing standards of the NYSE, to be designated by GE;
- immediately following the consummation of the Transactions, the current executive officers of Wabtec would continue in their current positions, with additional executive management talent to be gained from former management of GE Transportation and the other changes described in "Information on Wabtec—Directors and Officers of Wabtec Before and After the Consummation of the Transactions";
- the Transactions are expected to be approved by regulatory authorities without significant disruption in the business of Wabtec or GE Transportation; and
- the Merger Agreement permits the Wabtec Board in certain circumstances to withdraw or modify its recommendation that Wabtec stockholders approve the Wabtec Charter Amendment and the Share Issuance, subject to the payment of a termination fee in certain circumstances.

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*Potential Risks and Negative Considerations*

The Wabtec Board also considered, among other things, the following potential risks and other potentially negative considerations associated with the Transactions, but determined that the benefits of the Transactions substantially outweighed such risks and other considerations:

- The inability of Wabtec to influence the operations of GE Transportation during the potentially significant time period prior to consummating the Transactions;
- the possibility that the increased revenues, earnings and efficiencies expected to result from the Transactions would fail to materialize in whole or part;
- the challenges inherent in fully and successfully separating the operations of GE Transportation from GE and integrating such business with Wabtec, especially given that GE Transportation is similar in size and scope to Wabtec's business;
- the significant, one-time costs expected to be incurred in connection with the Transactions, including approximately \$35.0 million of financing-related fees, approximately \$60.0 million of transaction-related costs (including advisory, legal, accounting and professional fees) and approximately \$88.0 million of transition and integration-related costs (a portion of which will be incremental capital spending), that Wabtec management believes will be necessary to realize the anticipated synergies from the Transactions;
- the potential impact of the restrictions under the Merger Agreement on Wabtec's ability to take certain actions during the period between execution of the Merger Agreement and the consummation of the Transactions, generally requiring Wabtec to conduct business only in the ordinary course or, if not in the ordinary course, to first seek and obtain GE's consent (which could delay or prevent Wabtec from undertaking business opportunities that may arise pending completion of the Transactions) and restricting the ability of Wabtec to pursue certain strategic transactions;
- the dilution of the ownership interest of Wabtec's current stockholders that would result from the Share Issuance and that Wabtec's current stockholders, as a group, would control less than a majority of Wabtec's outstanding common stock after consummation of the Transactions;
  - the fact that GE will acquire 9.9% of Wabtec's common shares in the Transactions, including the possible effects that a sale of this stake would have on Wabtec's stock price;
- potential difficulties in integrating the management and operating personnel of Wabtec and GE Transportation, including the risk of losing key personnel due to uncertainties over future roles;
- the risk that the Transactions and integration of GE Transportation with Wabtec may divert management attention and resources away from other strategic opportunities and from operational matters;
- the operations of the business of GE Transportation will be dependent in part on the provision of transition services by GE for a period of time after the consummation of the Transactions;
- the need for Wabtec to incur substantial indebtedness in connection with the Transactions;
- the potential payment of a termination fee of \$300 million by Wabtec in certain circumstances, including in certain circumstances based on regulatory challenges to the Transactions;
- the restrictions imposed on Wabtec's ability to take certain corporate actions under the terms of the Tax Matters Agreement, which could reduce its ability to engage in certain future business transactions that might be advantageous;
- the absence of an indemnity from GE for breaches of representations and warranties;
- the possibility that the Transactions may not be consummated and the potential adverse consequences, including substantial costs that would be incurred and potential damage to Wabtec's reputation, if the Transactions are not completed; and
- the other risks described under the section entitled **Risk Factors—Risks Related to the Transactions** beginning on page 115 of this proxy statement.

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The foregoing discussion of the information and factors considered by the Wabtec Board is not exhaustive, but includes the material factors considered by the Wabtec Board, including factors that support the Transactions as well as those that weigh against them. In view of the wide variety of factors considered by the Wabtec Board in connection with its evaluation of the Transactions and the complexity of these matters, the Wabtec Board was not asked to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Rather, the Wabtec Board based its recommendation on the totality of the information presented to and considered by it. The Wabtec Board evaluated the factors described above with the assistance of Wabtec's senior management and legal and financial advisors. In considering the factors described above, individual members of the Wabtec Board gave different weights to other or different factors.

This explanation of the factors considered by the Wabtec Board is in part forward-looking in nature and, therefore, should be read in light of the factors discussed in the sections of this proxy statement entitled *Cautionary Statement on Forward-Looking Statements* and *Risk Factors—Risks Related to the Transactions* beginning on pages 132 and 115, respectively, of this proxy statement.

After careful consideration, the Wabtec Board unanimously approved the Merger Agreement, the Separation Agreement, the Transactions, as well as the Share Issuance and the Wabtec Charter Amendment, and determined that the Merger Agreement, the Separation Agreement and the Transactions are advisable and in the best interests of Wabtec and its stockholders.

### **Opinion of Wabtec's Financial Advisor**

Goldman Sachs rendered to the Wabtec Board its oral opinion, which was subsequently confirmed by delivery of a written opinion, dated May 20, 2018, that, as of the date of such written opinion and based upon and subject to the factors and assumptions as set forth in such written opinion, the Aggregate Consideration to be paid by Wabtec pursuant to the Merger Agreement was fair from a financial point of view to Wabtec.

**The full text of the written opinion of Goldman Sachs, dated May 20, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached hereto as Annex G. Goldman Sachs provided advisory services and its opinion for the information and assistance of the Wabtec Board in connection with its consideration of the Transactions. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of Wabtec common stock should vote with respect to the Share Issuance, the Wabtec Charter Amendment 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;
- the Separation Agreement;
- the Tax Matters Agreement;
- the annual reports to stockholders and Annual Reports on Form 10-K of Wabtec and GE for the five years ended December 31, 2017;
- certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Wabtec and GE;
- certain other communications from Wabtec and GE to their respective stockholders;
- certain publicly available research analyst reports for Wabtec and GE;
- certain unaudited financial statements of GE Transportation (as described in the Merger Agreement);
- certain internal financial analyses and forecasts for GE Transportation prepared by the management of GE;
- certain internal financial analyses and forecasts for Wabtec standalone and pro forma for the Transactions, certain financial analyses and forecasts for tax benefits, including the Company Structure Benefits, associated with the

Transactions, and certain financial analyses and forecasts for GE Transportation, in each case as prepared by the management of Wabtec and approved for Goldman Sachs' use by Wabtec (the Forecasts );

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certain operating synergies projected by the management of Wabtec to result from the Transactions, as approved for Goldman Sachs' use by Wabtec (the Synergies ); estimates of the SpinCo Adjustment Amount and the Direct Sale Adjustment Amount (each as defined in the Separation Agreement) prepared by the management of Wabtec and approved for Goldman Sachs' use by Wabtec (the Adjustment Estimates ); and estimates of the amounts and timing of the TMA Payments prepared by management of Wabtec and approved for Goldman Sachs' use by Wabtec (the TMA Payment Estimates ). Goldman Sachs also (i) held discussions with members of the senior managements of Wabtec and GE regarding their assessment of the past and current business operations, financial condition and future prospects of GE Transportation, and with the members of senior management of Wabtec regarding their assessment of the past and current business operations, financial condition and future prospects of Wabtec and the strategic rationale for, and the potential benefits of, the Transactions; reviewed the reported price and trading activity for the shares of Wabtec common stock, (ii) compared certain financial and stock market information for Wabtec and certain financial information for GE Transportation with similar financial and stock market information for certain other companies the securities of which are publicly traded, (iii) reviewed the financial terms of certain recent business combinations in the rail transportation industry and in other industries and (iv) performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with Wabtec's consent, 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, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Wabtec's consent that the Forecasts, the Synergies, the Adjustment Estimates and the TMA Payment Estimates were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Wabtec. 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 Wabtec, SpinCo, Merger Sub or GE or any of their respective subsidiaries and it 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 Transactions will be obtained without any adverse effect on Wabtec, GE Transportation or SpinCo or on the expected benefits of the Transactions in any way meaningful to its analysis. Goldman Sachs has also assumed that the Transactions will be consummated on the terms set forth in the Merger Agreement, Separation Agreement and Tax Matters 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 does not address the underlying business decision of Wabtec to engage in the Transactions, or the relative merits of the Transactions as compared to any strategic alternatives that may be available to Wabtec; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to Wabtec, as of May 20, 2018, of the Aggregate Consideration to be paid by Wabtec pursuant to the Merger Agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the Merger Agreement, Separation Agreement or Tax Matters Agreement or the Transactions or any term or aspect of any other agreement or instrument contemplated by the Merger Agreement, Separation Agreement or Tax Matters Agreement or entered into or amended in connection with the Transactions, including, without limitation, the Shareholders Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Internal Reorganization, the SpinCo Transfer, the Distribution, any allocation of the Aggregate Consideration or liabilities assumed as part of the Direct Sale or any indemnification or adjustments contemplated by the Transaction Documents; the fairness of the Transactions to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Wabtec; 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 Wabtec, SpinCo or GE, or any class of such persons, in connection with the Transactions, whether relative to the Aggregate Consideration to be paid by Wabtec pursuant to the Merger Agreement or otherwise. 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 the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs did not express any opinion as to the prices at which shares of Wabtec common stock will

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trade at any time or as to the impact of the Transactions on the solvency or viability of Wabtec, SpinCo, Merger Sub, GE Transportation or GE or the ability of Wabtec, SpinCo, Merger Sub, GE Transportation or GE to pay their respective obligations when they come due. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Wabtec Board in connection with rendering 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 May 17, 2018 and is not necessarily indicative of current market conditions.

***Financial Analyses of GE Transportation***

*Analysis of Implied Transaction Values.* Goldman Sachs calculated the implied enterprise value ( EV ) of GE Transportation by adding the \$2.9 billion cash payment to be received by GE to the implied value of the shares of Wabtec common stock to be issued in the Transactions. Goldman Sachs calculated the implied value of such shares of Wabtec common stock by using \$83.79 per share, which was the closing trading price per share of Wabtec common stock on April 19, 2018, which was the last closing price prior to media reports about the Transactions (the

Undisturbed Price ), and the closing price per share of Wabtec common stock on May 17, 2018 (the May 17, 2018 Price ). The implied EV of GE Transportation, using the Undisturbed Price, was \$11.1 billion and the implied EV of GE Transportation, using the May 17, 2018 Price, was \$12.2 billion. Goldman Sachs then adjusted these implied EV calculations for GE Transportation to take into account the net present value of the tax attributes of the Transactions that would accrue to Wabtec pro forma for the Transactions. Goldman Sachs used the Forecasts and applied an illustrative discount rate of 7.0%, which represented a mid-point between an illustrative cost of debt and an illustrative weighted average cost of capital for Wabtec pro forma for the Transactions, to determine the net present value of these tax attributes. The illustrative implied EV of GE Transportation as adjusted to take into account these tax attributes was \$10.0 billion, when using the Undisturbed Price, and \$11.1 billion, when using the May 17, 2018 Price.

*Selected Companies Analysis.* Goldman Sachs reviewed and compared certain financial information for Wabtec and the following publicly traded companies in the rail infrastructure and equipment industry (collectively referred to as the Rail Infrastructure & Equipment Selected Companies ), the rail car industry (collectively referred to as the Rail Car Selected Companies ) and the diversified industrials/transportation industry (collectively referred to as the Diversified Industrials/Transportation Selected Companies ), and together with Rail Infrastructure & Equipment Selected Companies and the Rail Car Selected Companies, the Selected Companies ):

Rail Infrastructure & Equipment Selected Companies

•Falgo

•CAF

•Vossloh

•Alstom

•Ansaldo

Rail Car Selected Companies

•Greenbrier

•American Rail Car



Trinity

Diversified Industrials/Transportation Selected Companies

Allison Transmission

Caterpillar

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Although none of the Selected Companies is directly comparable to GE Transportation, the companies included were chosen because they are publicly traded companies that, for the purposes of analysis, may be considered similar to certain operations of GE Transportation.

Goldman Sachs calculated and compared public market multiples for Wabtec and mean public market multiples for each of the Rail Infrastructure & Equipment Selected Companies, the Rail Car Selected Companies and the Diversified Industrials/Transportation Selected Companies, in each case using information from publicly available historical data, publicly available market data and Institutional Brokers Estimate System consensus estimates.

Goldman Sachs calculated these public market multiples by dividing the EV for each of the selected companies and Wabtec (using the closing trading price per share of each company's stock as of May 17, 2018 and, in the case of Wabtec, the Undisturbed Price, as well the latest available net debt amounts as of the dates of such trading prices) by earnings before interest, tax, depreciation and amortization (EBITDA) for the last reported 12 months (LTM EBITDA), for the next 12 months (NTM EBITDA), and for the one-year forward calendar year (CY+2 EBITDA). In addition, Goldman Sachs calculated (using historical trading prices and publicly available financial data) the average over the last five years (Through the Cycle), for Wabtec and the Selected Companies, of the EV/LTM EBITDA, EV/NTM EBITDA and EV/CY+2 EBITDA multiples. The Through the Cycle metrics are intended to present multiples based on normalized EBITDA in view of the cyclical nature of the industry. The following table presents the results of this analysis:

	EV/LTM EBITDA Through		EV/NTM EBITDA Through		EV/CY+2 EBITDA Through	
	EV/LTM EBITDA	the Cycle	EV/NTM EBITDA	the Cycle	EV/CY+2 EBITDA	the Cycle
Wabtec	17.9x	14.3x	14.7x	12.5x	13.8x	12.0x
Median of Rail Infrastructure & Equipment Selected Companies	9.3x	10.1x	8.8x	8.5x	8.1x	8.4x
Median of Rail Car Selected Companies	9.3x	6.6x	8.3x	6.4x	9.1x	6.7x
Median of Diversified Industrials/Transportation Selected Companies	8.6x	9.2x	8.0x	8.9x	7.8x	8.7x

In addition, Goldman Sachs calculated illustrative EV/EBITDA multiples for GE Transportation using the implied EV for GE Transportation (calculated using the Undisturbed Price and the May 17, 2018 Price, and with and without adjustment to the implied EV to account for the net present value of the tax attributes of the Transactions that would accrue to Wabtec pro forma for the Transactions as described above) and using the Forecasts and Synergies. The inclusion of these tax attributes is intended to present the implied EV for GE Transportation inclusive of these benefits of the transaction to Wabtec, while the exclusion of these tax attributes is intended to present the implied EV of GE Transportation reflective of GE Transportation on a stand-alone basis from a tax attributes perspective. The following table presents the results of this analysis:

	Multiple (Undisturbed Price)	Multiple (May 17, 2018 Price)
EV*/2018E EBITDA (Forecasts, No Synergies)	15.0x	16.4x

EV*/2019E EBITDA (Forecasts, No Synergies)	10.9x	11.9x
EV*/2021E EBITDA (Forecasts, No Synergies)***	9.0x	9.9x
EV*/2018E EBITDA (Forecasts with Synergies)	11.2x	12.3x
EV*/2019E EBITDA (Forecasts with Synergies)	8.7x	9.5x
EV*/2021E EBITDA (Forecasts with Synergies)***	7.5x	8.2x
EV**/2018E EBITDA (Forecasts with Synergies)	10.1x	11.2x
EV**/2019E EBITDA (Forecasts with Synergies)	7.9x	8.7x
EV**/2021E EBITDA (Forecasts with Synergies)***	6.8x	7.5x

\*No adjustment to implied EV to take into account the tax attributes of the Transaction

\*\* Adjustment to implied EV to take into account the tax attributes of the Transaction

\*\*\* Management of Wabtec instructed Goldman Sachs that these 2021 estimates were comparable to Through the Cycle estimates

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Goldman Sachs then applied an illustrative range of multiples of 9.0x to 12.0x to the estimated EBITDA for GE Transportation for 2019 contained in the Forecasts and an illustrative range of multiples of 8.5x to 10.5x to the estimated EBITDA for GE Transportation for 2021 contained in the Forecasts, which management of Wabtec had instructed Goldman Sachs were comparable to Through the Cycle estimates, to calculate the following illustrative ranges of implied EVs for GE Transportation: \$9.2 billion to \$12.3 billion, and \$10.5 billion to \$13.0 billion, respectively.

*Selected Transactions Analysis.* Goldman Sachs analyzed certain publicly available information relating to the following selected transactions in the rail transportation industry (the Rail Transportation Selected Transactions ) during the preceding 16 years. Based on Goldman Sachs professional judgment and experience, these transactions comprised all the transactions that met these criteria and, to the extent available, the data from these transactions were all considered equally without giving weight to the available data from any transaction in particular:

<b>Date Announced</b>	<b>Acquiror</b>	<b>Target</b>
October 2016	CIMIC	UGL Limited (86%)
July 2015	Wabtec	Faiveley Transport (51%)
February 2015	Hitachi	Ansaldo STS (40%)
June 2014	Alstom	GE Signaling
January 2015	Heinz Herman Thiele	Vossloh (70%)
December 2014	CSR Corporation	China CNR Corporation
November 2012	Siemens	Invensys Rail
May 2011	CVC	Delachaux (Majority Stake)
June 2010		