

GOODRICH CORP  
Form PREM14A  
October 27, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(RULE 14A-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Goodrich Corporation**

(Name of Registrant as Specified in Its Charter)

N/A

(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 \$5 per share

(2) Aggregate number of securities to which transaction applies: 125,222,805 outstanding shares of common stock and awards (including options to purchase shares) for which 6,040,198 shares of common stock are issuable.

(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): \$127.50 per outstanding share of common stock plus \$575,213,056 in the aggregate to cash out options to purchase shares of common stock and other awards.

(4) Proposed maximum aggregate value of transaction: \$16,541,120,694

(5) Total fee paid: \$1,895,613

Fee paid previously with preliminary materials.

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

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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**PRELIMINARY COPY**

[ ], 2011

Dear Fellow Shareholders:

You are cordially invited to attend a special meeting of shareholders of Goodrich Corporation, which is referred to as Goodrich, to be held on [ ], at [ ] (Eastern Time), at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina, unless postponed to a later date.

At the special meeting, we will ask you to (1) adopt a merger agreement among Goodrich, United Technologies Corporation, which is referred to as UTC, and Charlotte Lucas Corporation, a wholly owned subsidiary of UTC, (2) approve a merger-related named executive officer compensation proposal, and (3) adjourn the special meeting, if necessary, in order to further solicit proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement. If the merger agreement is adopted and the merger is completed, Goodrich will become a wholly owned subsidiary of UTC and each of your shares of Goodrich common stock will be converted into the right to receive \$127.50 in cash, without interest.

**The proxy statement accompanying this letter is furnished in connection with the solicitation by the Board of Directors of Goodrich of proxies to be used at the special meeting.**

The Board of Directors of Goodrich, which is referred to as the Board, has carefully reviewed and considered the terms and conditions of the proposed merger. Based on its review, the Board has determined that the merger is fair to and in the best interests of Goodrich and its shareholders. **Accordingly, the Board has unanimously approved the merger agreement and unanimously recommends that you vote FOR the adoption of the merger agreement, FOR approval of the merger-related named executive officer compensation proposal and, if necessary, FOR the adjournment proposal.**

Your vote is very important. The merger cannot be completed unless holders of at least two-thirds of the shares of Goodrich common stock outstanding and entitled to vote at the special meeting vote to adopt the merger agreement.

Only holders of record of shares of Goodrich common stock at the close of business on [ ], 2011, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof.

**Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid return envelope, or give your proxy by telephone or over the Internet by following the instructions on the proxy card. You may revoke the proxy at any time prior to its exercise at the special meeting in the manner described in the proxy statement accompanying this letter. Completing a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. Your vote in person at the special meeting will supersede any previously submitted proxy.**

If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the special meeting.

**If you fail to return your proxy or to attend the special meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a**

**vote AGAINST the adoption of the merger agreement.**

The proxy statement accompanying this letter explains the proposed merger, the merger agreement and the merger-related named executive officer compensation proposal, and provides specific information concerning the special meeting. Please read the entire proxy statement carefully.

Sincerely,

[Marshall O. Larsen]  
*[Chairman & Chief Executive Officer]*

**This Proxy Statement is dated [ ], 2011, and is first being mailed to Goodrich shareholders on or about [ ], 2011.**

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**Four Coliseum Centre  
2730 West Tyvola Road  
Charlotte, North Carolina 28217**

**NOTICE TO SHAREHOLDERS**

A special meeting of shareholders of Goodrich Corporation, which is referred to as Goodrich, will be held at [ ] (Eastern Time), on [ ], at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina, unless postponed to a later date. The special meeting is being held to consider and vote upon the following proposals:

1. To adopt the Agreement and Plan of Merger, dated as of September 21, 2011, as such agreement may be amended from time to time in accordance with its terms, by and among Goodrich, United Technologies Corporation, which is referred to as UTC, and Charlotte Lucas Corporation, a wholly owned subsidiary of UTC. If the merger agreement is adopted and the merger is completed, Goodrich will become a wholly owned subsidiary of UTC and each outstanding share of Goodrich common stock will be converted into the right to receive \$127.50 in cash, without interest.
2. To approve, on a non-binding advisory basis, the compensation to be paid to Goodrich's named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled "The Merger - Interests of Goodrich's Directors and Executive Officers in the Merger - Potential Payments Upon a Termination of Employment in Connection with a Change of Control," beginning on page [ ] (we refer to this proposal as the merger-related named executive officer compensation proposal).
3. To approve adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Only holders of record of shares of Goodrich common stock at the close of business on [ ], 2011, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof. Each share of common stock is entitled to vote on all matters that properly come before the special meeting and is entitled to one vote on each matter properly brought before the special meeting.

**The Board of Directors of Goodrich, which is referred to as the Board, unanimously recommends that Goodrich shareholders vote FOR the adoption of the merger agreement.** Goodrich cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of at least two-thirds of the shares of Goodrich common stock outstanding and entitled to vote at the special meeting.

The Board also unanimously recommends that Goodrich shareholders vote FOR the merger-related named executive officer compensation proposal and FOR any adjournment of the special meeting to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

The attached proxy statement describes the proposed merger, the actions to be taken in connection with the merger and the merger-related named executive officer compensation proposal, and provides additional information about the parties involved. A proxy for use at the meeting in the form accompanying this Notice is hereby solicited on behalf of the Board from holders of Goodrich common stock.

**Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid return envelope, or give your proxy by telephone or over the Internet by following the instructions on the proxy card. You may revoke the proxy at any time prior to its exercise at the special meeting in the manner described in the attached proxy statement. Completing a proxy**

**now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. Your vote at the special meeting will supersede any previously submitted proxy.**

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If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the special meeting.

**If you fail to return your proxy or to attend the special meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote AGAINST the adoption of the merger agreement.**

Please do not send any stock certificates at this time.

By Order of the Board of Directors,

Frank A. DiPiero  
*Secretary*

[ ], 2011

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**ADDITIONAL INFORMATION**

This document incorporates important business and financial information about Goodrich Corporation from documents that are not included in or delivered with this document. See **Additional Information** on page [ ]. You can obtain documents incorporated by reference in this document by requesting them in writing or by telephone from Goodrich Corporation, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina 28217, Attn: Corporate Secretary. You will not be charged for any of these documents that you request. If you wish to request documents, you should do so by [ ], 2011 in order to receive them before the special meeting.

**If you have any questions about the merger or if you need additional copies of the proxy statement or the enclosed proxy card, you should contact us at: [ ], or you may contact Phoenix Advisory Partners, our proxy solicitor, at:**

Phoenix Advisory Partners  
110 Wall Street, 27<sup>th</sup> Floor  
New York, NY 10005  
Banks and Brokers Call: (212) 493-3910  
All Others Call Toll Free: (877) 478-5038

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**SUMMARY**

*This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. You should carefully read this entire proxy statement, including the attached annexes, and the other documents to which we have referred you. We sometimes make reference to Goodrich Corporation and its subsidiaries in this proxy statement by using the terms Goodrich, the Company, we, our or us. We have included references parenthetically to direct you to a more complete description of the topics presented in this summary.*

**Information About the Merger Parties**

***Goodrich Corporation***

Goodrich, a New York corporation, is one of the largest worldwide suppliers of aerospace components, systems and services to the commercial and general aviation airplane markets. Goodrich is a leading supplier of systems and products to the global defense and space markets. Goodrich's principal offices are located at Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina 28217 (telephone 704-423-7000).

***United Technologies Corporation***

United Technologies Corporation, a Delaware corporation, which is referred to as UTC, is a diversified company providing high technology products and services to the global aerospace and building industries. UTC's products include Pratt & Whitney aircraft engines, Sikorsky helicopters, Carrier heating, air conditioning and refrigeration systems, Hamilton Sundstrand aerospace systems and industrial products, Otis elevators and escalators, UTC Fire & Security systems and UTC Power fuel cells. UTC's principal executive offices are located at One Financial Plaza, Hartford, Connecticut 06101 (telephone 860-728-7000).

***Charlotte Lucas Corporation***

Charlotte Lucas Corporation, a New York corporation, which is referred to as Merger Sub, is a wholly owned subsidiary of UTC formed solely for the purpose of effecting the merger with Goodrich. Merger Sub has not conducted any activities unrelated to its formation, the merger agreement or the merger with Goodrich since its organization. Merger Sub's principal executive offices are located at c/o United Technologies Corporation at One Financial Plaza, Hartford, Connecticut 06101 (telephone 860-728-7000).

**The Special Meeting (page [ ])**

We are furnishing this proxy statement to our shareholders as part of the solicitation of proxies by our Board of Directors, which is referred to as the Board, for use at the special meeting of shareholders of Goodrich, which we refer to as the special meeting.

***Date, Time and Place***

The special meeting will be held at [ ] (Eastern Time), on [ ], at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina, unless postponed to a later date.

***Purpose***

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You will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of September 21, 2011, by and among UTC, Merger Sub and Goodrich, which is referred to as the merger agreement. The merger agreement provides that Merger Sub will merge with and into Goodrich, which is referred to as the merger, and Goodrich will become a wholly owned subsidiary of UTC. Each share of Goodrich common stock that you own immediately prior to the effective time of the merger will be converted into the right to receive \$127.50 in cash, without interest.

You will also be asked to vote to approve, on a non-binding advisory basis, the compensation to be paid to Goodrich's named executive officers that is based on or otherwise relates to the merger, which is referred to

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as the merger-related named executive officer compensation proposal. As an advisory vote, the result will not be binding on Goodrich or on UTC, or on the board of directors or compensation committee of Goodrich or UTC. Therefore, if the merger is approved by the shareholders of Goodrich and completed, the compensation based on or otherwise relating to the merger will be paid to the Goodrich named executive officers regardless of whether the shareholders of Goodrich approve this proposal.

You may also be asked to vote to approve adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

### ***Record Date; Shareholders Entitled to Vote***

You are entitled to vote at the special meeting if you owned shares of Goodrich common stock as of the close of business on [ ], 2011, the record date for the special meeting. As of the record date, there were [ ] shares of Goodrich common stock outstanding. You will have one vote on each matter submitted to a vote at the special meeting for each share of Goodrich common stock that you owned as of the close of business on the record date.

### ***Voting and Proxies***

Shareholders have a choice of voting by proxy over the Internet, by using a toll-free telephone number or by completing a proxy card and mailing it in the postage-paid envelope provided. See and read carefully *Proposals to be Considered at the Special Meeting* *Voting* *Voting and Proxies* beginning on page [ ]. Please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The Internet and telephone voting facilities for shareholders of record will close at [ ] Eastern Time on [ ].

The Internet and telephone proxy submission procedures have been set up for your convenience and have been designed to authenticate your identity, allow you to give voting instructions and confirm that those instructions have been recorded properly.

Proxies for shares of Goodrich common stock will also represent shares held under our Dividend Reinvestment Plan. Proxies will also be considered to be voting instructions to the plan trustee with respect to shares held in accounts under the Goodrich Corporation Employees Savings Plan. Goodrich has been advised that voting instructions from plan participants must be received by not later than [ ] Eastern Time on [ ] in order to be included in the final voting instruction tabulation provided to the plan trustee.

Brokers or banks holding shares of Goodrich common stock in street name may vote your shares of Goodrich common stock only if you provide instructions on how to vote. Brokers or banks will provide you with directions on how to instruct the broker or bank to vote your shares of Goodrich common stock, and you should carefully follow these instructions.

You may revoke your proxy at any time prior to the vote at the special meeting by delivering to Goodrich's Corporate Secretary a written notice of revocation or submitting a later-dated, signed proxy (either manually, telephonically or over the Internet) following the instructions provided on the proxy card. You also may revoke your proxy by attending the special meeting and voting in person. Attendance at the special meeting will not, in and of itself, result in the revocation of a proxy or cause your shares of Goodrich common stock to be voted.

If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the special meeting.



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### ***Quorum***

A quorum of shareholders is necessary to hold a valid meeting. Under our By-Laws, the holders of record of a majority of the shares of Goodrich common stock entitled to vote at the special meeting, present in person or by proxy, constitute a quorum.

If a quorum is not present, the special meeting will be postponed until the holders of the number of shares of Goodrich common stock required to constitute a quorum attend.

If you submit a properly executed proxy card, even if you abstain from voting, your shares of Goodrich common stock will be counted for purposes of determining whether a quorum is present at the special meeting. If additional votes must be solicited to adopt the merger agreement, it is expected that the special meeting will be adjourned to solicit additional proxies.

### ***Vote Required***

Adoption of the merger agreement requires the affirmative vote of the holders of at least two-thirds of the shares of Goodrich common stock outstanding and entitled to vote at the special meeting.

The approval, on a non-binding advisory basis, of the merger-related named executive officer compensation proposal requires the affirmative vote of a majority of the votes cast by holders of shares of Goodrich common stock present or represented by proxy at the special meeting and entitled to vote thereon.

A proposal to approve an adjournment of the special meeting, whether or not a quorum is present, requires the affirmative vote of holders of a majority of the shares of Goodrich common stock present or represented by proxy at the special meeting and entitled to vote thereon.

As of the record date, there were [ ] shares of Goodrich common stock outstanding.

### ***Effect of Abstentions and Broker Non-Votes on Voting***

Abstentions and shares not in attendance at the special meeting and not voted by proxy will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. Abstentions and shares not in attendance at the special meeting and not voted by proxy will have no effect on the merger-related named executive officer compensation proposal. Abstentions will have the same effect as a vote **AGAINST** the proposal to adjourn the special meeting, if necessary, but shares not in attendance at the special meeting and not voted by proxy will have no effect on the proposal to adjourn the special meeting, if necessary. Because brokers or banks holding shares of Goodrich common stock in street name may vote your shares of Goodrich common stock on the adoption of the merger agreement, the merger-related named executive officer compensation proposal, or adjournments of the special meeting, if necessary, only if you provide instructions on how to vote, your failure to provide instructions will result in your shares not being present at the meeting and not being voted on those proposals. Consequently, there cannot be any broker non-votes occurring in connection with these proposals at the special meeting. It is very important that **ALL** of our shareholders vote their shares of Goodrich common stock, so please promptly complete and return the enclosed proxy card.

### ***Expenses of Proxy Solicitation***

Our directors, officers and other employees may solicit proxies in person, by telephone, electronically, by mail or other means, but they will not be specifically compensated for these services. Brokers, banks and other persons will be reimbursed by us for expenses they incur in forwarding proxy materials to obtain voting instructions from beneficial

shareholders. We have also hired Phoenix Advisory Partners to assist in the solicitation of proxies. The total cost of solicitation of proxies will be borne by us. For a description of the costs and expenses to us of soliciting proxies, see *Proposals to be Considered at the Special Meeting Solicitation Costs* on page [ ].

*Shareholders should not send in their stock certificates with their proxies.* A letter of transmittal with instructions for the surrender of certificates representing shares of Goodrich common stock will be mailed to shareholders if the merger is completed.



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**Board Recommendation (page [ ])**

The Board has found and declared that the merger agreement and the merger are fair to and in the best interests of Goodrich and its shareholders, has unanimously approved and adopted the merger agreement and unanimously recommends that our shareholders vote **FOR** the adoption of the merger agreement. The Board considered many factors in reaching its conclusion, including, without limitation, the value that shareholders would realize in the merger compared to the value likely to be realized by shareholders in the event Goodrich remained independent, the current and historical market prices of Goodrich shares relative to the \$127.50 per share merger consideration, and the fact that the merger consideration consists entirely of cash. See and read carefully *The Merger* Goodrich's Reasons for the Merger beginning on page [ ].

The Board also unanimously recommends that Goodrich shareholders vote **FOR** the merger-related named executive officer compensation proposal and **FOR** any adjournment of the special meeting to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

**The Merger and the Merger Agreement (pages [ ])**

The rights and obligations of the parties to the merger agreement are governed by the specific terms and conditions of the merger agreement and not by any summary or other information in this proxy statement. Therefore, the information in this proxy statement regarding the merger agreement and the merger is qualified in its entirety by reference to the merger agreement, a copy of which is attached as Annex A to this proxy statement. We encourage you to read the merger agreement carefully and in its entirety because it is the principal legal agreement that governs the merger.

***Structure of the Merger***

At the effective time of the merger, Merger Sub, a wholly owned subsidiary of UTC, will be merged with and into Goodrich. Goodrich will continue as the surviving corporation of the merger and become a wholly owned subsidiary of UTC.

***Goodrich Common Stock***

At the effective time of the merger, each outstanding share of Goodrich common stock, including shares purchased pursuant to the Goodrich Corporation 2008 Global Employee Stock Purchase Plan, will be converted into the right to receive \$127.50 in cash, without interest, less any applicable withholding tax. After the effective time of the merger, shares of Goodrich common stock will no longer be publicly traded.

***Goodrich Equity and Equity-Based Awards***

***Stock Options***

At the effective time of the merger, each outstanding stock option to acquire shares of Goodrich common stock under Goodrich's equity compensation plans granted prior to September 21, 2011, whether or not vested or exercisable, will be adjusted under the applicable plan and converted into the right of the holder to receive an amount in cash, without interest, less any applicable withholding tax, equal to the product of:

the total number of shares of Goodrich common stock covered by the option, multiplied by

the excess, if any, of \$127.50 over the per share exercise price of the option.

*Restricted Share Units*

At the effective time of the merger, each outstanding time-based vesting restricted share unit granted prior to September 21, 2011 will be adjusted under the applicable plan and converted into the right of the holder to receive an amount in cash, without interest, less any applicable withholding tax, equal to the product of \$127.50 multiplied by the number of shares of Goodrich common stock underlying the restricted share unit.

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### *Performance Units*

At the effective time of the merger, each outstanding performance unit award granted prior to September 21, 2011 will be adjusted under the applicable plan and converted into the right of the holder to receive an amount in cash, without interest, determined under the award agreement for such award, less any applicable withholding tax.

### *Deferred Compensation Awards*

At the effective time of the merger, each notional share under any deferred compensation plan will be adjusted under the applicable plan and converted into the right to receive \$127.50 in cash, without interest, less any applicable withholding tax.

Notwithstanding the foregoing, any equity awards in respect of Goodrich common stock that are granted by Goodrich on or after September 21, 2011, which Goodrich is permitted by the merger agreement to do on certain terms and conditions if the effective time of the merger occurs after August 31, 2012, will be treated upon completion of the merger in the manner set forth in the applicable award agreements as agreed between Goodrich and UTC.

### *Opinion of Our Financial Advisors*

#### *Opinion of Credit Suisse Securities (USA) LLC*

On September 21, 2011, Credit Suisse Securities (USA) LLC, which is referred to as Credit Suisse, rendered its oral opinion to the Board (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) to the effect that, as of September 21, 2011, the merger consideration to be received by the holders of Goodrich common stock other than UTC and its affiliates in the merger was fair, from a financial point of view, to such shareholders. **Credit Suisse's opinion was directed to the Board, and only addressed the fairness, from a financial point of view, to the holders of Goodrich common stock other than UTC and its affiliates of the merger consideration to be received by such shareholders in the merger and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this proxy statement is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex B to this proxy statement and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement is intended to be, and they do not constitute, advice or a recommendation to any holder of Goodrich common stock as to how such shareholder should vote or act with respect to any matter relating to the merger. See The Merger Opinion of Our Financial Advisors beginning on page [ ].**

#### *Opinion of Citigroup Global Markets Inc.*

In connection with the merger, the Board received a written opinion, dated September 21, 2011, from Citigroup Global Markets Inc., which is referred to as Citi, as to the fairness, from a financial point of view and as of the date of the opinion, of the \$127.50 per share consideration to be received in the merger by holders of Goodrich's common stock (other than UTC, Merger Sub and their respective affiliates). The full text of Citi's written opinion, which is attached to this proxy statement as Annex C, sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **Citi's opinion was provided for the information of the Board (in its capacity as such) in its evaluation of the merger consideration from a financial point of view and did not address any other aspects or implications of the merger. Citi was not requested to consider, and its opinion did not address, the underlying business decision of Goodrich to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Goodrich or the effect of any other**

**transaction in which Goodrich might engage. Citi's opinion is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the proposed merger or otherwise.**

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### ***Conditions to the Merger***

Consummation of the merger is subject to the satisfaction or waiver of certain closing conditions, including, among others, (1) adoption of the merger agreement by Goodrich shareholders, (2) expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, and other consents and approvals required under applicable antitrust or other regulatory laws, including, without limitation, Council Regulation No. 139/2004 and Commission Regulation No. 802/2004, as amended, which are referred to as the EC Merger Regulation, (3) the absence of any law, order or other legal restraint preventing or prohibiting the consummation of the merger, (4) the absence of certain governmental actions, (5) the absence of a material adverse effect on Goodrich, (6) subject to certain exceptions, the accuracy of representations and warranties of Goodrich, UTC and Merger Sub and (7) the performance or compliance by Goodrich, UTC and Merger Sub of or with their respective covenants and agreements. See and read carefully *The Merger Agreement Conditions of the Merger* beginning on page [ ]. We can offer no assurance that all of the conditions will be satisfied or waived or that the merger will occur.

### ***Termination of the Merger Agreement and Termination Fees***

The merger agreement may be terminated by the mutual written consent of UTC, Merger Sub and Goodrich, and under certain specified circumstances by either Goodrich or UTC. Upon termination of the merger agreement under certain specified circumstances, we are required to pay a termination fee of \$500 million to UTC, and under other specified circumstances, to reimburse UTC for up to \$50 million of its out-of-pocket fees and expenses in connection with the merger and the merger agreement. See and read carefully *The Merger Agreement Termination* beginning on page [ ], *The Merger Agreement Termination Fee* beginning on page [ ] and *The Merger Agreement Effect of Termination* beginning on page [ ].

### ***No Solicitation***

The merger agreement restricts our ability to solicit or engage in discussions or negotiations with third parties regarding takeover proposals (as defined in the section entitled *The Merger Agreement Covenants and Agreements No Solicitation; Board Recommendation* ). However, subject to specified conditions, we may furnish information to, or enter into discussions or negotiations with a third party in response to an unsolicited takeover proposal from such third party if our Board determines in good faith (after consultation with its outside financial advisors and outside legal counsel) that the takeover proposal constitutes, or would be reasonably expected to lead to, a superior proposal (as defined in the section entitled *The Merger Agreement Covenants and Agreements No Solicitation; Board Recommendation* ). See and read carefully *The Merger Agreement Covenants and Agreements No Solicitation; Board Recommendation* beginning on page [ ].

### ***Governmental Review***

The merger is subject to review under the HSR Act. Under the provisions of the HSR Act, the merger cannot be completed until the companies have made required notifications, given certain information and materials to the U.S. Federal Trade Commission, which is referred to as the FTC, and to the Antitrust Division of the U.S. Department of Justice, which is referred to as the Antitrust Division, and the applicable waiting period has expired or been terminated. Goodrich and UTC filed the notifications required under the HSR Act with the FTC and the Antitrust Division on October 11, 2011. In addition, Goodrich and UTC are required to make merger control filings, and may be required to make other regulatory filings or submissions, in various jurisdictions with respect to the merger, and in certain circumstances, including, without limitation, in respect of the EC Merger Regulation, receive their approval prior to consummation of the merger. We currently expect to complete the merger in mid-2012. See *The Merger Governmental and Regulatory Matters* beginning on page [ ].



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### **Material United States Federal Income Tax Consequences (page [ ])**

In general, the receipt of cash in exchange for shares of Goodrich common stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes.

You should read *The Merger* *Material United States Federal Income Tax Consequences* beginning on page [ ] for a more complete discussion of the material United States federal income tax consequences of the merger and consult your own tax advisor regarding the particular tax consequences of the merger to you (including the application and effect of any state, local, or foreign income and other tax laws).

### **Interests of Goodrich Directors and Executive Officers in the Merger (page [ ])**

In considering the Board's recommendation to vote for the proposal to adopt the merger agreement, Goodrich shareholders should be aware that some of the directors and executive officers of Goodrich have interests in the merger that are different from, or in addition to, the interests of Goodrich shareholders generally and that may create potential conflicts of interest, including:

vesting of, and payment of the merger consideration for, stock options, performance units and restricted share units granted prior to September 21, 2011;

payment of severance and other benefits upon certain terminations of employment in connection with the merger; and

provision under the merger agreement of certain indemnification arrangements by UTC.

The Board was aware of these interests and considered them, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending the adoption of the merger agreement to Goodrich shareholders.

For a more detailed discussion of these interests, see *The Merger* *Interests of Goodrich Directors and Executive Officers in the Merger* beginning on page [ ].

### **No Dissenters' Rights**

Pursuant to Section 910 of the Business Corporation Law of the State of New York, which is referred to as the NYBCL, Goodrich's shareholders will not be entitled to exercise dissenters' rights if the merger is adopted and consummated because our common stock was listed on the New York Stock Exchange, which is referred to as the NYSE, on the record date. Section 910 of the NYBCL provides that a dissenting shareholder's right to receive payment of the fair value of his, her or its shares under Section 623 of the NYBCL is not available to a holder of shares of any class or series of stock, which shares or depository receipts in respect thereof, were listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to vote upon the merger agreement.

### **Certain Litigation Related to the Merger (page [ ])**

Eleven putative class-action complaints have been filed in the Supreme Court of the State of New York relating to the merger. Nine of these complaints were filed in the County of New York: *Rice v. Goodrich Corp., et al.*, Index No. 652619/2011, *New Jersey Carpenters Annuity Fund v. Goodrich Corp., et al.*, Index No. 652637/2011, *Louisiana*

*Municipal Police Employees Retirement Sys. v. Goodrich Corp., et al.*, Index No. 652649/2011, *Pill v. Goodrich Corp., et al.*, Index No. 652655/2011, *IUE-CWA Local 475 Pension Plan v. Goodrich Corp., et al.*, Index No. 652661/2011, *Mass. Laborers Pension Fund v. Goodrich Corp., et al.*, Index No. 652664/2011, *Pifko v. Goodrich Corp., et al.*, Index No. 11111146, *Ruschel v. Goodrich Corp., et al.*, Index No. 652695/2011, and *Astor BK Realty Trust v. Larsen, et al.*, Index No. 652706/2011. On October 11, the Supreme Court for the County of New York consolidated these nine actions before it into *Rice*. Two additional putative class-action complaints were filed in Nassau County: *Casey v. Larsen, et al.*, Index No. 13699/2011, and *Minneapolis Retail Meat Cutters and Food Handlers Pension Fund v. Goodrich*



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*Corp., et al.*, Index No. 14366/2011. On October 11, the Supreme Court for Nassau County consolidated these two actions before it into *Casey*. The plaintiff in *Rice* has moved to transfer *Casey* to the County of New York and consolidate it with *Rice*. That motion is currently pending.

Each of the above-captioned complaints has been brought on behalf of a putative class of Goodrich shareholders and each names Goodrich, its directors, UTC and Merger Sub as defendants. Each complaint generally alleges that, in approving the proposed transaction, the Goodrich directors breached their fiduciary duties of care, good faith and fair dealing and loyalty owed to the putative class. The complaints further allege that UTC, Merger Sub and Goodrich aided and abetted the Goodrich directors in the breach of their fiduciary duties. In addition to damages, the complaints seek, among other things, injunctive relief barring the named defendants from consummating the merger, as well as attorneys fees and costs.

Goodrich and its directors believe that these lawsuits and the underlying claims are without merit.

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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER**

**The Merger**

**Q. Why am I receiving this proxy statement?**

- A. UTC has agreed to acquire Goodrich under the terms of the merger agreement that is described in this proxy statement. A copy of the merger agreement is attached to this proxy statement as Annex A.

In order to complete the merger, our shareholders must vote to adopt the merger agreement. We are seeking to obtain this approval at the special meeting to be held on [ ]. The approval of this proposal by our shareholders is a condition to the effectiveness of the merger. See The Merger Agreement Conditions of the Merger beginning on page [ ].

You are also being asked to vote on a proposal to approve, on a non-binding advisory basis, the merger-related named executive officer compensation proposal and on a proposal to adjourn the special meeting, if necessary, in order to further solicit proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

This proxy statement, which you should read carefully, contains important information about the merger, the merger agreement and the special meeting. The enclosed voting materials allow you to vote your shares without attending the special meeting.

Your vote is very important. We encourage you to vote as soon as possible.

**Q. What is the position of the Board regarding the merger?**

- A. The Board has unanimously approved and adopted the merger agreement and has determined that the merger is fair to and in the best interests of Goodrich and its shareholders. The Board unanimously recommends that Goodrich shareholders vote **FOR** the proposal to adopt the merger agreement at the special meeting. See The Merger Goodrich's Reasons for the Merger beginning on page [ ].

**Q. What vote of Goodrich shareholders is required to adopt the merger agreement?**

- A. The adoption of the merger agreement requires the affirmative vote of the holders of at least two-thirds of the shares of Goodrich common stock outstanding and entitled to vote at the special meeting. If a Goodrich shareholder does not attend and does not vote by proxy, it will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

**Q. How do Goodrich directors and executive officers intend to vote their shares of Goodrich common stock in respect of adoption of the merger agreement?**

- A. All of our directors and all of our executive officers, who collectively own approximately [1.1]% of the shares of our common stock entitled to vote at the special meeting, have informed us that they currently intend to vote all of their shares of Goodrich common stock **FOR** the adoption of the merger agreement. Consequently, approximately [65.6]% of our shares of common stock, or approximately [82,139,555] shares of common stock, not held by directors or executive officers must be voted in favor of adoption of the merger agreement for this

proposal to be approved.

**Q. When does Goodrich expect the merger to be completed?**

A. Goodrich is working to complete the merger as quickly as reasonably practical. In addition to obtaining shareholder approval, we must satisfy all other closing conditions, including, without limitation, the expiration or termination of applicable regulatory waiting periods and the receipt of other required regulatory approvals. We currently expect to complete the merger in mid-2012.

**Q. What will happen to my shares of Goodrich common stock after the merger?**

A. Upon completion of the merger, each issued and outstanding share of Goodrich common stock will automatically be converted into the right to receive \$127.50 in cash, without interest, which is referred to as the merger consideration.

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**Q. Should I send in my stock certificates now?**

- A. No. Please do not send in your stock certificates with your proxy. If the merger is completed, within five business days of the effective date of the merger a separate letter of transmittal with instructions for the surrender of your Goodrich stock certificates will be mailed to you. Shareholders can expect to receive payment following receipt by the paying agent of a completed and duly executed letter of transmittal and the certificate(s) representing the shares of Goodrich common stock owned by such shareholder.

**Q. Who can help answer my questions about the merger?**

- A. If you have any questions about the merger or if you need additional copies of this proxy statement or the enclosed proxy card, you should contact us at: [ ], or you may contact Phoenix Advisory Partners, our proxy solicitor, at:

Phoenix Advisory Partners  
110 Wall Street, 27<sup>th</sup> Floor  
New York, NY 10005  
Banks and Brokers Call: (212) 493-3910  
All Others Call Toll Free: (877) 478-5038

**Other Special Meeting Proposals**

**Q. On what other proposals am I being asked to vote at the special meeting?**

- A. At the special meeting, in addition to voting on the adoption of the merger agreement, Goodrich shareholders are being asked to approve, on a non-binding advisory basis, the merger-related named executive officer compensation proposal and may be asked to approve an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

**Q. What vote is necessary to approve the merger-related named executive officer compensation proposal?**

- A. The approval, on a non-binding advisory basis, of the merger-related named executive officer compensation proposal requires the affirmative vote of a majority of the votes cast by holders of shares of Goodrich common stock present or represented by proxy at the special meeting entitled to vote on the proposal. If a Goodrich shareholder does not attend and does not vote by proxy, it will have no effect on the outcome of any vote on the merger-related named executive officer compensation proposal.

**Q. What vote is necessary to approve an adjournment of the special meeting?**

- A. Whether or not a quorum is present, a proposal to approve an adjournment of the special meeting requires the affirmative vote of holders of a majority of the shares of Goodrich common stock entitled to vote on the proposal present or represented by proxy at the special meeting. If a Goodrich shareholder does not attend and does not vote by proxy, it will have no effect on the outcome of any vote to adjourn the special meeting.

**Procedures**

**Q. When and where is the special meeting?**

A. The special meeting will be held at [ ] (Eastern Time), on [ ], at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina, unless postponed to a later date.

**Q. If I am going to attend the special meeting, should I return my proxy card(s)?**

A. Yes. Returning your signed and dated proxy card(s) ensures that your shares will be represented and voted at the special meeting. You may revoke your proxy at any time prior to the vote at the special meeting by delivering to our Corporate Secretary a signed notice of revocation or submitting a later-dated, signed proxy (either manually, telephonically or over the Internet) following the instructions provided on the

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proxy card. You also may revoke your proxy by attending the special meeting and voting in person. See Summary The Special Meeting Voting and Proxies on page [ ].

**Q. If my Goodrich shares are held in street name by my broker or bank, will my broker or bank vote my shares for me?**

A. Your broker or bank will vote your shares of Goodrich common stock for you on the adoption of the merger agreement, approval of the merger-related named executive officer compensation proposal, and approval of an adjournment of the special meeting, if necessary, only if you provide instructions on how to vote. You should follow the directions provided by your broker or bank regarding how to instruct your broker or bank to vote your shares of Goodrich common stock. If you do not provide instructions to your bank or broker, your shares of Goodrich common stock will not be voted on any of the proposals, which will have the effect of a vote **AGAINST** the adoption of the merger agreement and no effect on the outcome of the merger-related named executive officers compensation proposal or a proposal to adjourn the special meeting, if necessary.

**Q. Where can I find more information about Goodrich?**

A. You can find more information about us from various sources described in Additional Information on page [ ].

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**FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE**

This document contains forward-looking statements within the meaning of the federal securities laws.

Forward-looking statements are not based on historical facts but instead reflect Goodrich's expectations, estimates or projections concerning future results or events. These statements generally can be identified by the use of forward-looking words or phrases such as believe, expect, anticipate, may, could, intend, intent, belief, likely, will, should or similar words or phrases. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results, performance or achievements to differ materially from those expressed or indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be achieved.

The forward-looking statements included in this document are only made as of the date of this document and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.

Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation: demand for and market acceptance of new and existing products; our ability to extend our commercial OE contracts beyond the initial contract periods; cancellation or delays of orders or contracts by customers or with suppliers; our ability to obtain price adjustments pursuant to certain of our long-term contracts; the financial viability of key suppliers and the ability of our suppliers to perform under existing contracts; the extent to which we are successful in integrating and achieving expected operating synergies for recent and future acquisitions; successful development of products and advanced technologies; the impact of bankruptcies and/or consolidations in the airline industry; the health of the commercial aerospace industry, including the large commercial, regional, business and general aviation aircraft manufacturers; global demand for aircraft spare parts and aftermarket services; changing priorities or reductions in the defense budgets in the U.S. and other countries, U.S. foreign policy and the level of activity in military flight operations; the possibility of restructuring and consolidation actions; threats and events associated with and efforts to combat terrorism; the extent to which changes in regulations and/or assumptions result in changes to expenses relating to employee and retiree medical and pension benefits; competitive product and pricing pressures; our ability to recover under contractual rights of indemnification for environmental, asbestos and other claims arising out of the divestiture of our tire, vinyl, engineered industrial products and other businesses; the effect of changes in accounting policies or legislation, including tax legislation; cumulative catch-up adjustments or loss contract reserves on long-term contracts accounted for under the percentage of completion method of accounting; domestic and foreign government spending, budgetary and trade policies; economic and political changes in international markets where we compete, such as changes in currency exchange rates, interest rates, inflation, fuel prices, deflation, recession and other external factors over which we have no control; the outcome of contingencies including completion of acquisitions, joint ventures, divestitures, tax audits, litigation and environmental remediation efforts; the impact of labor difficulties or work stoppages at our, a customer's or a supplier's facilities; other factors that are set forth in management's discussion and analysis of Goodrich's most recently filed reports with the Securities & Exchange Commission, which is referred to as the SEC; and uncertainties associated with the proposed acquisition of Goodrich by UTC, including uncertainties relating to the anticipated timing of filings and approvals relating to the transaction, the expected timing of completion of the transaction and the ability to complete the transaction. This list of factors is illustrative, but by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

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**THE SPECIAL MEETING**

We are furnishing this proxy statement to our shareholders as part of the solicitation of the enclosed proxy card by our Board for use at the special meeting in connection with the proposed merger and the other matters to be voted on at the special meeting. This proxy statement provides our shareholders with the information they need to know to be able to vote or instruct their vote to be cast at the special meeting.

**Date, Time and Place**

We will hold the special meeting on [ ] at [ ] (Eastern Time), at Goodrich's headquarters, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina, unless postponed to a later date.

**Record Date; Shareholders Entitled to Vote**

The record date for the special meeting is [ ]. Record holders of shares of Goodrich common stock at the close of business on the record date are entitled to vote or have their votes cast at the special meeting. On the record date, there were [ ] outstanding shares of Goodrich common stock. Shareholders will have one vote for the merger and any other matter properly brought before the special meeting for each share of Goodrich common stock they owned at the close of business on the record date.

**Quorum**

A quorum of shareholders is necessary to hold a valid meeting. Under our By-Laws, the holders of record of a majority of the shares of Goodrich common stock, present in person or by proxy, constitute a quorum. Abstentions are counted as present for establishing a quorum.

If a quorum is not present, the special meeting will be postponed until the holders of the number of shares of Goodrich common stock required to constitute a quorum attend.

If you submit a properly executed proxy card, even if you abstain from voting or vote against the adoption of the merger agreement, your shares of Goodrich common stock will be counted for purposes of calculating whether a quorum is present at the special meeting. If additional votes must be solicited to adopt the merger agreement, it is expected that the meeting will be adjourned to solicit additional proxies.

**PROPOSALS TO BE CONSIDERED AT THE SPECIAL MEETING**

**ITEM 1 THE MERGER**

As discussed elsewhere in this proxy statement, our shareholders will consider and vote on a proposal to adopt the merger agreement. You should carefully read this proxy statement in its entirety for more detailed information concerning the merger agreement and the merger. In particular, you should read in its entirety the merger agreement, which is attached as Annex A to this proxy statement. **The Board unanimously recommends that Goodrich shareholders vote FOR the adoption of the merger agreement.**

If you return a properly executed proxy card but do not indicate instructions on your proxy card, your shares of Goodrich common stock represented by such proxy card will be voted **FOR** the adoption of the merger agreement.



**ITEM 2 ADVISORY VOTE REGARDING  
CERTAIN EXECUTIVE COMPENSATION**

Goodrich is required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, to include in this proxy statement a non-binding, advisory vote on the compensation payable to each of our named executive officers (Marshall Larsen, Scott Kuechle, Terrence Linnert, John Carmola and Cynthia Egnotovich) in connection with the proposed merger pursuant to Goodrich compensation and benefit arrangements.

The plans and arrangements pursuant to which this compensation is payable were previously disclosed to our shareholders as part of the Compensation Discussion and Analysis and related sections of our annual proxy statements. We believe that these historical compensation arrangements have played a key role in our ability to attract and retain superior executive talent, which has allowed us to achieve key business objectives

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and maximize shareholder value, and help to ensure that executives remain focused on job duties in connection with a potential transaction. We also believe that our shareholders agree that these compensation arrangements are reasonable and appropriate, as evidenced by the overwhelming majority of shareholders that voted to approve the compensation of our named executive officers at our April 19, 2011 annual meeting of shareholders. Except as described below with respect to the amendment to the Management Continuity Agreement with Terrence Linnert, we have not adopted any new or modified any existing compensation arrangements for our named executive officers in connection with the merger.

The Board unanimously recommends that Goodrich shareholders approve the following resolution:

RESOLVED, that the shareholders of Goodrich Corporation approve, on an advisory basis, the compensation to be paid to its named executive officers that is based on or otherwise relates to the merger as disclosed in the Golden Parachute Compensation table in the proxy statement and the related narrative disclosures in the section of the proxy statement entitled "The Merger - Interests of Goodrich Directors and Executive Officers in the Merger".

The description of the payments contained in the section entitled "The Merger - Interests of Goodrich Directors and Executive Officers in the Merger" as well as the table below entitled "Golden Parachute Compensation" is intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about compensation for each named executive officer that is based on or otherwise relates to the merger and will or may become payable either by Goodrich or UTC. We are asking Goodrich shareholders to approve the golden parachute compensation that will or may become payable by Goodrich to each of its named executive officers as set forth in the "Golden Parachute Compensation" table below and as described in "The Merger - Interests of Goodrich Directors and Executive Officers in the Merger".

The "Golden Parachute Compensation" table below sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each of our named executive officers that is based on or otherwise relates to the merger, assuming the following:

The price per share of Goodrich common stock is \$127.50;

The effective time of the merger occurs on February 1, 2012; and

The employment of each named executive officer is terminated either by Goodrich without cause or, if applicable, by the named executive officer with good reason, in each case on February 1, 2012.

Please note that the amounts indicated below are estimates based on multiple assumptions that may or may not actually occur (including assumptions described in this proxy statement) or may occur at times different than the time assumed. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below. Regardless of the manner in which a named executive officer's employment terminates, the officer is entitled to receive amounts already earned and vested during his or her term of employment.

### **Golden Parachute Compensation**

| <b>Name</b> | <b>Cash<br/>(\$)(1)</b> | <b>Equity<br/>(\$)(2)</b> | <b>Perquisites/<br/>Benefits<br/>(\$)(3)</b> | <b>Tax<br/>Reimbursement<br/>(\$)(4)</b> | <b>Total<br/>(\$)</b> |
|-------------|-------------------------|---------------------------|--|--|-----------------------|
|-------------|-------------------------|---------------------------|--|--|-----------------------|

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|                    |            |            |        |           |            |
|--------------------|------------|------------|--------|-----------|------------|
| Marshall Larsen    | 11,589,478 | 11,979,837 | 81,429 |           | 23,650,744 |
| Scott Kuechle      | 6,383,877  | 7,596,156  | 90,164 | 4,701,373 | 18,771,570 |
| Terrence Linnert   | 4,142,133  | 3,494,120  | 79,653 |           | 7,715,906  |
| John Carmola       | 5,073,656  | 6,432,718  | 79,674 |           | 11,586,048 |
| Cynthia Egnotovich | 6,292,658  | 9,588,343  | 66,673 | 4,488,991 | 20,436,665 |

- (1) Each named executive officer has a Management Continuity Agreement with Goodrich. Under the Management Continuity Agreements, upon termination of employment by Goodrich without cause or by the executive for good reason, either in anticipation of the merger under certain circumstances or within two

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years after the effective time of the merger, the executive will receive the following (double-trigger severance payments): (i) a lump sum payment in an amount equal to three times the executive's annual base salary in effect immediately prior to termination (estimated as \$3,600,000 for Mr. Larsen, \$1,605,000 for Mr. Kuechle, \$1,578,000 for Mr. Linnert, \$1,605,000 for Mr. Carmola and \$1,605,000 for Ms. Egnotovich); (ii) a lump sum payment in an amount equal to three times the greater of (A) the executive's most recent annual bonus or (B) the greater of the executive's target annual bonus amount prior to the merger or on the date of termination (estimated as \$5,961,108 for Mr. Larsen, \$1,834,758 for Mr. Kuechle, \$1,810,038 for Mr. Linnert, \$1,955,097 for Mr. Carmola and \$1,955,097 for Ms. Egnotovich) (estimates are based on the Senior Executive Management Incentive Plan bonus paid in 2011 with respect to the 2010 fiscal year, which is the most recently determinable bonus paid under the Senior Executive Management Incentive Plan as of the date of this proxy statement); (iii) a lump sum payment equal to the actuarial equivalent value of the additional pension benefits to which the executive would have been entitled under any Goodrich defined benefit retirement program in which the executive participated immediately prior to the effective time of the merger had the executive accumulated three additional years of age, continuous service for determining benefit accruals (except for individuals who have waived future benefit accruals) and earnings (base salary plus the greater of the executive's target annual bonus amount or most recently paid annual bonus) (estimated for Mr. Larsen as \$1,410,364, Mr. Kuechle as \$2,738,995, Mr. Linnert as \$551,896, Mr. Carmola as \$1,298,139 and Ms. Egnotovich as \$2,517,141); (iv) payments equal to the amount of any employer contributions forfeited as a result of the termination of the executive's employment under our Employees' Savings Plan (paid as a lump sum) and Savings Benefit Restoration Plan (paid at the same time or times and in the same form as the forfeited contributions would have been paid) (estimated to have no value because each named executive officer is fully vested in all contributions under both plans); and (v) a lump sum payment equal to three times the value of any matching and discretionary employer contributions made on behalf of the executive under our Employees' Savings Plan and Savings Benefit Restoration Plan during the most recently completed plan year as of the date of merger or as of the date of termination (whichever is greater) (estimated as \$286,833 for Mr. Larsen, \$103,193 for Mr. Kuechle, \$101,641 for Mr. Linnert, \$106,803 for Mr. Carmola and \$106,803 for Ms. Egnotovich). On October 13, 2011, Goodrich amended Mr. Linnert's Management Continuity Agreement to provide that the post-merger protection period under such agreement will not be abridged by his reaching a mandatory retirement age during the protection period.

In addition, each named executive officer participates in the Goodrich Senior Executive Management Incentive Plan, which provides for a lump sum payment equal to the product of (i) the number of full and partial months elapsed in the calendar year in which the merger occurs as of the date of completion of the merger and (ii) one-twelfth of the greater of (A) the most recent bonus paid under the Senior Executive Management Incentive Plan or (B) the target bonus under the Senior Executive Management Incentive Plan for the year in which the merger occurs (a single-trigger arrangement) (estimated for Mr. Larsen as \$331,173, Mr. Kuechle as \$101,931, Mr. Linnert as \$100,558, Mr. Carmola as \$108,617 and Ms. Egnotovich as \$108,617). The estimates are determined with reference to the Senior Executive Management Incentive Plan bonus paid to each named executive officer in 2011 with respect to the 2010 fiscal year, which is the most recently determinable bonus paid under the Senior Executive Management Incentive Plan as of the date of this proxy statement.

- (2) Goodrich has awarded stock options and restricted share units to the named executive officers pursuant to Goodrich equity plans and individual award agreements which provide for the full acceleration of the outstanding stock options and restricted share units upon the effective time of the merger (a single-trigger arrangement). The amount above reflects the aggregate market value of unvested stock options and unvested restricted share units that in each case will fully accelerate as of the closing of the merger. The estimated value of the accelerated stock options was determined by multiplying (i) the number of currently outstanding and unvested stock options by (ii) the difference between \$127.50 and the applicable exercise price of such stock options, which has a total value of \$0 for Mr. Larsen, \$1,026,098 for Mr. Kuechle, \$0 for Mr. Linnert, \$1,026,098 for Mr. Carmola, and

\$1,026,098 for Ms. Egnotovich. The estimated value of the accelerated restricted share units was determined by multiplying (i) the number of shares covered by the currently outstanding and unvested restricted share units by (ii) \$127.50 per share, which has a total

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value of \$0 for Mr. Larsen, \$3,075,938 for Mr. Kuechle, \$0 for Mr. Linnert, \$1,912,500 for Mr. Carmola and \$5,068,125 for Ms. Egnotovich.

Goodrich has awarded performance units to the named executive officers pursuant to individual award agreements which provide for the acceleration of the performance units upon the effective time of the merger, entitling the holder to receive a cash payment based on the greater of (i) the payment for the performance period assuming target performance or (ii) an amount determined with respect to the payment made in the most recent performance period, in each case prorated to reflect the number of months elapsed during the performance period (a single-trigger arrangement), and, in the event of a termination of the executive's employment other than by Goodrich for cause during the performance period and within one year following the effective time of the merger, a cash payment equal to the full amount of the performance unit payment the holder would have been entitled to receive if the payment upon the completion of the merger had not been prorated, minus the amount of the prorated payment actually paid to the holder as previously described in this paragraph (a double-trigger arrangement). The estimated value of the performance units was determined by multiplying (i) the number of performance units with respect to the 2010-2012 and 2011-2013 performance periods that would fully accelerate upon the closing of the merger and the termination of each named executive officer, other than by Goodrich for cause, immediately thereafter pursuant to the terms of the applicable award agreements by (ii) \$127.50 (estimated for Mr. Larsen as \$11,979,837, Mr. Kuechle as \$3,494,120, Mr. Linnert as \$3,494,120, Mr. Carmola as \$3,494,120 and Ms. Egnotovich as \$3,494,120). The estimates do not include performance units granted with respect to the 2009-2011 performance period, which performance period ends on December 31, 2011.

- (3) Pursuant to the terms of the Management Continuity Agreements and upon a qualifying termination either in anticipation of the merger under certain circumstances or within two years after the effective time of the merger (double-trigger arrangements), each named executive officer will receive (i) continued health and welfare benefits (A) for three years following the termination, in the case of executives under age 55 or over age 55 and not eligible to retire or eligible to retire but not eligible for company-subsidized retiree health and welfare benefits, and (B) for the executive's lifetime and at the percentage contribution level available to age 65 retirees immediately prior to the merger, in the case of executives at least age 55 and eligible to retire with company-subsidized retiree health and welfare benefits, in each case reduced to the extent comparable perquisites or benefits are available from a new employer (estimated for Mr. Larsen as \$30,429, Mr. Kuechle as \$39,164, Mr. Linnert as \$28,653, Mr. Carmola as \$28,674 and Ms. Egnotovich as \$15,673), (ii) tax and financial planning for three years following the termination (estimated at \$48,000 for each named executive officer) and (iii) annual physical examinations for three years following the termination (estimated at \$3,000 for each named executive officer).
- (4) Pursuant to the terms of the Management Continuity Agreements, each named executive officer will receive a gross-up payment for any excise tax due under the Internal Revenue Code for any payments subject to the excise tax, whether made pursuant to the Management Continuity Agreement or otherwise (single-trigger arrangement). Estimates are subject to change based on the effective time of the merger, date of termination of the named executive officer, interest rates then in effect and certain other assumptions used in the calculations. The estimates also do not take into account the value of certain amounts that may be reasonable compensation provided to the named executive officer, either before or after the effective time of the merger, which may, in some cases, reduce the amount of the potential gross-up payments.

**Vote Information and Board of Directors Recommendation**

The vote on this Item 2 is a vote separate and apart from the vote on Item 1 to adopt the merger agreement and Item 3 to approve adjournments of the special meeting. Accordingly, you may vote to approve Item 1 or 3 and vote not to approve this Item 2 on executive compensation and vice versa. Because the vote is advisory in nature only, it will not

be binding on either Goodrich or UTC regardless of whether the merger is completed. Therefore, as the compensation to be paid in connection with the proposed merger is contractual with respect to the named executive officers, regardless of the outcome of this advisory vote, such compensation will be payable, subject only to the terms and conditions applicable thereto, if the merger is completed.

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**The Board unanimously recommends that Goodrich shareholders vote FOR the merger-related named executive officer compensation proposal.**

If you return a properly executed proxy card but do not indicate instructions on your proxy card, your shares of Goodrich common stock represented by such proxy card will be voted **FOR** the merger-related named executive officer compensation proposal.

**ITEM 3 APPROVE AN ADJOURNMENT OF THE  
SPECIAL MEETING, IF NECESSARY, TO PERMIT  
FURTHER SOLICITATION OF PROXIES**

Shareholders may be asked to vote on a proposal to adjourn the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

**The Board unanimously recommends that shareholders vote FOR a proposal to adjourn the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.**

If you return a properly executed proxy card but do not indicate instructions on your proxy card, your shares of Goodrich common stock represented by such proxy card will be voted **FOR** a proposal to adjourn the special meeting, if necessary.

**Shareholder Vote Required to Adopt the Proposals at the Special Meeting**

Adoption of the merger agreement requires the affirmative vote of the holders of at least two-thirds of the shares of Goodrich common stock outstanding and entitled to vote at the special meeting. All of our directors and all of our executive officers, who collectively own approximately [1.1]% of the shares of Goodrich common stock entitled to vote at the special meeting, have informed us that they currently intend to vote all of their shares of Goodrich common stock **FOR** the adoption of the merger agreement. Consequently, approximately [65.6]% of our shares of common stock, or approximately [82,139,555] shares of common stock, not held by directors or executive officers must be voted in favor of adoption of the merger agreement for this proposal to be approved.

Abstentions and shares not in attendance at the special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. An abstention occurs when a shareholder marks a proxy card to abstain from voting for or against a proposal.

The approval, on a non-binding advisory basis, of the merger-related named executive officer compensation proposal requires the affirmative vote of a majority of the votes cast by holders of shares of Goodrich common stock present or represented by proxy at the special meeting entitled to vote on the proposal. Abstentions and shares not in attendance at the special meeting will have no effect on the outcome of any vote on the merger-related named executive officer compensation proposal.

Whether or not a quorum is present, a proposal to approve an adjournment of the special meeting requires the affirmative vote of holders of a majority of the shares of Goodrich common stock entitled to vote on the proposal present or represented by proxy at the special meeting. Abstentions will have the same effect as a vote **AGAINST** a proposal to adjourn the special meeting, but shares not in attendance at the special meeting will have no effect on the outcome of any vote on a proposal to adjourn the special meeting.



Because brokers and banks holding shares of Goodrich common stock in street name may vote your shares of Goodrich common stock on the adoption of the merger agreement, approval of the merger-related named executive officer compensation proposal and adjournments of the special meeting, if necessary, only if you provide instructions on how to vote, your failure to provide instructions will result in your shares not being present at the meeting and not being voted on any proposal. Consequently, there cannot be any broker non-votes occurring in connection with a proposal at the special meeting.

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**Voting**

***Voting and Proxies***

Shareholders have a choice of voting by proxy over the Internet, by using a toll-free telephone number or by completing a proxy card and mailing it in the postage-paid envelope provided. Please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The Internet and telephone voting facilities for shareholders of record will close at [ ] Eastern Time on [ ].

If you submit your proxy through use of the Internet or by telephone voting procedures or by returning your signed proxy card, but do not include **FOR**, **AGAINST** or **ABSTAIN** on a proposal to be voted, your shares will be voted in favor of that proposal. If you indicate **ABSTAIN** on the proposal to adopt the merger agreement or the proposal to adjourn the special meeting, it will have the same effect as a vote **AGAINST** that proposal. If you indicate **ABSTAIN** on the merger-related named executive officer compensation proposal, it will have no effect on the outcome of the vote on that proposal.

Proxies for shares of common stock will also represent shares held under our Dividend Reinvestment Plan. Proxies will also be considered to be voting instructions to the plan trustee with respect to shares held in accounts under the Goodrich Corporation Employees Savings Plan. Goodrich has been advised that voting instructions from plan participants must be received by not later than [ ] Eastern Time on [ ] in order to be included in the final voting instruction tabulation provided to the plan trustee.

If your shares are held by a bank or broker, you must follow the voting instructions provided to you by the bank or broker. Unless you give your bank or broker instructions on how to vote your shares, your bank or broker will not be able to vote your shares on the proposals.

If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the special meeting.

If a shareholder does not submit a proxy or otherwise vote his or her shares of Goodrich common stock in any of the ways described above, it will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, but will have no effect on the merger-related named executive officer compensation proposal and the proposal to adjourn the special meeting, if necessary.

If you have any questions about how to vote or direct a vote in respect of your shares of Goodrich common stock, you may contact our proxy solicitor at:

Phoenix Advisory Partners  
110 Wall Street, 27<sup>th</sup> Floor  
New York, NY 10005  
Banks and Brokers Call: (212) 493-3910  
All Others Call Toll Free: (877) 478-5038

*Shareholders should not send in their stock certificates with their proxy cards.* A letter of transmittal with instructions for the surrender of certificates representing shares of Goodrich common stock will be mailed to shareholders if the merger is completed.

**Revocation of Proxies**

Any proxy given by a Goodrich shareholder may be revoked at any time before it is voted at the special meeting by doing any of the following:

delivering a written notice bearing a date later than the date of the previous proxy to Goodrich's Corporate Secretary stating that the previous proxy is revoked;

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completing, signing and delivering a proxy card (either manually, telephonically or over the Internet) relating to the same shares of Goodrich common stock and bearing a later date than the date of the previous proxy; or attending the special meeting and voting in person.

### **Solicitation Costs**

We are soliciting the enclosed proxy card on behalf of our Board. In addition to solicitation by mail, our directors, officers and employees may solicit proxies in person, by telephone or by electronic means. These persons will not be specifically compensated for doing this.

We have retained Phoenix Advisory Partners to assist in the solicitation process. We will pay Phoenix Advisory Partners a fee of \$15,000 plus reimbursement of out-of-pocket costs and expenses. We also have agreed to indemnify Phoenix Advisory Partners against various liabilities and expenses that relate to or arise out of its solicitation of proxies (subject to certain exceptions).

We will ask banks, brokers and other custodians, nominees and fiduciaries to forward our proxy solicitation materials to the beneficial owners of shares of Goodrich common stock held of record by such nominee holders. We will reimburse these nominee holders for their customary clerical and mailing expenses incurred in forwarding the proxy solicitation materials to the beneficial owners.

### **Exchange of Stock Certificates**

Our shareholders should not send stock certificates with their proxies. Separate transmittal documents for the surrender of shares of Goodrich common stock in exchange for the merger consideration will be mailed to our shareholders promptly following the effective date of the merger. See The Merger Agreement Payment for Shares beginning on page [ ].

## **THE MERGER**

The discussion in this proxy statement of the merger and the principal terms of the merger agreement is subject to, and is qualified in its entirety by reference to, the merger agreement, a copy of which is attached to this proxy statement as Annex A. You should read the entire merger agreement carefully.

### **Background of the Merger**

As part of their ongoing oversight and management of Goodrich's business, the Board and senior management of Goodrich regularly review strategic alternatives available to Goodrich and assess takeover preparedness. In connection with these reviews and assessments, the Board and senior management enlist the assistance of financial advisors and outside legal counsel.

On September 15, 2010, Mr. Louis R. Chênevert, the Chairman and Chief Executive Officer of UTC, saw Mr. Marshall O. Larsen, Chairman, President and Chief Executive Officer of Goodrich, at an industry event and indicated that he would like to talk with Mr. Larsen in a less public setting and asked that Mr. Larsen call him in the near future. Mr. Chênevert did not indicate to Mr. Larsen what he wanted to discuss.

Several days later, Mr. Larsen called Mr. Chênevert. Mr. Chênevert indicated that he was interested in a potential business combination transaction between UTC and Goodrich. During the course of the discussion, Mr. Chênevert

indicated that, subject to the approval of the board of directors of UTC, which is referred to as the UTC board, UTC would be prepared to acquire Goodrich for \$100 per share, consisting of \$75 in cash and \$25 in UTC common stock. Mr. Larsen indicated that Goodrich was not for sale and that he thought it would be better for them to discuss the matter in person rather than over the phone. Mr. Chênevert and Mr. Larsen agreed to an in-person meeting so that Mr. Chênevert could more fully describe UTC's proposal.

On October 12, 2010, the Board convened a regular meeting of its directors. At the meeting, Mr. Larsen updated the Board on his recent conversation with Mr. Chênevert.

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On November 5, 2010, the Board convened a meeting. Mr. Larsen updated the Board on his plans to meet Mr. Chênevert later that month.

On November 29, 2010, Mr. Chênevert and Mr. Larsen met in Charleston, South Carolina. During the course of the meeting, Mr. Chênevert again indicated that, subject to approval of the UTC board, UTC would be prepared to acquire Goodrich for \$100 per share, consisting of \$75 in cash and \$25 in UTC common stock. Mr. Chênevert indicated that this proposal had been discussed with the UTC board. Mr. Larsen told Mr. Chênevert that he understood the proposal and that, although Goodrich was not for sale, he would inform the Board of the proposal.

On November 30, 2010, the Board convened a meeting. Mr. Larsen updated the Board on his meeting with Mr. Chênevert. The Board determined to discuss the matter further at its regularly scheduled board meeting to be held on December 6, 2010.

On December 6, 2010, the Board convened its regularly scheduled board meeting. Representatives from Credit Suisse and Wachtell, Lipton, Rosen & Katz, which is referred to as Wachtell Lipton, were present at the meeting. Credit Suisse and Wachtell Lipton regularly assisted Goodrich in connection with its review of strategic matters. During the course of the December 6 meeting, Mr. Larsen outlined UTC's proposal as he understood it from his conversation with Mr. Chênevert. With the assistance of Credit Suisse and Wachtell Lipton, the Board engaged in an extensive and thorough discussion about UTC's interest in acquiring Goodrich. At the conclusion of this discussion, the Board unanimously determined that the proposed offer price was inadequate.

Following the board meeting, Mr. Larsen called Mr. Chênevert and explained that he presented UTC's proposal to the Board. Mr. Larsen further explained that the Board unanimously concluded that the proposal was not in the best interests of Goodrich's shareholders and stated that he could hold no further discussions with respect to UTC's proposal. Mr. Chênevert thanked Mr. Larsen for his time and consideration of the proposal and concluded the conversation.

On December 8, 2010, the Board convened a meeting and Mr. Larsen updated the Board on his conversation with Mr. Chênevert, including Mr. Larsen's statement that he had concluded discussions with respect to UTC's proposal.

On June 1, 2011, Mr. Chênevert called Mr. Larsen with a new proposal. During the course of the conversation, Mr. Chênevert indicated that UTC continued to be very interested in a potential business combination transaction with Goodrich, and that UTC was prepared to offer \$110 per share for Goodrich, 75% of which would be in cash and 25% of which would be in UTC common stock. Mr. Chênevert stated that, although the proposal would be subject to the final approval of the UTC board, the UTC board was aware and supportive of the proposal. Mr. Larsen told Mr. Chênevert that he understood the proposal and that, although Goodrich was not for sale, he would inform the Board of the proposal.

Following this conversation, Mr. Larsen contacted Mr. Terrence G. Linnert, Executive Vice President, Administration and General Counsel of Goodrich, and Mr. Scott Kuechle, Chief Financial Officer of Goodrich, to discuss UTC's new proposal. Later that day, Mr. Linnert contacted Wachtell Lipton to explain UTC's new proposal.

On June 3, 2011, Mr. Larsen updated the Board's Committee on Governance regarding his discussion with Mr. Chênevert.

On June 6, 2011, the Board held a meeting, and Mr. Larsen updated the Board on his most recent discussion with Mr. Chênevert. The Board determined to convene a meeting on June 13, 2011 to consider UTC's new proposal.

On June 7, 2011, Mr. Linnert spoke with a partner at Wachtell Lipton. The Wachtell Lipton partner referenced the firm's long-standing relationship with UTC and explained that Wachtell Lipton would not be able to represent Goodrich going forward with respect to UTC's new \$110 proposal, as Wachtell Lipton would be representing UTC in connection with discussions between Goodrich and UTC. The Wachtell Lipton partner

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stated that he would not be part of the Wachtell Lipton team representing UTC in connection with such discussions.

On June 13, 2011, the Board convened a meeting. Present at the meeting were representatives from Credit Suisse and Jones Day, which Goodrich had retained as its legal advisor, as well as members of Goodrich's senior management. During the course of the meeting, Mr. Larsen outlined UTC's revised \$110 per share proposal. The Board received from Jones Day detailed instruction about its fiduciary duties in connection with the receipt of an unsolicited proposal. The Board engaged in an extensive and thorough discussion with management and such financial and legal advisors about UTC's proposal. The Board was informed of the change of counsel for Goodrich from Wachtell Lipton to Jones Day and asked questions of Mr. Linnert and Jones Day relating to such change. Discussion ensued among the members of the Board. The Board also consulted Credit Suisse and Jones Day as to how to respond to UTC, including the factors that the Board should consider in connection with its review of the proposal, and the potential ramifications to Goodrich depending on the response, including the possibility that UTC may attempt to acquire Goodrich on a hostile basis. After thoroughly considering UTC's offer, and after taking into account the views of Credit Suisse and Jones Day, the Board unanimously determined that the proposed offer price was inadequate.

On June 14, 2011, Mr. Larsen called Mr. Chênevert. Mr. Larsen communicated that the \$110 per share offer price was substantially below what the Board viewed as the intrinsic value of Goodrich. Mr. Chênevert asked Mr. Larsen to consider an in-person meeting in order for Mr. Chênevert to have the opportunity to more fully describe UTC's proposal and his view of the strategic rationale for a transaction between the two companies. After further discussion, Mr. Larsen agreed to a meeting with Mr. Chênevert on July 13, 2011 in Cleveland, Ohio. Mr. Larsen and Mr. Chênevert also agreed that Mr. Linnert and Mr. Charles D. Gill, Senior Vice President and General Counsel of UTC, would attend the meeting.

On June 17, 2011, the Board convened a meeting and Mr. Larsen updated the Board on his discussion with Mr. Chênevert. The directors determined that it would be advisable to engage Citigroup Global Markets Inc., which is referred to as Citi, as an additional financial advisor in order to provide the Board with multiple perspectives on UTC's new proposal and to provide additional financial advisory assistance.

On July 13, 2011, Mr. Larsen, Mr. Linnert, Mr. Chênevert and Mr. Gill met in Cleveland, Ohio. Mr. Larsen and Mr. Linnert explained that they were not attending the meeting to negotiate a transaction, but instead to afford Mr. Chênevert the opportunity to more fully describe UTC's proposal. During the course of the discussion, Mr. Chênevert indicated that UTC was prepared to increase its offer from \$110 per share to \$120 per share, maintaining the same mix of consideration (75% cash and 25% in UTC stock). Mr. Chênevert also indicated that, although the offer was subject to final approval by the UTC board, the UTC board was aware of and supportive of this revised proposal. Mr. Larsen told Mr. Chênevert and Mr. Gill that he understood the proposal and UTC's desire for a transaction with Goodrich, and that, although Goodrich was not for sale, he would inform the Board of UTC's proposal at Goodrich's regularly scheduled board meeting on July 21, 2011.

Following the July 13, 2011 meeting, the Board convened a meeting, and Mr. Larsen updated the Board. The Board decided to discuss the proposal in more detail at its upcoming meeting on July 21, 2011.

On July 18, 2011, a representative from Credit Suisse received a call from a member of UTC's Corporate Strategy & Development Department who indicated that the \$120 per share offer was a significant premium to Goodrich's then-trading price. He also noted that UTC might be able to increase its proposal by a dollar or two if afforded the opportunity to conduct a due diligence review of Goodrich. The representative from Credit Suisse informed Mr. Linnert, Mr. Kuechle, Citi and Jones Day of the substance of the call.

On July 21, 2011, the Board convened a meeting. Present at the meeting were certain of Goodrich's senior management and representatives from Credit Suisse, Citi, and Jones Day. During the course of the meeting,



Mr. Larsen outlined UTC's revised proposal to acquire Goodrich for \$120 per share. The meeting was principally focused on three main subjects: (1) a discussion of various legal considerations in connection

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with the Board's evaluation of the proposal and the Board's potential responses to that proposal, (2) a presentation by Mr. Kuechle of Goodrich's 2011-2016 financial plan; and (3) a discussion of then current global economic and equity market conditions and certain financial aspects relating to the revised UTC proposal. Jones Day provided the directors with an overview of their fiduciary duties. Following Mr. Kuechle's presentation regarding Goodrich's 2011-2016 financial plan, Credit Suisse and Citi reviewed and discussed certain financial aspects relating to the revised UTC proposal. The directors then engaged in an extensive and thorough discussion about the proposal and unanimously determined that the proposed offer price was inadequate. The Board instructed Mr. Larsen to convey this determination to Mr. Chênevert.

On July 22, 2011, Mr. Larsen called Mr. Chênevert to communicate the Board's determination that the \$120 per share offer price was inadequate. Mr. Chênevert asked Mr. Larsen to consider an in-person meeting on July 25, 2011, in order for Mr. Chênevert to have the opportunity to more fully discuss UTC's proposal. Mr. Larsen agreed to a meeting with Mr. Chênevert on July 25, 2011 in New York City. Mr. Larsen and Mr. Chênevert also agreed that Mr. Linnert and Mr. Gill would attend the meeting.

On July 25, 2011, Mr. Larsen, Mr. Linnert, Mr. Chênevert and Mr. Gill met in New York City. Mr. Chênevert and Mr. Gill indicated that UTC believed the \$120 per share proposal was a very good offer that eliminated the execution risk associated with Goodrich's strategic plan and was a substantial premium to the then-trading price of Goodrich's common stock. After further discussion, Mr. Chênevert indicated that, subject to the approval of the UTC board, he was prepared to increase UTC's offer to \$125 per share, maintaining the same mix of consideration (75% cash and 25% in UTC stock). Mr. Chênevert also indicated that with due diligence, and subject to board approval, UTC might be willing to offer more than \$125 per share, but not much in excess of this price. Mr. Larsen told Mr. Chênevert that he understood the proposal and that, although Goodrich was not for sale, he would inform the Board of the \$125 per share proposal and UTC's desire to conduct due diligence.

On July 27, 2011, the Board convened a meeting and Mr. Larsen updated the Board on his July 25 meeting. The Board determined that they would discuss the UTC proposal in more detail at its upcoming meeting on August 2, 2011.

On August 2, 2011, the Board convened a meeting. Present at the meeting were certain of Goodrich's senior management and representatives from Credit Suisse, Citi, and Jones Day. During the course of the meeting, Mr. Larsen outlined UTC's revised \$125 per share proposal and UTC's request for due diligence and UTC's position that it was unwilling to pay much in excess of \$125 per share. The meeting was principally focused on two main subjects: (1) discussion of various legal considerations in connection with the Board's evaluation of the revised \$125 per share proposal and the Board's range of potential responses to that proposal, and (2) discussion of then current global economic and equity market conditions and certain financial aspects of UTC's revised proposal. Jones Day provided the directors with an overview of their fiduciary duties. Credit Suisse and Citi reviewed and discussed certain financial aspects relating to the revised proposal. The Board discussed with management and the financial advisors the possibility of contacting other third parties that might potentially be interested in a transaction with Goodrich. The financial advisors indicated that, although they thought that there were a small number of parties that might have an interest in acquiring Goodrich, they believed that most of those parties did not currently have an interest or the financial capability to effect an acquisition of Goodrich at a higher price than UTC proposed. Following these discussions, the directors asked numerous questions of each of the advisors. The directors then engaged in an extensive and thorough discussion and asked numerous questions about UTC's \$125 per share proposal, and, at the conclusion of that discussion, the Board unanimously determined that UTC's \$125 per share proposal was not in the best interests of Goodrich's shareholders. However, the Board unanimously concluded that it would be willing to discuss an all-cash transaction at \$135 to \$140 per share. The Board also determined that such discussions regarding a transaction would only occur following UTC's agreement on the following points: (i) UTC would bear the regulatory risk related to a transaction, (ii) a transaction would not be subject to a financing contingency, (iii) the deal protection

provisions would be consistent with market provisions for a transaction of this type, and (iv) the post-acquisition combined UTC business unit of Goodrich and Hamilton Sundstrand, a subsidiary of UTC, would be headquartered in Charlotte, North Carolina. In addition, the Board required that prior to engaging in such discussions and providing due diligence information

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to UTC, UTC would be required to enter into a customary confidentiality agreement containing a two-year standstill. At the conclusion of the board meeting, the Board instructed Mr. Larsen to convey these points to Mr. Chênevert.

On August 3, 2011, Mr. Chênevert called Mr. Larsen. Mr. Larsen communicated the points outlined by the Board at the August 2, 2011 meeting, including its request for a price in the range of \$135 to \$140 in cash per share. Mr. Chênevert responded that, while he did not have approval from the UTC board to agree to a transaction in the range of \$135 to \$140 per share in cash, he was willing to conduct due diligence and, if the results of that due diligence review were favorable, he would discuss with the UTC board about the possibility of increasing the proposed purchase price. Later that day, Jones Day circulated to Wachtell Lipton a draft confidentiality agreement containing, among other terms, a two-year standstill.

Also on August 3, 2011, Mr. Larsen convened a conference call among all the members of the Board and updated the Board on his conversation with Mr. Chênevert.

Later that evening and during the morning of August 4, 2011, Jones Day and Wachtell Lipton negotiated the terms of the confidentiality agreement. During the course of the negotiations on the confidentiality agreement, UTC informed Goodrich that UTC owned 770,000 shares of Goodrich's common stock.

Later on August 4, 2011, the parties executed the confidentiality agreement.

Also on August 4, 2011, Mr. Greg Hayes, UTC's Chief Financial Officer, called Mr. Kuechle to outline the due diligence topics that UTC wanted to discuss during the due diligence session scheduled for the following day.

On August 5, 2011, representatives of UTC management and Goodrich management met in New York City for a due diligence session. During the course of the meeting, Mr. Kuechle reviewed Goodrich's 2011-2016 financial forecast with the representatives from UTC.

On August 8, 2011, Mr. Chênevert sent an e-mail to Mr. Larsen indicating that he had positive feedback from his management team on the August 5, 2011 due diligence session. Mr. Chênevert suggested that it would be useful for him and Mr. Larsen to have an in-person meeting on August 10, 2011 to discuss potential next steps. Mr. Larsen agreed to an in-person meeting with Mr. Chênevert.

On August 10, 2011, Mr. Larsen, Mr. Linnert, Mr. Chênevert and Mr. Gill met in Nantucket, Massachusetts. Mr. Chênevert expressed his appreciation for Goodrich's efforts in conducting the August 5, 2011 due diligence session. Mr. Chênevert further reiterated his view that a transaction between UTC and Goodrich made excellent strategic sense. Mr. Chênevert indicated that, based on UTC's due diligence review, he continued to believe a transaction made sense in the \$125 to \$130 per share range and that he did not have authority from the UTC board to discuss a price above \$130 per share. Mr. Larsen reiterated that the Board believed that the intrinsic value of Goodrich was in the range of \$135 to \$140 per share. The parties then discussed recent developments regarding a number of global economic challenges, including the very serious economic situation facing Europe. Mr. Chênevert told Mr. Larsen and Mr. Linnert that UTC was going to disengage from further work on a potential transaction with Goodrich because of continuing evidence of a slowdown in the global economy. Mr. Chênevert indicated that he believed it was better for both UTC and Goodrich to discuss whether there was a basis to continue discussions after the global financial markets had time to absorb recent developments, including those relating to the United States budget gridlock, downward revisions to consensus estimates of United States and European gross domestic product growth for the second half of 2011 and the financial crisis in Greece and other countries in Europe.

On August 12, 2011, the Board convened a meeting and Mr. Larsen updated the Board on the August 10, 2011 meeting.

During the evening of September 7, 2011, Mr. Gill called Mr. Linnert. Mr. Gill indicated that the UTC board had met the previous day and authorized Mr. Chênevert and Mr. Gill to attempt to re-engage with Goodrich regarding a possible business combination transaction. Mr. Gill indicated that UTC would require several days of additional due diligence meetings with Goodrich's senior management. Mr. Linnert indicated that he would discuss UTC's position with Mr. Larsen and the Board. Mr. Linnert further indicated that he did

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not believe there would be any opportunity for additional due diligence until the parties had agreed on a price that would form the basis to finalize discussions. Mr. Gill noted that he understood Mr. Larsen and Mr. Chênevert to be attending the same industry conference over the upcoming weekend and that Mr. Chênevert would likely speak with Mr. Larsen at that time.

On September 8, 2011, members of senior management of Goodrich held a conference call with Goodrich's legal and financial advisors to brief them on Mr. Linnert's discussion with Mr. Gill. During the course of the conference call, a representative of Credit Suisse indicated that earlier that morning, Credit Suisse had received calls from the media inquiring about rumors of a \$20 billion industrial deal that had not gone forward but was being negotiated again.

On September 10, 2011, Mr. Chênevert saw Mr. Larsen at an industry conference. Mr. Chênevert and Mr. Larsen spoke briefly, and Mr. Chênevert said that he was going to contact Mr. Larsen to schedule a discussion of the status of a potential transaction between UTC and Goodrich, but they did not discuss potential deal terms.

On September 12, 2011, Mr. Chênevert called Mr. Larsen to set up a meeting in New York City on September 15, 2011. Mr. Chênevert indicated that the purpose of the meeting was to have further discussion on pricing terms. Mr. Larsen agreed to an in-person meeting, but reiterated his previous statement that the price should be in the range of \$135 to \$140 in cash per share.

On September 15, 2011, Mr. Larsen, Mr. Linnert, Mr. Chênevert and Mr. Gill met in New York City. Mr. Chênevert began the discussion by outlining issues that UTC had identified with respect to Goodrich's proposed valuation of \$135 to \$140 per share, including UTC's view that Goodrich's five-year forecast was aggressive and, accordingly, may be very difficult to execute, particularly given the deteriorating global economic conditions, and that it expected military expenditures to continue to tighten. Mr. Chênevert indicated that, notwithstanding these concerns, UTC was prepared to continue to pursue a transaction at \$125 per share in cash. Mr. Larsen responded that the \$125 per share price was not acceptable, explaining that the parties had already discussed a price of \$125 per share even before UTC was provided with Goodrich's five-year forecast. Mr. Chênevert indicated that, subject to the approval of the UTC board, he would be willing to pursue a transaction that was possibly above \$125 per share, subject to UTC representatives being afforded the opportunity to meet with Goodrich's three segment presidents and being satisfied with its due diligence findings. Mr. Larsen indicated that he would discuss this proposal with the Board.

Later that day, Mr. Larsen held a conference call with Goodrich's legal and financial advisors to brief them on the meeting among Mr. Chênevert, Mr. Gill, Mr. Linnert and him. During the course of the conference call, representatives from both Credit Suisse and Citi indicated that their respective firms were receiving, but had not responded to, media inquiries about a large industrial transaction that was imminent.

During the evening of September 15, 2011, the Board convened a meeting and Mr. Larsen updated the Board on the meeting earlier in the day with Messrs. Chênevert and Gill. The Board agreed to further discuss UTC's proposal at its meeting scheduled for September 18, 2011.

Early on September 16, 2011, Reuters reported that UTC was lining up between \$10 billion and \$20 billion in financing for a U.S. acquisition. The report mentioned Goodrich as one of a handful of likely targets. Throughout the course of the day, a variety of news reports were issued claiming that UTC and Goodrich were in final negotiations over a potential transaction.

On September 17, 2011, Jones Day provided Wachtell Lipton and UTC a draft merger agreement to be negotiated in the event that the parties were able to reach an agreement on price.

On September 18, 2011, the Board convened a meeting. Present at the meeting were certain of Goodrich's senior management and representatives from Credit Suisse, Citi, and Jones Day. During the course of the meeting, Mr. Larsen outlined UTC's proposal of \$125 per share, noting that UTC had indicated that it was possible that the price could be increased slightly, subject to UTC's meeting with each of Goodrich's three segment presidents and the results of its due diligence. Jones Day provided the directors with a review of their fiduciary duties. Credit Suisse and Citi reviewed and discussed the current economic and market environment

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with the Board and certain financial aspects of UTC's revised proposal. Following these discussions, the directors engaged in an extensive and thorough discussion about UTC's revised proposal, and the risks and challenges to Goodrich in executing its strategic plan, particularly in light of the further deterioration in the global economic environment and market conditions since early August 2011. At the conclusion of that discussion, the Board unanimously determined that an all-cash transaction in excess of \$125 would be in the best interests of Goodrich's shareholders, and granted Mr. Larsen authority to negotiate a transaction on those terms. The Board further reiterated its position that UTC would bear the regulatory risk related to a transaction, the transaction would not be subject to a financing contingency, the deal protection provisions would be consistent with market provisions for a transaction of this type, and the combined Goodrich-Hamilton Sundstrand business unit would be headquartered in Charlotte, North Carolina. At the conclusion of the board meeting, the Board instructed Mr. Larsen to convey these points to Mr. Chênevert.

On the evening of September 18, 2011, Mr. Larsen called Mr. Chênevert to communicate the points outlined by the Board at the meeting earlier that day. After discussion, Mr. Larsen indicated that the Board would be willing to enter into an all-cash transaction at \$127.50 per share. Mr. Chênevert indicated that he appreciated the call and that he was supportive of an all-cash transaction at \$127.50 per share, subject to satisfactory due diligence findings, but that he would have to discuss it with the UTC board.

On September 19, 2011, Jones Day and Wachtell Lipton exchanged mark-ups to the merger agreement.

On September 20 and 21, 2011, representatives of Goodrich and UTC met in New York City at Jones Day's offices to conduct further due diligence meetings. Concurrently with those discussions, representatives of Jones Day, Goodrich, Wachtell Lipton and UTC negotiated the terms of the merger agreement.

During a break from a meeting between representatives of UTC and Goodrich on the afternoon of September 21, 2011, Mr. Chênevert discussed with Mr. Larsen that, if a transaction with UTC were to be consummated, Mr. Larsen would be recommended to the UTC board to become a director of UTC at some point in the future and that Mr. Larsen would become chairman and chief executive officer of the UTC Aerospace Systems business unit.

During the late afternoon of September 21, 2011, the Board convened a special meeting to consider the proposed transaction. Members of Goodrich's senior management and representatives of Credit Suisse, Citi and Jones Day participated in the meeting. Jones Day discussed a number of aspects of the proposed transaction and related matters, including an overview of the process and discussions with UTC to date, the material terms of the proposed merger agreement and the negotiations over those terms, and the terms of Goodrich's engagements with each of Credit Suisse and Citi and the fees payable to them under the terms of those engagements. Jones Day also reviewed with the directors their fiduciary duties in the context of the proposed transaction. Jones Day summarized certain merger agreement obligations, conditions and termination rights relating to obtaining regulatory approvals, as well as the provisions and termination fee applicable in situations in which the transaction was made the subject of competitive bids from third parties or in which the directors withdrew the Board recommendation supporting the transaction. The directors discussed the terms of the proposed merger agreement and engaged in a discussion regarding the risks and challenges to Goodrich in executing its strategic plan in a situation where it remained independent. The directors, with the assistance of Goodrich's legal and financial advisors, again considered whether to contact other potential acquirors to solicit interest for an acquisition of Goodrich. Credit Suisse and Citi indicated that they believed it was very unlikely that a third party would make an offer at a higher price than UTC had offered. The Board concluded that it would not be in the best interests of the shareholders of Goodrich to solicit other bids for Goodrich instead of entering into a merger agreement with UTC, particularly in light of the fact that the merger agreement did not preclude Goodrich from, upon the terms and subject to the conditions set forth in the agreement, accepting a superior proposal if such proposal were subsequently received. Given the size of the proposed merger and market volatility that could impact the execution and certainty of the merger, Goodrich's management believed it would be beneficial to Goodrich



and its shareholders to permit, and recommended that the Board permit, Goodrich's financial advisors to provide or otherwise participate in UTC's acquisition financing, if invited to do so. The Board considered the possible participation of the financial advisors in UTC's acquisition financing for the merger and had no objections to such participation.

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At the request of the Board, Credit Suisse then reviewed and discussed its financial analyses with respect to Goodrich and the proposed merger. Thereafter, at the request of the Board, Credit Suisse rendered its oral opinion to the Board (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated September 21, 2011) to the effect that, as of September 21, 2011 and subject to the assumptions, qualifications, limitations and other matters considered, the merger consideration to be received by the holders of Goodrich common stock other than UTC and its affiliates in the merger was fair, from a financial point of view, to such shareholders. The full text of the written opinion of Credit Suisse, which describes, among other things, the assumptions, qualifications, limitations and other matters considered in connection with its opinion is attached as Annex B.

At the request of the Board, Citi then reviewed its financial analyses of the \$127.50 per share consideration and delivered Citi's oral opinion, confirmed by delivery of a written opinion dated September 21, 2011, to the effect that, as of the date of the opinion and based upon and subject to the various assumptions and limitations set forth in its written opinion, the \$127.50 per share consideration to be received in the merger by holders of Goodrich common stock (other than UTC, Merger Sub and their respective affiliates) was fair, from a financial point of view, to such holders. The full text of the written opinion of Citi, which describes, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with its opinion is attached as Annex C.

The Board then met in executive session to further consider the proposed transaction with UTC. During the course of the executive session, the directors asked Mr. Larsen to leave the meeting and requested that Mr. Linnert remain in the meeting so that the independent directors could discuss any potential terms of employment for Mr. Larsen should a transaction with UTC occur. Mr. Linnert explained that Mr. Chênevert discussed with Mr. Larsen that, if a transaction with UTC were to be consummated, Mr. Larsen would be recommended to the UTC board to become a director of UTC at some point in the future and that Mr. Larsen would become chairman and chief executive officer of the UTC Aerospace Systems business unit, but that no other terms of employment had ever been discussed. Mr. Larsen and Mr. Kuechle were then asked to rejoin the meeting. Following an extensive and thorough discussion of the matters discussed during the course of the board meeting, all of Goodrich's directors unanimously determined that the merger agreement and the transactions contemplated thereby were fair to and in the best interests of Goodrich's shareholders, declared that the merger was advisable, approved the merger agreement and the transactions contemplated thereby, directed that the adoption of the merger agreement be submitted to a vote at a meeting of Goodrich's shareholders and resolved to recommend to Goodrich's shareholders that they adopt the merger agreement.

Early in the evening of September 21, 2011, the UTC board convened a special meeting to consider the proposed transaction. The UTC board approved the merger agreement that evening.

During the evening of September 21, 2011, UTC and Goodrich executed and delivered the merger agreement and announced the signing of the merger agreement through a joint press release.

### **Goodrich's Reasons for the Merger**

After careful consideration, the Board, at a special meeting held on September 21, 2011, unanimously:

determined that the merger agreement and the merger are fair to and in the best interests of Goodrich's shareholders;

approved and adopted the merger agreement and the transactions contemplated thereby; and

voted to recommend that Goodrich's shareholders vote in favor of the adoption of the merger agreement.

In evaluating the merger and the merger agreement, the Board consulted with management as well as Goodrich's legal and financial advisors. The Board also considered various material factors that are discussed below. The discussion in this section is not intended to be an exhaustive list of the information and factors considered by the Board. In view of the wide variety of factors considered in connection with the merger, the Board did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to

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the specific material factors it considered in reaching its decision. In addition, individual members of the Board may have given different weight to different factors. The Board considered this information and these factors as a whole in deciding to recommend the adoption of the merger agreement.

The Board considered the following factors as generally supporting its decision to recommend that Goodrich's shareholders vote in favor of the adoption of the merger agreement:

its belief, based on discussions and negotiations by Goodrich's management and advisors with UTC, that \$127.50 per share was the highest price UTC would be willing to pay;

its belief, including after taking into account discussions with Goodrich's management and financial advisors and the fact that no third party approached Goodrich following market rumors of a potential transaction with UTC, that it was unlikely any other party would be willing to pay more than \$127.50 per share in cash, even if Goodrich were to conduct an auction process;

its belief that the price of Goodrich's common stock in the short or medium term was highly unlikely to exceed the future value equivalent of \$127.50 per share;

its knowledge of the current economic environment generally, including the likely impact of that environment generally on the aerospace industry and specifically on Goodrich's potential growth, productivity and strategic options, and on the trading price of its shares of common stock;

its belief, based on its knowledge and discussions with Goodrich's management regarding Goodrich's business, financial condition, results of operations, competitive position, business strategy, strategic options and prospects, as well as the risks involved in achieving these prospects, the nature of Goodrich's business and the industries in which it competes, and industry, economic and market conditions, both on a historical and on a prospective basis, that the merger presented an opportunity for Goodrich's shareholders to realize greater value than the value likely to be realized by Goodrich's shareholders in the event Goodrich remained independent or pursued other alternatives;

its belief, based on a review of the possible alternatives to a sale of Goodrich, including the prospects of continuing to operate Goodrich in accordance with the existing business plan or undertaking additional share buyback programs, recapitalization or other strategic initiatives, the potential value to shareholders of such alternatives and the timing and likelihood of actually achieving additional value for shareholders from these alternatives, that none of these options, on a risk-adjusted basis, was reasonably likely to create value for shareholders greater than the merger consideration;

the financial presentations and opinions, dated September 21, 2011, of each of Credit Suisse and Citi to the Board with respect to the fairness, from a financial point of view, to the holders of Goodrich common stock (other than UTC, Merger Sub and their respective affiliates) of the \$127.50 per share consideration to be received in the merger by such holders, as more fully described below under the captions "Opinion of Credit Suisse Securities (USA) LLC" beginning on page [ ] and "Opinion of Citigroup Global Markets Inc." beginning on page [ ], respectively;

its belief, based on the Board's general knowledge of UTC's business, operations, management, reputation and strong financial condition, that there was a high probability that the merger would be completed successfully on the agreed-upon terms after a merger agreement was entered into with UTC;

the fact that the merger consideration consists solely of cash (which provides certainty of value to Goodrich shareholders and does not expose them to any future risks related to the business or the financial markets generally, as compared to a transaction in which shareholders receive shares or other securities, or as compared to remaining independent) and that the merger is not subject to any financing conditions;

the continued costs, risks and uncertainties associated with continuing to operate independently as a public company, including risks associated with Goodrich's operations;

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the fact that the merger agreement permits Goodrich to declare and pay to its shareholders Goodrich's regular quarterly cash dividend during the period prior to the closing of the merger, which potentially provides additional amounts to Goodrich's shareholders prior to the effective time of the merger;

the terms of the merger agreement, as reviewed by the Board with Goodrich's legal advisors, including:

sufficient operating flexibility for Goodrich to conduct its business in the ordinary course between the execution of the merger agreement and consummation of the merger;

the fact that the completion of the merger is not conditioned on UTC obtaining financing;

the fact that the conditions required to be satisfied prior to completion of the merger can be expected to be fulfilled and the corresponding likelihood that the merger will be consummated on a timely basis;

the Board's ability, subject to compliance with the terms and conditions of the merger agreement, to withdraw or modify its recommendation that Goodrich's shareholders vote in favor of adopting the merger agreement if the Board receives a bona fide, unsolicited takeover proposal and the Board determines in good faith, after consultation with outside financial advisors and outside legal counsel, that failing to change its recommendation would result in a breach of the Board's fiduciary duties under applicable law and that such takeover proposal is a superior proposal (as such term is defined in the merger agreement), as long as Goodrich has complied with the notice and other requirements described under The Merger Agreement Covenants and Agreements No Solicitation; Board Recommendation beginning on page [ ];

the Board's ability, subject to compliance with the terms and conditions of the merger agreement, to change or publicly propose to change, in a manner adverse to UTC, its recommendation regarding adoption of the merger agreement, if, in response to an intervening event that occurs after the date of the merger agreement and does not relate to a takeover proposal or superior proposal and that was not known by the Board as of the date of the merger agreement, but which becomes known by the Board prior to approval of the merger agreement by Goodrich's shareholders, the Board has determined in good faith, after consultation with its outside financial advisors and outside legal counsel, that failure to change its recommendation would be reasonably likely to be a violation of its fiduciary duties to Goodrich's shareholders under applicable law;

the Board's ability, subject to compliance with the terms and conditions of the merger agreement, to furnish information to and engage in negotiations with third parties that make a bona fide unsolicited written takeover proposal under certain circumstances, as more fully described in The Merger Agreement Covenants and Agreements No Solicitation; Board Recommendation beginning on page [ ];

the Board's ability, subject to compliance with the terms and conditions of the merger agreement, to consider, and under certain conditions, to accept, an unsolicited superior proposal in order to comply with the Board's fiduciary duties under applicable law, and Goodrich's corresponding right to terminate the merger agreement upon the payment of a termination fee of \$500 million to UTC in order to enter into a definitive agreement providing for a superior proposal, as long as Goodrich has complied with the notice and other requirements described under The Merger Agreement Covenants and Agreements No Solicitation; Board Recommendation beginning on page [ ];

the \$500 million termination fee payable in connection with a termination of the merger in certain specified circumstances, which the Board believed, after consultation with Goodrich's advisors, was reasonable and not likely to preclude an alternative superior proposal for a business combination with Goodrich;

the current and historical market prices of Goodrich's common shares, including the fact that the \$127.50 per share cash merger consideration represented a premium of approximately 16% over the closing price of Goodrich's common shares on the NYSE on September 21, 2011, the last full trading day before the Board met to review and consider approval of the merger agreement and the transactions

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contemplated thereby, and a premium of approximately 47% over the closing price of Goodrich's common shares on the NYSE on September 15, 2011, the last trading day prior to the first published report of a rumor that UTC was in the process of obtaining debt financing for an acquisition of Goodrich; and

the fact that the merger consideration represented a premium of approximately 44% to the average closing price of shares of Goodrich's common stock for the 30 trading days prior to and including September 21, 2011 and a premium of approximately 29% over the highest-ever closing price for shares of Goodrich common stock prior to September 15, 2011, and that shares of Goodrich's common stock have never closed at or above \$127.50.

In addition, the Board considered a number of potential negative factors in its deliberations concerning the merger, including the following:

the non-solicitation provisions of the merger agreement that restrict Goodrich's ability to solicit or engage in discussions or negotiations with third parties regarding a proposal to acquire Goodrich, and the fact that, upon termination of the merger agreement under certain specified circumstances, Goodrich will be required to pay a termination fee, which could have the effect of discouraging alternative proposals for a business combination with Goodrich. However, the Board also noted that the termination fee provisions of the merger agreement were a necessary aspect of assuring UTC's entry into the merger agreement and, after consultation with Goodrich's advisors, the Board determined that the termination fee provisions of the merger agreement were reasonable and not likely to preclude an alternative Superior Proposal for a business combination with Goodrich;

the fact that the merger may not be completed unless and until specified conditions are satisfied or waived (see The Merger Agreement - Conditions of the Merger beginning on page [ ]);

the potential risk and costs to Goodrich if the merger does not close, including the potential distraction of employee and management attention during the pendency of the transaction, employee attrition, the possible impact on customer relationships, the potential effect on existing relationships with other parties, and the impact that the failure of the merger to close could have on the trading price of shares of Goodrich common stock, Goodrich's operating results (including the costs incurred in connection with the transactions) and Goodrich's ability to maintain sales, but the Board believed that these risks were reasonable and worthwhile to undertake considering the terms of the merger agreement, including the likelihood that conditions to closing would be satisfied, and the absence of a financing contingency;

the fact that receipt of the merger consideration in exchange for shares of Goodrich common stock pursuant to the merger would generally be a taxable transaction for United States federal income tax purposes (see Certain United States Federal Income Tax Consequences beginning on page [ ]);

the fact that the all-cash price, while providing relative certainty of value, would not allow Goodrich shareholders to participate, on a tax-efficient basis, in any future appreciation of UTC's stock or benefit from any future appreciation in the value of Goodrich after the merger; and

the fact that the merger agreement restricts Goodrich's ability to engage in certain activities between the date of the merger agreement and the effective time of the merger, and that these restrictions could prevent Goodrich from taking advantage of business opportunities, such as potential acquisitions, which would be advisable if Goodrich were to remain an independent company, but the Board believed these restrictions would not interfere with Goodrich's ability to operate in the ordinary course of business.



During its consideration of the merger with Merger Sub, the Board also was aware that the fact that some of Goodrich's directors and executive officers have interests in the merger that differ from or are in addition to their interests as those of Goodrich's shareholders generally, as described in Interests of Goodrich Directors and Executive Officers in the Merger beginning on page [ ].

This summary is not meant to be an exhaustive description of the information and factors considered by the Board but is believed to address the material information and factors considered. In view of the wide variety of factors considered by the Board, it is not possible to quantify or to give relative weights to the

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various factors. In considering the factors discussed above, individual directors may have given different weights to different factors. After taking into consideration all of the factors set forth above as a whole, as well as other factors not specifically described above, the Board concluded that the merger is fair to and in the best interests of Goodrich's shareholders, and approved the merger agreement and the transactions contemplated by the merger agreement.

### **Recommendation of the Board**

At its meeting on September 21, 2011, the Board met to consider the merger agreement and after due consideration, unanimously adopted and approved the merger agreement and determined that the merger agreement and the related transactions are fair to and in the best interests of Goodrich and its shareholders, and the Board unanimously recommends that Goodrich shareholders vote **FOR** the adoption of the merger agreement.

### **Opinion of Our Financial Advisors**

#### *Opinion of Credit Suisse Securities (USA) LLC*

On September 21, 2011, Credit Suisse rendered its oral opinion to the Board (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) to the effect that, as of September 21, 2011, the merger consideration to be received by the holders of Goodrich common stock other than UTC and its affiliates in the merger was fair, from a financial point of view, to such shareholders.

**Credit Suisse's opinion was directed to the Board and only addressed the fairness, from a financial point of view, to the holders of Goodrich common stock other than UTC and its affiliates of the merger consideration to be received by such shareholders in the merger and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this proxy statement is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex B to this proxy statement and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement is intended to be, and they do not constitute, advice or a recommendation to any holder of Goodrich common stock as to how such shareholder should vote or act with respect to any matter relating to the merger.**

In arriving at its opinion, Credit Suisse:

reviewed a draft, dated September 21, 2011, of the Merger Agreement;

reviewed certain publicly available business and financial information relating to Goodrich;

reviewed certain other information relating to Goodrich, including financial forecasts, provided to or discussed with Credit Suisse by Goodrich;

met with Goodrich's management to discuss the business and prospects of Goodrich;

considered certain financial and stock market data of Goodrich and compared that data with similar data for other publicly held companies in businesses that Credit Suisse deemed similar to that of Goodrich;

considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which had been effected or announced; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With respect to the financial forecasts for Goodrich that Credit Suisse used in its analyses, the management of Goodrich

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advised Credit Suisse, and Credit Suisse assumed, that such forecasts were reasonably prepared on bases reflecting the best available estimates and judgments of Goodrich's management as to the future financial performance of Goodrich, and Credit Suisse assumed no responsibility for the assumptions on which such projections were based. Credit Suisse also assumed, with the Board's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Goodrich and that the merger would be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Goodrich, nor was Credit Suisse furnished with any such evaluations or appraisals.

Credit Suisse's opinion addressed only the fairness, from a financial point of view, to the holders of Goodrich common stock other than UTC and its affiliates of the merger consideration to be received by such shareholders in the merger and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise, including, without limitation, the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the merger consideration or otherwise. The issuance of Credit Suisse's opinion was approved by an authorized internal committee of Credit Suisse.

Credit Suisse's opinion was necessarily based upon information made available to Credit Suisse as of the date of its opinion and financial, economic, market and other conditions as they existed on the date of its opinion and upon certain assumptions regarding such financial, economic, market and other conditions which were, as of the date of the opinion, subject to unusual volatility and Credit Suisse expressed no opinion or views as to any potential effects of such volatility on Goodrich or the merger. Credit Suisse's opinion did not address the merits of the merger as compared to alternative transactions or strategies that may have been available to Goodrich, nor did it address the underlying decision to proceed with the merger. Credit Suisse was not requested to, and did not, solicit third party indications of interest in acquiring all or any part of Goodrich.

Credit Suisse's opinion was for the information of the Board in connection with its consideration of the merger and does not constitute advice or a recommendation to any holder of Goodrich common stock as to how such shareholder should vote or act on any matter relating to the proposed merger.

In preparing its opinion to the Board, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's financial analyses is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Credit Suisse's opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. No company, business or transaction used in Credit Suisse's analyses for comparative purposes is identical to Goodrich or the proposed transaction. While the results of each analysis were taken into account in reaching its overall conclusion

with respect to fairness, Credit Suisse did not make separate or quantifiable judgments regarding individual analyses. The implied valuation reference ranges and implied enterprise value multiples indicated by Credit Suisse's analyses are illustrative and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those

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suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond Goodrich's control and the control of Credit Suisse. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse's opinion and analyses were provided to the Board in connection with its consideration of the proposed merger and were among many factors considered by the Board in evaluating the proposed merger. Neither Credit Suisse's opinion nor its analyses were determinative of the merger consideration or of the views of the Board with respect to the proposed merger.

The following is a summary of the material financial analyses performed in connection with Credit Suisse's opinion rendered to the Board on September 21, 2011. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Credit Suisse's analyses.

For purposes of its analyses, Credit Suisse reviewed a number of financial metrics including:

*Enterprise Value* generally the value as of a specified date of the relevant company's outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock and capital lease obligations less the amount of cash on its balance sheet).

*EBITDA* generally the amount of the relevant company's earnings before interest, taxes, depreciation and amortization for a specified time period.

Unless the context indicates otherwise, share prices for the selected companies used in the selected companies analysis described below were as of September 20, 2011, and estimates of financial performance for Goodrich for the calendar years ending December 31, 2011 to 2016 were based on financial projections provided by Goodrich management. Estimates of financial performance for the selected companies listed below for the calendar years ending December 31, 2011 and 2012 were based on publicly available research analyst estimates for those companies. With respect to Goodrich, estimates of EBITDA and free cash flows for 2011 and 2012 were adjusted based on discussions with Goodrich management to add back one time charges relating to the restructuring of its landing gear business and certain transaction costs and the estimate of Calendar Year, which is referred to as CY, 2016E EBITDA was adjusted to reflect a \$51 million reduction in operating expenses relating to its wheel and brake business.

### *Selected Companies Analyses*

Credit Suisse considered certain financial data for Goodrich and selected companies with publicly traded equity securities Credit Suisse deemed relevant. The selected companies were selected because they were deemed to be similar to Goodrich in one or more respects, including the nature of their business, size, diversification and financial performance. No specific numeric or other similar criteria were used to select the selected companies, and all criteria were evaluated in their entirety without application of definitive qualifications or limitations to individual criteria. As a result, a significantly larger or smaller company with substantially similar lines of businesses and business focus may have been included while a similarly sized company with less similar lines of business and greater diversification may have been excluded. Credit Suisse identified a sufficient number of companies for purposes of its analysis but may not have included all companies that might be deemed comparable to Goodrich.

The financial data reviewed included:

Enterprise Value, which is referred to as EV, as a multiple of CY 2011E EBITDA; and

Enterprise Value as a multiple of CY 2012E EBITDA;

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With respect to the selected companies analysis, the primary selected companies with publicly traded equity securities and corresponding multiples were:

|                             | <b>EV/CY2011E<br/>EBITDA</b> | <b>EV/CY2012E<br/>EBITDA</b> |
|-----------------------------|------------------------------|------------------------------|
| B/E Aerospace, Inc.;        | 9.2x                         | 7.8x                         |
| Woodward Governor Company;  | 8.2x                         | 7.1x                         |
| Rockwell Collins, Inc.; and | 8.1x                         | 7.5x                         |
| Moog Inc.                   | 6.8x                         | 6.2x                         |

Taking into account the results of the selected companies analysis, Credit Suisse applied multiple ranges to corresponding financial data for Goodrich based on Goodrich's management forecasts to calculate implied valuation reference ranges per share of Goodrich common stock. Credit Suisse applied multiples of 7.0x to 9.0x to Goodrich management's estimate of CY 2011E EBITDA and 6.0x to 8.0x to Goodrich management's estimate of CY 2012E EBITDA, which resulted in an implied valuation reference range of \$70.00 to \$100.00 per share of Goodrich common stock as compared to the proposed per share merger consideration of \$127.50 per share of Goodrich common stock in the merger.

*Selected Acquisitions Analysis*

Credit Suisse also considered the financial terms of certain business combinations and other transactions Credit Suisse deemed relevant. The selected transactions were selected because the target companies were deemed to be similar to Goodrich in one or more respects, including the nature of their business, size, diversification, financial performance and geographic concentration. No specific numeric or other similar criteria were used to select the selected transactions, and all criteria were evaluated in their entirety without application of definitive qualifications or limitations to individual criteria. As a result, a transaction involving the acquisition of a significantly larger or smaller company with substantially similar lines of businesses and business focus may have been included while a transaction involving the acquisition of a similarly sized company with less similar lines of business and greater diversification may have been excluded. Credit Suisse identified a sufficient number of transactions for purposes of its analysis, but may not have included all transactions that might be deemed comparable to the proposed transaction. The financial data reviewed included the implied Enterprise Value (based on the purchase price paid in the transaction) as a multiple of the last twelve months EBITDA, or LTM EBITDA. The selected transactions and corresponding multiples were:

| <b>Date Announced</b> | <b>Acquiror</b>           | <b>Target</b>                                       | <b>EV/LTM<br/>EBITDA</b> |
|-----------------------|---------------------------|---|--------------------------|
| 01/15/07              | General Electric Company  | Smiths Group plc Aerospace Division                 | 12.4x                    |
| 02/27/09              | Woodward Governor Company | Textron Inc. HR Textron Operating Unit              | 8.9x                     |
| 11/17/09              | Goodrich                  | AIS Global Holdings LLC (Atlantic Inertial Systems) | 9.0x                     |
| 03/23/10              | Triumph Group, Inc.       | Vought Aircraft Industries, Inc.                    | 5.8x                     |
| 06/30/10              | The Boeing Company        | Argon ST Inc.                                       | 15.1x                    |



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|          |                                     |                                   |       |
|----------|-------------------------------------|-----------------------------------|-------|
| 09/27/10 | Transdigm Group Incorporated        | McKechnie Aerospace Holdings Inc. | 13.0x |
| 11/17/10 | Allegheny Technologies Incorporated | Ladish Co., Inc.                  | 13.5x |
| 12/20/10 | Raytheon Company                    | Applied Signal Technology, Inc.   | 14.2x |
| 01/18/11 | Meggitt PLC                         | Danaher Pacific Science Aerospace | 8.7x  |
| 04/01/11 | Goodrich                            | Microtecnica S.r.l.               | 11.5x |
| 05/04/11 | Esterline Technologies Corporation  | Souriau Group                     | 11.2x |
| 07/10/11 | Precision Castparts Corp.           | Primus International              | 15.0x |
| 07/27/11 | Airbus                              | Satair A/S                        | 13.9x |

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Taking into account the results of the selected transactions analysis, Credit Suisse applied a multiple range of 11.0x to 14.0x LTM EBITDA to corresponding financial data for Goodrich, which resulted in an implied valuation reference range of \$110.00 to \$140.00 per share of Goodrich common stock as compared to the proposed per share merger consideration of \$127.50 per share of Goodrich common stock in the merger.

*Discounted Cash Flow Analysis*

Credit Suisse also performed a discounted cash flow analysis of Goodrich. For purposes of this analysis, Credit Suisse relied upon the financial forecasts for Goodrich provided by the management of Goodrich. In performing this analysis, Credit Suisse applied terminal CY2016E EBITDA multiples of 7.5x to 9.5x and, taking into account Goodrich's weighted average cost of capital, applied discount rates ranging from 8.0% to 10.0%. This analysis resulted in an implied valuation reference range of \$115.00 to \$150.00 per share of Goodrich common stock as compared to the proposed per share merger consideration of \$127.50 per share of Goodrich common stock in the merger.

*Miscellaneous*

Goodrich retained Credit Suisse as its financial advisor in connection with the proposed merger based on Credit Suisse's qualifications, experience and reputation as an internationally recognized investment banking and financial advisory firm. Credit Suisse will receive a transaction fee of \$35 million for its services, \$30 million of which is contingent upon completion of the merger and \$5 million of which became payable upon the rendering of its opinion. In addition, Goodrich has agreed to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement.

Credit Suisse and its affiliates have provided investment banking and other financial services to Goodrich and its affiliates for which Credit Suisse and its affiliates have received compensation, including, during the past two years, having acted as co-manager in connection with the public offering of 3.60% Senior Notes due 2021 by Goodrich in September 2010; having acted as co-manager in connection with the public offering of 4.875% Senior Notes due 2020 by Goodrich in December 2009; having acted as a counterparty to Goodrich in connection with or having otherwise facilitated certain trading activities by Goodrich; and having provided certain financial advisory services to Goodrich. Credit Suisse and its affiliates have also provided investment banking and other financial services to UTC for which Credit Suisse and its affiliates have received, and would expect to receive, compensation, including, during the past two years, having acted as a financial advisor to UTC in connection with the sale of certain assets of its Tyler Refrigeration business to Dover Corporation in 2009. Although not requested by Credit Suisse, the Board has authorized Credit Suisse or certain of its affiliates to participate in UTC's financing for the merger, for which services Credit Suisse and such affiliates would expect to receive compensation. As of the date of its opinion and the date of this proxy statement, Credit Suisse had not been invited to participate in the financing of the merger and Credit Suisse had no right or obligation, whether contractual or otherwise, to participate in UTC's financing for the merger. Credit Suisse and its affiliates may have provided other financial advice and services, and may in the future provide financial advice and services, to Goodrich, UTC and their respective affiliates for which Credit Suisse and its affiliates have received, and would expect to receive, compensation. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of Goodrich, UTC and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

*Opinion of Citigroup Global Markets Inc.*

Goodrich has retained Citi as a financial advisor in connection with the merger. In connection with this engagement, Goodrich requested that Citi evaluate the fairness, from a financial point of view, of the \$127.50 per share consideration to be received in the merger by holders of Goodrich's common stock (other than UTC, Merger Sub and their respective affiliates). On September 21, 2011, at a meeting of the Board at which the

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merger was approved, Citi rendered to the Board an oral opinion, confirmed by delivery of a written opinion dated September 21, 2011, to the effect that, as of that date and based on and subject to the matters described in its opinion, the \$127.50 per share consideration to be received in the merger by holders of Goodrich's common stock (other than UTC, Merger Sub and their respective affiliates) was fair, from a financial point of view, to such holders.

The full text of Citi's written opinion, dated September 21, 2011, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this proxy statement as Annex C and is incorporated into this proxy statement by reference. The description of Citi's opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of Citi's opinion. **Citi's opinion was provided for the information of the Board (in its capacity as such) in connection with its evaluation of the merger consideration from a financial point of view and did not address any other aspects or implications of the merger. Citi was not requested to consider, and its opinion did not address, the underlying business decision of Goodrich to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Goodrich or the effect of any other transaction in which Goodrich might engage. Citi's opinion is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matters relating to the proposed merger or otherwise.**

In arriving at its opinion, Citi:

reviewed the merger agreement;

held discussions with certain senior officers, directors and other representatives and advisors of Goodrich concerning the business, operations and prospects of Goodrich;

reviewed certain publicly available business and financial information relating to Goodrich;

reviewed certain financial forecasts and other information and data relating to Goodrich provided to or discussed with Citi by Goodrich's management;

reviewed the financial terms of the merger as set forth in the merger agreement in relation to, among other things, current and historical market prices and trading volumes of Goodrich's common stock, Goodrich's historical and projected earnings and other operating data and Goodrich's capitalization and financial condition;

analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Goodrich;

analyzed, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the merger; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of Goodrich's management that it was not aware of any relevant information that was omitted or remained undisclosed to Citi. With respect to the financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Citi relating to Goodrich, Citi was advised by Goodrich's management, and Citi assumed, with Goodrich's consent, that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and

judgments of Goodrich's management as to the future financial performance of Goodrich.

Citi did not make, and it was not provided with, an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of Goodrich, and Citi did not make any physical inspection of the properties or assets of Goodrich. Citi assumed, with Goodrich's consent, that the merger would be

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consummated in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Goodrich or the merger.

Citi's opinion did not address any terms (other than the merger consideration to the extent expressly specified in its opinion) or other aspects or implications of the merger, including, without limitation, the form or structure of the merger or any other agreement, arrangement or understanding to be entered into in connection with or contemplated by the merger or otherwise. Citi was not requested to, and it did not, solicit third-party indications of interest in the possible acquisition of all or a part of Goodrich. Citi expressed no view as to, and its opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the merger consideration or otherwise. In addition, Citi did not express any opinion as to the prices at which Goodrich's common stock would trade at any time. Citi's opinion was necessarily based on information available to Citi, and financial, stock market and other conditions and circumstances existing and disclosed to Citi, as of the date of its opinion. As Goodrich was aware, the credit, financial and stock markets have been experiencing unusual volatility and Citi expressed no opinion or view as to any potential effects of such volatility on Goodrich or the merger. Except as described in this summary, Goodrich imposed no other instructions or limitations on Citi with respect to the investigations made or procedures followed by Citi in rendering its opinion.

In preparing its opinion, Citi performed a variety of financial and comparative analyses, including those described below. This summary of the analyses is not a complete description of Citi's opinion or the analyses underlying, and factors considered in connection with, Citi's opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Citi arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion. Accordingly, Citi believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Citi considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Goodrich. No company, business or transaction reviewed is identical to Goodrich or the merger. An evaluation of these analyses is not entirely mathematical; rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or other values of the companies, business segments or transactions reviewed.

The estimates contained in Citi's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, Citi's analyses are inherently subject to substantial uncertainty.

Citi was not requested to, and it did not, recommend the specific consideration payable in the merger. The type and amount of consideration payable in the merger was determined through negotiations between Goodrich and UTC and the decision to enter into the merger agreement was solely that of the Board. Citi's opinion was only one of many

factors considered by the Board in its evaluation of the merger and should not be viewed as determinative of the views of the Board or management with respect to the merger or the merger consideration.

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The following is a summary of the material financial analyses provided to the Board in connection with Citi's opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Citi's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Citi's financial analyses.** For purposes of Citi's financial analyses described below, certain financial data for Goodrich was adjusted to include the pro forma full-year impact of Goodrich's acquisition of Microtecnica S.r.l. completed in May 2011 and to exclude certain non-recurring items.

*Discounted Cash Flow Analysis.* Citi performed a discounted cash flow analysis of Goodrich by calculating the estimated present value of the unlevered, after-tax free cash flows that Goodrich was forecasted to generate from the third quarter of fiscal year 2011 through the full fiscal year ending 2016 based on internal estimates of Goodrich's management. Citi calculated terminal values for Goodrich by applying a range of terminal value multiples of 8.0x to 10.0x to Goodrich's normalized fiscal year 2016 estimated earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA. The present values (as of June 30, 2011) of the cash flows and terminal values were then calculated using discount rates ranging from 8.8% to 10.9%. This analysis indicated the following approximate implied per share equity value reference range for Goodrich, as compared to the merger consideration:

| <b>Implied per Share<br/>Equity Value Reference Range</b> | <b>Merger<br/>Consideration</b> |
|---|---------------------------------|
| \$113.00 \$152.00   | \$127.50                        |

In light of the cyclicity in Goodrich's business and market volatility, Citi noted for the Board that, for fiscal years 2012 through 2016, each 1% change in Goodrich's forecasted after-market revenue growth, overall revenue growth and operating margin could impact Goodrich's implied equity value per share by approximately \$4.00 per share, \$6.25 per share and \$6.25 per share, respectively.

*Selected Transactions Analysis.* Using publicly available information, Citi reviewed financial data relating to the following nine selected publicly announced transactions involving aerospace suppliers:

| <b>Announcement<br/>Date</b> | <b>Acquiror</b>                     | <b>Target</b>                        |
|------------------------------|-------------------------------------|--------------------------------------|
| 7/10/11                      | Precision Castparts Corp.           | Primus International Holding Company |
| 5/4/11                       | Esterline Technologies Corporation  | Souriau Group                        |
| 4/1/11                       | Goodrich                            | Microtecnica S.r.l.                  |
| 11/17/10                     | Allegheny Technologies Incorporated | Ladish Co., Inc.                     |
| 9/27/10                      | TransDigm Inc.                      | McKechnie Aerospace Holdings Inc.    |
| 2/27/09                      | Woodward Governor Company           | Textron Inc. (HR Textron unit)       |
| 3/6/07                       | Meggitt PLC                         | K&F Industries Holdings, Inc.        |
| 2/1/07                       | Esterline Technologies Corporation  | CMC Electronics Holdings Inc.        |
| 1/15/07                      | General Electric Company            | Smiths Group plc (Smiths Aerospace)  |

Citi reviewed, among other information, transaction values of the selected transactions, calculated as the purchase prices paid for the target companies, plus debt, less cash and other adjustments, as a multiple of such target companies



latest 12 months EBITDA and next 12 months estimated EBITDA. The overall low, mean, median and high EBITDA multiples observed for the selected transactions for the latest 12 months were 8.9x, 12.7x, 13.0x and 15.1x, respectively, and for the next 12 months were 9.5x, 10.8x, 10.9x and 11.8x, respectively. In calculating an implied per share equity value reference range for Goodrich, Citi applied a range of selected multiples of latest 12 months EBITDA of 12.0x to 14.0x and next 12 months estimated EBITDA of 10.0x to 11.5x derived from the selected transactions to Goodrich's latest 12 months EBITDA (as of June 30, 2011) and next 12 months estimated EBITDA (as of June 30, 2012) calculated, in the case of the next 12 months, based on the second half of calendar year 2011 and 50% of calendar year 2012 estimated EBITDA. Financial data of the selected transactions were based on publicly available information and, to the

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extent publicly disclosed, reflected adjustments for non-recurring items. Financial data of Goodrich were based on Goodrich's public filings and internal estimates of Goodrich's management. This analysis indicated the following approximate implied per share equity value reference range for Goodrich, as compared to the merger consideration:

| <b>Implied per Share<br/>Equity Value Reference Range</b> | <b>Merger<br/>Consideration</b> |
|---|---------------------------------|
| \$120.00 \$140.00   | \$127.50                        |

*Selected Public Companies Analysis.* Citi reviewed financial and stock market information of Goodrich and the following eight selected publicly traded aerospace suppliers:

BE Aerospace, Inc.

Esterline Technologies Corporation

HEICO Corporation

Moog Inc.

Precision Castparts Corp.

Rockwell Collins, Inc.

Transdigm Group Incorporated

Woodward, Inc.

Citi reviewed, among other things, enterprise values of the selected companies, calculated as equity values based on closing stock prices on September 20, 2011 (or, in the cases of Goodrich and Rockwell Collins, Inc., September 15, 2011, the last trading day prior to market rumors of a potential sale of such companies), plus debt, less cash and other adjustments, as a multiple of calendar years 2011 and 2012 estimated EBITDA. Citi also reviewed closing stock prices of the selected companies on September 20, 2011 (or, in the cases of Goodrich and Rockwell Collins, Inc., September 15, 2011) as a multiple of calendar years 2011 and 2012 estimated earnings per share, which is referred to as EPS. The overall low, mean, median and high estimated EBITDA multiples observed for the selected companies for calendar year 2011 were 6.8x, 9.4x, 8.8x and 12.6x, respectively, and for calendar year 2012 were 6.0x, 8.2x, 7.6x and 10.8x, respectively. The overall low, mean, median and high estimated EPS multiples observed for the selected companies for calendar year 2011 were 11.1x, 16.0x, 15.2x and 22.1x, respectively, and for calendar year 2012 were 9.6x, 13.5x, 12.5x and 19.5x, respectively. In calculating an implied per share equity value reference range for Goodrich, Citi applied ranges of selected multiples of calendar years 2011 and 2012 estimated EBITDA of 8.0x to 10.0x and 6.5x to 9.0x, respectively, and calendar years 2011 and 2012 estimated EPS of 14.0x to 17.0x and 11.0x to 15.0x, respectively, derived from the selected companies to corresponding data of Goodrich. Financial data of the selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information and, to the extent publicly disclosed, reflected adjustments for non-recurring items. Financial data of Goodrich were based on internal estimates of Goodrich's management. This analysis indicated the following approximate implied per share equity value reference range for Goodrich, as compared to the merger consideration:

| <b>Implied per Share<br/>Equity Value Reference Range</b> | <b>Merger<br/>Consideration</b> |
|---|---------------------------------|
| \$80.00 \$105.00  | \$127.50                        |

*Other Information.* Citi also noted for the Board certain additional factors that were not considered part of Citi's financial analysis with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

one-year forward stock price targets for Goodrich in publicly available Wall Street research analyst reports, noting that the one-year forward low and high stock price targets for Goodrich discounted to present value based on an illustrative one-year period ranged from \$84.00 to \$113.00 per share; and

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daily intraday trading prices of Goodrich common stock during the 52-week period ended September 15, 2011, noting that during such period these trading prices ranged from \$69.53 to \$99.67 per share.

*Miscellaneous*

Under the terms of Citi's engagement, Goodrich has agreed to pay Citi for its financial advisory services in connection with the merger an aggregate fee of approximately \$23.5 million, a portion of which was payable upon delivery of Citi's opinion and \$18.5 million of which is contingent upon completion of the merger. Goodrich also has agreed to reimburse Citi for reasonable expenses incurred by Citi in performing its services, including reasonable fees and expenses of its legal counsel, and to indemnify Citi and related persons against liabilities, including liabilities under the federal securities laws, arising out of its engagement. Citi and its affiliates in the past provided, currently are providing and in the future may provide investment banking and other financial services to Goodrich and UTC unrelated to the proposed merger, for which services Citi and its affiliates have received and expect to receive compensation, including during the two-year period prior to the date of Citi's opinion acting as (i) financial advisor to Goodrich in connection with an acquisition transaction in 2010, (ii) joint lead arranger and joint book manager for, and currently an agent and lender under, a \$700 million revolving credit facility of Goodrich in May 2011, (iii) co-manager for a \$300 million notes offering of Goodrich in February 2009, (iv) joint book-running manager for a \$300 million senior notes offering of Goodrich in December 2009, (v) joint book-running manager for a \$600 million senior notes offering of Goodrich in September 2010, (vi) financial advisor to UTC in connection with a divestiture transaction in 2011, (vii) joint lead arranger and syndication agent for, and currently a lender under, a \$1.6 billion revolving credit facility of UTC in November 2010 and (viii) joint book-running manager for \$1.25 billion and \$1.0 billion notes offerings of UTC in February 2010. From January 1, 2009 through the delivery of Citi's opinion on September 21, 2011, Citi and certain of its affiliates received aggregate fees of approximately \$10 million and \$62 million for certain investment banking and other financial services provided to Goodrich and UTC, respectively, unrelated to the merger. In its evaluation of the merger, Goodrich's management discussed with the Board its belief that, given the size of the proposed merger and market volatility that could impact the execution and certainty of the merger, it would be beneficial to Goodrich and its shareholders to permit, and recommended that the Board permit, Goodrich's financial advisors to provide or otherwise participate in UTC's acquisition financing if invited to do so and the Board had no objections to such participation. Subsequently, Citi was invited to participate, and Citi or certain of its affiliates expect to participate, in UTC's financing for the merger, for which services Citi or any such affiliates would expect to receive compensation.

In the ordinary course of business, Citi and its affiliates may actively trade or hold the securities of Goodrich and UTC for their own account or for the account of their customers and, accordingly, may at any time hold a long or short position in those securities. Citi and its affiliates, including Citigroup Inc. and its affiliates, may maintain relationships with Goodrich, UTC and their respective affiliates. In addition, a member of the UTC board of directors also serves as a member of the Citigroup International Advisory Board.

Goodrich selected Citi as its financial advisor in connection with the merger based on Citi's reputation and experience and familiarity with Goodrich and its business. Citi is an internationally recognized investment banking firm which regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The issuance of Citi's opinion was authorized by Citi's fairness opinion committee.

**Certain Financial Information**

In the course of the sale process described under Background of the Merger, we provided UTC selected, non-public financial projections prepared by our senior management. Goodrich does not as a matter of course make public projections as to future performance or earnings, and the financial projections set forth below are included in this proxy statement only because this information was provided to UTC on a confidential basis in connection with their respective evaluations of the merger. The projections were also

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provided to our financial advisors. You should note that these financial projections constitute forward-looking statements. See [Forward-Looking Statements May Prove Inaccurate](#) on page [ ].

The financial projections were prepared by Goodrich's senior management for internal planning purposes and not for public disclosure such projections are subjective in many respects. The financial projections are based on a variety of estimates and assumptions of our senior management regarding our business, industry performance, general business, economic, market and financial conditions and other matters, all of which are difficult to predict and many of which are beyond our control. Economic and business environments can and do change quickly, which adds a significant level of uncertainty as to whether the results portrayed in the financial projections will be achieved. In particular, these financial projections were based on numerous assumptions that may now be outdated. Accordingly, there can be no assurance that the assumptions made in preparing the projections will prove accurate. If the assumptions do not prove accurate, the projections will not be accurate. You should not regard the inclusion of these projections in this proxy statement as an indication that Goodrich, UTC or any of their respective affiliates or representatives considered or consider the projections to be necessarily predictive of actual future events, and you should not rely on the projections as such. It is expected that there will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the projections. It is highly likely that the contribution of Goodrich's business to the consolidated results of UTC will be different from Goodrich's performance on a standalone basis. In addition, if the merger is not consummated, we may not be able to achieve these financial projections. None of Goodrich, UTC or any of their respective affiliates or representatives has made or makes any representations to any person regarding the ultimate performance of Goodrich compared to the information contained in the projections.

Neither Goodrich's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the financial projections set forth below, nor have they expressed any opinion or any other form of assurance with respect thereto. The financial projections were not prepared with a view toward public disclosure or compliance with generally accepted accounting principles, which is referred to as GAAP, or the guidelines established by the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Furthermore, the financial projections do not take into account any circumstances or events occurring after the date of their preparation and we do not intend to update these financial projections or to make other projections public in the future.

As referred to below, earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA, is a financial measure commonly used in the industries in which Goodrich operates but is not defined under GAAP. EBITDA should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company's profitability or liquidity. Because EBITDA excludes some, but not all, items that affect net income, these measures may vary among companies. The EBITDA data presented below may not be comparable to similarly titled measures of other companies. Goodrich believes that EBITDA is a meaningful measure to investors and provides additional information about its ability to meet future liquidity requirements for debt service, capital expenditures and working capital. In addition, Goodrich believes that EBITDA is a useful comparative measure of operating performance and liquidity. For example, debt levels, credit ratings and, therefore, the impact of interest expense on earnings vary significantly between companies. Similarly, the tax positions of individual companies can vary because of their differing abilities to take advantage of tax benefits, with the result that their effective tax rates and tax expense can vary considerably. Finally, companies differ in the age and method of acquisition of productive assets, which can cause the relative costs associated with those assets to differ, and in the method of depreciation or depletion (straight-line, accelerated, units of production), which can result in considerable variability in depletion, depreciation and amortization expense between companies. Thus, for comparison purposes, Goodrich believes that EBITDA can be useful as an objective and comparable measure of operating profitability and the contribution of operations to liquidity because it excludes these elements.



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The financial projections described, and subject to the limitations stated, above included (in millions of dollars):

|                   | 2011E    | 2012E    | 2013E    | 2014E     | 2015E     | 2016E     |
|-------------------|----------|----------|----------|-----------|-----------|-----------|
| <b>Revenue</b>    | \$ 8,143 | \$ 9,054 | \$ 9,874 | \$ 10,799 | \$ 11,651 | \$ 12,548 |
| <b>Net Income</b> | \$ 756   | \$ 850   | \$ 985   | \$ 1,218  | \$ 1,401  | \$ 1,511  |
| <b>EBITDA</b>     | \$ 1,546 | \$ 1,736 | \$ 1,945 | \$ 2,205  | \$ 2,447  | \$ 2,674  |

**Interests of Goodrich Directors and Executive Officers in the Merger**

In considering the Board's recommendation to vote for the proposal to adopt the merger agreement and the merger, Goodrich shareholders should be aware that some of the directors and executive officers of Goodrich have interests in the merger that may be different from, or in addition to, the interests of Goodrich shareholders generally and that may create potential conflicts of interest. In addition to the rights described below in this section, the executive officers of Goodrich may be eligible to receive some of the generally applicable benefits described under the heading "The Merger Agreement - Employee Benefit Matters" on page [ ]. The Board was aware of these interests and considered them, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending the adoption of the merger agreement to Goodrich shareholders.

Set forth below are descriptions of the interests of directors and executive officers, including interests in equity or equity-based awards, change in control severance arrangements and other compensation and benefit arrangements. The dates used in the discussions below to quantify certain of these interests have been selected for illustrative purposes only, and they do not necessarily reflect the dates on which certain events will occur.

***Treatment of Stock Options***

At the effective time of the merger, each outstanding stock option to purchase Goodrich common stock under Goodrich's equity compensation plans (whether or not vested and exercisable prior to the effective time of the merger) granted prior to September 21, 2011 will be adjusted under the applicable plan and award agreement and converted into the right of the holder to receive an amount in cash, without interest, less applicable withholding tax, paid within 15 business days following the effective time of the merger, equal to the product of the total number of shares of Goodrich common stock covered by the stock option, multiplied by the excess of \$127.50 over the per share exercise price of the stock option.

The following table summarizes, as of October 11, 2011, the outstanding vested and unvested stock options held by each of our named executive officers (Marshall Larsen, Scott Kuechle, Terrence Linnert, John Carmola and Cynthia Egnotovitch), and all of our other executive officers as a group (which executive officers are Curtis Reusser, Gerald Witowski, Jennifer Pollino and Scott Cottrill), and the consideration that each of them may become entitled to receive in connection with the adjustment of their stock options, assuming continued employment through the effective time of the merger and assuming that the effective time of the merger occurs on February 1, 2012. No outstanding stock options are held by our non-employee directors.

|  | No. of<br>Shares | Weighted<br>Average<br>Exercise<br>Price | No. of<br>Shares | Weighted<br>Average<br>Exercise<br>Price |
|--|------------------|--|------------------|--|
|  | Underlying       |  | Underlying       |  |



|   | <b>Vested<br/>Options</b> | <b>of Vested<br/>Options<br/>(\$)(1)</b> | <b>Unvested<br/>Options</b> | <b>of<br/>Unvested<br/>Options<br/>(\$)(1)</b> | <b>Resulting<br/>Consideration (\$)</b> |
|---|---------------------------|--|-----------------------------|--|---|
| Named Executive Officers:                   |                           |  |                             |  |   |
| Marshall Larsen                             | 380,000                   | 64.34                                    |                             |  | 23,999,575                              |
| Scott Kuechle                               | 112,899                   | 52.72                                    | 22,001                      | 80.86  | 8,446,104                               |
| Terrence Linnert                            | 212,000                   | 52.19                                    |                             |  | 15,965,268                              |
| John Carmola                                | 94,499                    | 57.09                                    | 22,001                      | 80.86  | 6,657,089                               |
| Cynthia Egnotovich                          | 129,500                   | 54.06                                    | 22,001                      | 80.86  | 9,514,248                               |
| All Other Executive Officers<br>as a Group: | 340,731                   | 52.39                                    | 43,103                      | 81.11  | 27,591,875                              |

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(1) Weighted average exercise price numbers are rounded up or down to the nearest whole cent.

***Treatment of Time-Based Vesting Restricted Share Units***

At the effective time of the merger, each outstanding time-based vesting restricted share unit granted prior to September 21, 2011 will be adjusted under the applicable plan and award agreement and converted into the right of the holder to receive an amount in cash, without interest, less any applicable withholding tax, equal to the product of \$127.50 multiplied by the number of shares of Goodrich common stock underlying the restricted share unit. The payment in respect of restricted share units will generally be made within 15 business days following the effective time of the merger.

The following table summarizes the aggregate number of outstanding time-based vesting restricted share units held by each of the named executive officers and all other executive officers as a group as of October 11, 2011, whether vested or unvested, and the consideration that each of them may become entitled to receive in connection with the adjustment of these awards, assuming continued employment through the effective time of the merger and assuming the effective time of the merger occurs on February 1, 2012. No outstanding time-based vested restricted share units are held by our non-employee directors.

|  | <b>Aggregate<br/>Number of<br/>Restricted<br/>Share Units</b> | <b>Resulting<br/>Consideration<br/>(\$)</b> |
|--|---|---|
| Named Executive Officers:                |   |   |
| Marshall Larsen                          | 88,000  | 11,220,000                                  |
| Scott Kuechle                            | 24,125  | 3,075,938                                   |
| Terrence Linnert                         | 29,500  | 3,761,250                                   |
| John Carmola                             | 39,750  | 5,068,125                                   |
| Cynthia Egnotovich                       | 39,750  | 5,068,125                                   |
| All Other Executive Officers as a Group: | 89,500  | 11,411,250                                  |

***Treatment of Performance Units***

At the effective time of the merger, each outstanding and unvested performance unit granted prior to September 21, 2011 will be adjusted under the applicable plan and award agreement and converted into the right of the holder to receive an amount in cash, less any applicable withholding tax, as determined under the award agreement applicable to the award. The award agreements generally provide that, within five business days after the effective time of the merger, the holder is entitled to receive a prorated cash payment, without interest, based on the greater of (1) the payment for the performance period assuming target performance or (2) an amount determined with respect to the payment made in the most recent performance period. The payment is prorated based on the number of months (rounded upward to the nearest month) elapsed in the performance period as of the effective time of the merger.

In addition, if the employment of a holder of performance units is terminated by Goodrich without cause after the effective time of the merger and prior to the earlier of (1) one year following the effective time of the merger or (2) the end of the applicable performance period, then the holder will be entitled to receive a cash payment equal to the full amount of the performance unit payment the holder would have been entitled to receive as described in the previous paragraph, if the payment had not been prorated, less the amount of the prorated payment actually paid to the holder.

This additional amount is not reflected in the table below, but is reflected in the table included under the heading "The Merger - Interests of Goodrich Directors and Officers in the Merger - Severance Payments and Benefits."

The following table summarizes the prorated aggregate number of performance units that would be determined for each of the named executive officers and all other executive officers as a group under the applicable plans and award agreements, and the consideration that each of them may become entitled to receive in connection with the adjustment of these awards pursuant to the applicable award agreements, in

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each case solely as a result of the merger, and assuming continued employment through the effective time of the merger and assuming the effective time of the merger occurs on February 1, 2012. The amounts are determined with reference to the payment made to the executive with respect to the 2008-2010 performance period, which is the most recently determinable amount paid to the executive as of the date of this proxy statement. No outstanding performance units are held by our non-employee directors.

|  | <b>Aggregate<br/>Number of<br/>Performance<br/>Units(1)</b> | <b>Resulting<br/>Consideration<br/>(\$)</b> |
|--|---|---|
| Named Executive Officers:                |   |   |
| Marshall Larsen                          | 52,315.88   | 6,670,275                                   |
| Scott Kuechle                            | 15,258.81   | 1,945,497                                   |
| Terrence Linnert                         | 15,258.81   | 1,945,497                                   |
| John Carmola                             | 15,258.81   | 1,945,497                                   |
| Cynthia Egnotovich                       | 15,258.81   | 1,945,497                                   |
| All Other Executive Officers as a Group: | 39,396.73   | 5,023,084                                   |

- (1) The number of units in this column represents the prorated aggregate number of unvested performance units for the 2010-2012 and 2011-2013 performance periods that will become vested at the effective time of the merger under the terms of the applicable award agreements. It does not include performance units currently outstanding for the 2009-2011 performance period, which performance period ends on December 31, 2011. In addition, it also does not include any additional performance unit payment that may be made to the executive upon a subsequent termination of employment other than by Goodrich for cause, which is quantified in The Merger Interests of Goodrich Directors and Officers in the Merger Severance Payments and Benefits .

Notwithstanding the foregoing, any equity awards in respect of Goodrich common stock that are granted by Goodrich on or after September 21, 2011, which Goodrich is permitted by the merger agreement to do on certain terms and conditions if the effective time of the merger occurs after August 31, 2012, will be treated upon completion of the merger in the manner set forth in the applicable award agreements as agreed between Goodrich and UTC.

***Treatment of Deferred Compensation Awards***

At the effective time of the merger, each notional share under any deferred compensation plan (including vested but unsettled awards granted to our non-employee directors) will be adjusted under the applicable plan and converted into the right to receive \$127.50 in cash, without interest, less any applicable withholding tax, generally payable within 15 business days following the effective time of the merger.

***Management Continuity Agreements***

Each of the named executive officers and each of the other executive officers has a Management Continuity Agreement with Goodrich. The Management Continuity Agreements generally provide that, for the two year period following the effective time of the merger, the executives will continue employment with Goodrich in the same positions and with the same responsibilities and authorities as they possessed immediately prior to the effective time of the merger and generally will receive the same benefits and level of compensation, including average annual increases, as they received prior to the effective time of the merger. On October 13, 2011, Goodrich amended Mr.

Linnert's Management Continuity Agreement to provide that the post-merger protection period under such agreement will not be abridged by his reaching a mandatory retirement age during the protection period.

Under the Management Continuity Agreements, upon termination of employment by Goodrich without cause or upon termination of employment by the executive for good reason (as described below), either in

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anticipation of the merger under certain circumstances or within two years after the effective time of the merger, the executive will receive the following severance payments and benefits:

A lump sum cash payment made generally within five business days equal to three times (two times for Mr. Cottrill) the executive's annualized base salary in effect immediately prior to termination;

A lump sum cash payment made generally within five business days equal to three times (two times for Mr. Cottrill) the greater of (1) the executive's most recent annual bonus or (2) the executive's target incentive amount under our Senior Executive Management Incentive Plan (Management Incentive Plan for Mr. Cottrill) prior to the merger and on the date of termination;

If the executive is under age 55 or over age 55 but not eligible to retire or not eligible for company subsidized retiree health and welfare benefits, then the executive will be entitled to continued health and welfare benefits for up to three years (two years for Mr. Cottrill);

If the executive is at least age 55 and eligible to retire and eligible for company subsidized retiree health and welfare benefits, then the executive will be entitled to receive, for up to the executive's lifetime, health and welfare benefits to which the executive would be entitled under our general retirement policies, with Goodrich paying the same percentage of the premium cost of the plans as it would pay for retiree health subsidy-eligible employees who retire at age 65, regardless of the executive's actual age at termination of employment, provided such benefits are at least equal to those benefits which would have been payable if the executive had been eligible to retire and had retired prior to the merger;

Annual executive physical and tax and financial planning services for three years (two years for Mr. Cottrill);

A lump sum cash payment equal to the actuarial equivalent of the additional retirement pension benefits to which the executive would have been entitled under the terms of our defined benefit retirement programs in which the executive participated had the executive accumulated three additional years (two years for Mr. Cottrill) of age, continuous service for determining benefit accruals (except for those individuals who elected to no longer earn service toward benefit accrual) and earnings (base salary in effect immediately prior to termination plus the greater of (1) the most recent annual bonus or (2) the target incentive amount under our Senior Executive Management Incentive Plan (Management Incentive Plan for Mr. Cottrill)); and

A lump sum cash payment made generally within five business days in an amount equal to three times the greater of (1) the value of the matching contributions, if any, and discretionary contributions, if any, which were credited to the individual's accounts under the Goodrich Employees Savings Plan and the Goodrich Savings Benefit Restoration Plan during the most recently completed plan year ending on or before the date of the merger or (2) the value of the matching contributions, if any, and discretionary contributions, if any, which were credited to the individual's accounts under such plans during the most recently completed plan year ending on or before the date of the individual's date of termination of employment.

In addition, each covered executive is entitled to receive a tax gross-up for any excise tax due under the Internal Revenue Code for any payments subject to the excise tax, whether made pursuant to the Management Continuity Agreement or otherwise.

For purposes of the Management Continuity Agreement, good reason means, in summary, (a) any material reduction in the duties, authority or responsibilities of the executive or the person to whom the executive is required to report or (b) any material breach by Goodrich of its obligations under the Management Continuity Agreement.

***Severance Payments and Benefits***

The following table summarizes the cash severance payments and other benefits that each named executive officer, and the other named executive officers as a group, would be entitled to receive under the agreements and plans described above (excluding the value of equity awards vesting and paid solely as a result of the merger, which are described above, and any legal fees and expenses that may become payable under the

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agreements) based on compensation and benefit levels in effect as of October 11, 2011, and assuming the effective time of the merger occurs on February 1, 2012, and that each named executive officer and each other executive officer experiences a simultaneous qualifying termination of employment.

The amounts indicated below are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this proxy statement. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, to be received by an executive officer may differ in material respects from the amounts set forth below.

|  | <b>Estimated Cash</b>   | <b>Estimated Value of</b>  | <b>Estimated Value of</b>                           | <b>Estimated Potential Gross</b> | <b>Total</b>   |
|--|---|--|---|----------------------------------|----------------|
|  | <b>Severance Payments Under Management Continuity Agreement (\$)(1)</b> | <b>Additional Benefits Under Management Continuity Agreement (\$)(2)</b> | <b>Performance Unit Termination Payment (\$)(3)</b> | <b>Up Payment (\$)(4)</b>        | <b>(\$)(5)</b> |
| Named Executive Officers:                |   |  |   |                                  |                |
| Marshall Larsen                          | 11,258,305  | 81,429   | 5,309,562   |                                  | 16,649,296     |
| Scott Kuechle                            | 6,281,946   | 90,164   | 1,548,623   | 4,701,373                        | 12,622,106     |
| Terrence Linnert                         | 4,041,575   | 79,653   | 1,548,623   |                                  | 5,669,851      |
| John Carmola                             | 4,965,039   | 79,674   | 1,548,623   |                                  | 6,593,336      |
| Cynthia Egnotovich                       | 6,184,041   | 66,673   | 1,548,623   | 4,488,991                        | 12,288,328     |
| All Other Executive Officers as a Group: | 12,755,156  | 291,082  | 4,035,742   | 6,931,185                        | 24,013,165     |

(1) The amounts in this column consist of (i) three times (two times for Mr. Cottrill) the sum of (A) the executive's current base salary and (B) the annual bonus paid to the executive in 2011 with respect to the 2010 fiscal year; (ii) a lump sum payment equal to the actuarial equivalent value of the additional pension benefits to which the executive would have been entitled under the Goodrich defined benefit retirement programs in which the executive participated immediately prior to the effective date of the merger had the executive accumulated three additional years (two years for Mr. Cottrill) of age, continuous service for determining benefit accruals (except for individuals who have waived future benefit accruals) and earnings (base salary plus the greater of the executive's target annual bonus amount or most recently paid annual bonus); and (iii) a lump sum payment equal to three times the value of any matching and discretionary employer contributions made on behalf of the executive under our Employees' Savings Plan and Savings Benefit Restoration Plan during the most recently completed plan year as of the date of the merger or as of the date of termination.

(2) The amounts in this column consist of the estimated value of (i) continued health and welfare benefits as set forth in the Management Continuity Agreements and (ii) annual physical examinations and tax and financial planning services for three years following termination (two years for Mr. Cottrill).

(3)



The amounts in this column represent the amount of the performance unit payment to be made to the executive with respect to the 2010-2012 and 2011-2013 performance periods, as determined under the applicable award agreement, upon a termination of the executive's employment other than by Goodrich for cause after the effective time of the merger and prior to the earlier of one year following the effective time of the merger and the end of the applicable performance period. The amount of the payment is equal to (A) the greater of (i) the payment for the performance period assuming target performance or (ii) an amount determined with respect to the payment made in the most recent performance period, minus (B) the performance unit payment to be made to the executive upon the completion of the merger, as described in The Merger Interests of Goodrich Directors and Officers in the Merger Treatment of Performance Units . The amounts are determined with reference to the payment made to the executive with respect to the 2008-2010 performance period, which is the most recently determinable amount paid to the executive as of the date of this proxy statement.

- (4) Estimates are subject to change based on the effective time of the merger, date of termination of the executive officer, interest rates then in effect and certain other assumptions used in the calculation. The estimates also do not take into account certain amounts that may be reasonable compensation provided to the named executive officer or other executive officer, either before or after the effective time of the merger, each of which may, in some cases, reduce the amount of the potential gross-up payments.

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- (5) The amounts in this column are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this proxy statement. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, to be received by an executive officer may differ in material respects from the amounts set forth in this column.

***Incentive Plans***

In addition, all of the named executive officers and other executive officers participate in the Senior Executive Management Incentive Plan or the Management Incentive Plan, which we refer to as the incentive plans, and which provide for annual incentive compensation upon the achievement of specified performance objectives. The incentive plans provide that, generally within five days following the effective time of the merger, each participant will receive a lump sum interim payment equal to the product of (1) the number of full and partial months elapsed in the calendar year in which the merger occurs as of the date of completion of the merger and (2) one-twelfth of the greater of (a) the most recent annual bonus paid to the executive under the applicable incentive plan or (b) the target bonus under the applicable incentive plan for the year in which the merger occurs.

The following table sets forth the estimated pro-rata portion of the bonus that would be determined for each of the named executive officers and all other executive officers as a group under the terms of the applicable incentive plan, assuming continued employment through the effective time of the merger and assuming the effective time of the merger occurs on February 1, 2012. The estimates are based on the annual bonus paid to the executive in 2011 with respect to the 2010 fiscal year, which is the most recently determinable annual bonus paid to the executive as of the date of this proxy statement.

|  | <b>Estimated<br/>Pro-Rata Bonus<br/>Payment<br/>(\$)</b> |
|--|--|
| Named Executive Officers:                |  |
| Marshall Larsen                          | 331,173  |
| Scott Kuechle                            | 101,931  |
| Terrence Linnert                         | 100,558  |
| John Carmola                             | 108,617  |
| Cynthia Egnotovich                       | 108,617  |
| All Other Executive Officers as a Group: | 283,794  |

***Directors Retirement Income Plan***

Mr. Rankin is the only current member of our Board who participates in our Directors Retirement Income Plan. Under the transition provisions of the plan, upon his termination of service as a member of our Board, Mr. Rankin will be deemed to retire and will be entitled to receive an annual amount under the plan equal to 70% of the annual retainer in effect at retirement, payable in quarterly installments for his lifetime. Based on our current fixed annual retainer, Mr. Rankin would be entitled to receive a payment of approximately \$49,000 per year for the remainder of his lifetime following his termination as a member of our Board.

***Indemnification; Directors and Officers Insurance***

The merger agreement provides that the surviving corporation must, and UTC must cause the surviving corporation to, to the fullest extent permitted under the NYBCL, honor Goodrich's obligations existing immediately prior to the date of the merger agreement to indemnify and hold harmless each present and former director and officer of Goodrich and its subsidiaries and each such individual who served at the request of Goodrich or its subsidiaries as a director, officer, trustee, partner, fiduciary, employee or agent of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise, which are collectively referred to as the indemnified parties, in accordance with the Restated Certificate of Incorporation

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and By-Laws of Goodrich and all indemnification agreements with indemnified parties, in each case in effect immediately prior to the date of the merger agreement. The merger agreement also provides that the certificate of incorporation and by-laws of the surviving corporation will contain the indemnification provisions set forth in the Restated Certificate of Incorporation and By-Laws of Goodrich, which provisions may not be amended, modified or otherwise repealed for six years from the effective time of the merger in any manner that would adversely affect the rights thereunder as of the effective time of the merger of any individual who is an indemnified party at the effective time of the merger, unless such modification is required after the effective time of the merger by law and then only to the minimum extent required by such law.

In addition, Goodrich agreed to purchase a six-year tail prepaid officers and directors liability insurance policy prior to consummation of the merger that will provide, for six years after the consummation of the merger, Goodrich's current and former directors and officers who are insured under Goodrich's existing officers and directors liability insurance policy with insurance and indemnification policy coverage for events occurring at or prior to the effective time of the merger, which is referred to as the D&O insurance, that is no less favorable than Goodrich's existing policy; however, Goodrich will not pay an aggregate amount for the D&O insurance in excess of 300% of the current aggregate annual premium paid by Goodrich for the existing policy, but in such case will purchase coverage under a six-year tail prepaid policy as will then be available at an aggregate cost no greater than 300% of such rate. UTC agreed to honor its obligations under the D&O insurance from and after the effective time of the merger and not to cancel the D&O insurance.

## **Governmental and Regulatory Matters**

The merger is subject to review under the HSR Act. Under the provisions of the HSR Act, the merger cannot be completed until the companies have made required notifications, given certain information and materials to the FTC and to the Antitrust Division and a required 30-day waiting period has expired or been terminated. Pursuant to the requirements of the HSR Act, Goodrich and UTC completed the filing of the forms with the Antitrust Division and the FTC on October 11, 2011. The waiting period will expire at 11:59 p.m. on November 10, 2011, unless a request for additional information is made by the FTC or the Antitrust Division, or unless Goodrich and UTC decide to withdraw our filings and refile at a later date, in which case the waiting period will recommence.

The Antitrust Division and the FTC frequently scrutinize the legality of transactions under the antitrust laws. For example, the FTC could issue requests to Goodrich and UTC for additional information regarding the merger. If such requests for additional information were made, the waiting period referred to above would be extended until the end of the 30th day after both Goodrich and UTC have substantially complied with the requests for additional information or such later time as is agreed among the parties and the FTC, unless the waiting period is earlier terminated because the FTC determines to close its review.

Further, at any time before or after the consummation of the merger, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the merger or seeking divestiture of certain of Goodrich's or UTC's assets. Private parties and State Attorneys General may also bring legal actions under the antitrust laws.

In addition, Goodrich and UTC are required to make merger control filings, and may be required to make other regulatory filings or submissions, in various jurisdictions with respect to the merger, and in certain circumstances, including (but not limited to) in respect of the EC Merger Regulation, receive their approval prior to consummation of the merger. There can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

We currently expect to complete the merger in mid-2012.

**Material United States Federal Income Tax Consequences**

The following is a summary of the material United States federal income tax consequences of the merger to holders of Goodrich common stock whose shares are exchanged for cash pursuant to the merger. This summary is based on provisions of the Internal Revenue Code of 1986, as amended, which is referred to as

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the Code, United States Treasury Regulations promulgated thereunder, judicial opinions and administrative rulings and published positions of the United States Internal Revenue Service, each in effect as of the date of this proxy statement. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in this summary. This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, and any state, local or foreign tax consequences, nor does it address any U.S. federal tax considerations other than those pertaining to the U.S. federal income tax.

This summary applies only to holders of Goodrich common stock who hold such shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this summary does not purport to consider all aspects of United States federal income taxation that might be relevant to holders in light of their particular circumstances and does not apply to shareholders subject to special rules under the United States federal income tax laws (including, for example, banks and certain other financial institutions, insurance companies, tax-exempt organizations, dealers or brokers in securities, traders in securities that elect to apply a mark-to-market method of accounting, persons liable for the alternative minimum tax, partnerships or other pass-through entities or investors in partnerships or such other entities, former citizens or residents of the United States, U.S. holders whose functional currency is not the U.S. dollar, holders who hold shares of Goodrich common stock as part of a straddle, hedge, constructive sale, conversion transaction or other integrated investment, and holders who acquired shares of Goodrich common stock pursuant to the exercise of employee stock options or otherwise as compensation. This discussion also assumes that shares of Goodrich common stock are not U.S. real property interests within the meaning of Section 897 of the Code.

If a partnership (including for this purpose any entity or arrangement treated as a partnership for United States federal income tax purposes) holds shares of Goodrich common stock, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding shares of Goodrich common stock, you should consult your tax advisor regarding the tax consequences of exchanging the shares of Goodrich common stock for cash pursuant to the merger.

**All holders of Goodrich common stock should consult their own tax advisors to determine the particular tax consequences to them of the merger, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws.**

***U.S. Holders***

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of shares of Goodrich common stock that is:

a citizen or resident of the United States;

a corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;

a trust if (i) a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income tax on its worldwide income from all sources.

The receipt of cash by U.S. holders in exchange for shares of Goodrich common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local, foreign and other tax laws. In general, a U.S. holder who receives cash in exchange for shares of Goodrich common stock pursuant to the merger will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between (1) the amount of cash

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received in such exchange and (2) the U.S. holder's adjusted tax basis in such shares. Gain or loss must be determined separately for each block of shares of Goodrich common stock (*i.e.*, shares acquired for the same cost in a single transaction) exchanged pursuant to the merger. Such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the U.S. holder's holding period for such shares is more than one year as of the date of the merger. Long-term capital gains of certain non-corporate U.S. holders, including individuals, are generally subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.

### *Non-U.S. Holders*

The term non-U.S. holder means a beneficial owner of shares of Goodrich common stock that is not a U.S. holder or a partnership.

Payments made to a non-U.S. holder in exchange for shares of Goodrich common stock pursuant to the merger generally will not be subject to U.S. federal income tax unless:

The gain, if any, on such shares is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to the non-U.S. holder's permanent establishment in the United States), in which event (a) the non-U.S. holder will be subject to U.S. federal income tax in the same manner as if it were a U.S. holder and (b) if the non-U.S. holder is a corporation, it may also be subject to a branch profits tax at a rate of 30% (or such lower rate as may be specified under an applicable income tax treaty); or

The non-U.S. holder is an individual who was present in the United States for 183 days or more in the taxable year of the exchange of shares of Goodrich common stock for cash pursuant to the merger and certain other conditions are met, in which event the non-U.S. holder will be subject to tax at a rate of 30% (or such lower rate as may be specified under an applicable income tax treaty) on the gain from the exchange of such shares net of applicable U.S. losses from sales or exchanges of capital assets recognized during the year.

### *Information Reporting and Backup Withholding*

Payments made to U.S. holders in exchange for shares of Goodrich common stock pursuant to the merger will be subject to information reporting and may be subject to backup withholding (currently at a rate of 28%). To avoid backup withholding, U.S. holders that do not otherwise establish an exemption should complete and return Internal Revenue Service Form W-9, certifying that such U.S. holder is a U.S. person, the taxpayer identification number provided is correct and such U.S. holder is not subject to backup withholding.

Payments made to non-U.S. holders in exchange for shares of Goodrich common stock pursuant to the merger effected through a U.S. office of a broker generally will be subject to information reporting and backup withholding (currently at a rate of 28%) unless such non-U.S. holder provides a properly executed IRS Form W-8BEN (or other applicable IRS Form W-8) certifying such non-U.S. holder's non-U.S. status or by otherwise establishing an exemption. Payments made to non-U.S. holders in exchange for shares of Goodrich common stock pursuant to the merger effected through a non-U.S. office of a U.S. broker or of a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting (but not backup withholding) unless such non-U.S. holder provides a properly executed IRS Form W-8BEN (or other applicable IRS Form W-8) certifying such non-U.S. holder's non-U.S. status or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.



**No Dissenters Rights**

Pursuant to Section 910 of the NYBCL, Goodrich's shareholders will not be entitled to exercise dissenters' rights if the merger is adopted and consummated because our common stock was listed on the NYSE on the record date. Section 910 of the NYBCL provides that a dissenting shareholder's right to receive

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payment of the fair value of his, her or its shares under Section 623 of the NYBCL is not available to a holder of shares of any class or series of stock, which shares or depository receipts in respect thereof, were listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to vote upon the merger agreement.

### **Termination of Listing of Shares of Goodrich Common Stock**

Shares of Goodrich common stock are currently authorized for listing on the NYSE under the symbol GR. Following the consummation of the merger, the listing of shares of Goodrich common stock on the NYSE will terminate.

### **Certain Litigation Related to the Merger**

Eleven putative class-action complaints have been filed in the Supreme Court of the State of New York relating to the merger. Nine of these complaints were filed in the County of New York: *Rice v. Goodrich Corp., et al.*, Index No. 652619/2011, *New Jersey Carpenters Annuity Fund v. Goodrich Corp., et al.*, Index No. 652637/2011, *Louisiana Municipal Police Employees Retirement Sys. v. Goodrich Corp., et al.*, Index No. 652649/2011, *Pill v. Goodrich Corp., et al.*, Index No. 652655/2011, *IUE-CWA Local 475 Pension Plan v. Goodrich Corp., et al.*, Index No. 652661/2011, *Mass. Laborers Pension Fund v. Goodrich Corp., et al.*, Index No. 652664/2011, *Pifko v. Goodrich Corp., et al.*, Index No. 11111146, *Ruschel v. Goodrich Corp., et al.*, Index No. 652695/2011, and *Astor BK Realty Trust v. Larsen, et al.*, Index No. 652706/2011. On October 11, the Supreme Court for the County of New York consolidated these nine actions before it into *Rice*. Two additional putative class-action complaints were filed in Nassau County: *Casey v. Larsen, et al.*, Index No. 13699/2011, and *Minneapolis Retail Meat Cutters and Food Handlers Pension Fund v. Goodrich Corp., et al.*, Index No. 14366/2011. On October 11, the Supreme Court for Nassau County consolidated these two actions before it into *Casey*. The plaintiff in *Rice* has moved to transfer *Casey* to the County of New York and consolidate it with *Rice*. That motion is currently pending.

Each of the above-captioned complaints has been brought on behalf of a putative class of Goodrich shareholders and each names Goodrich, its directors, UTC and Merger Sub as defendants. Each complaint generally alleges that, in approving the proposed transaction, the Goodrich directors breached their fiduciary duties of care, good faith and fair dealing and loyalty owed to the putative class. The complaints further allege that UTC, Merger Sub and Goodrich aided and abetted the Goodrich directors in the breach of their fiduciary duties. In addition to damages, the complaints seek, among other things, injunctive relief barring the named defendants from consummating the merger, as well as attorneys' fees and costs.

Goodrich and its directors believe that these lawsuits and the underlying claims are without merit.

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**THE MERGER AGREEMENT**

*The following description of the merger agreement describes the material provisions of the merger agreement but does not purport to describe all of the terms of the merger agreement. The full text of the merger agreement is attached to this proxy statement as Annex A and incorporated by reference into this proxy statement. You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger. You should also review the section titled *Additional Information* beginning on page [ ].*

The merger agreement has been included for your convenience to provide you with information regarding its terms, and we recommend that you read it in its entirety. The merger agreement is a contractual document that is intended to govern the contractual rights and relationships, and to allocate risks, among Goodrich, UTC and Merger Sub.

Following the completion of the merger, each Goodrich shareholder is entitled to enforce the provisions of the merger agreement to the extent necessary to receive the merger consideration to which such Goodrich shareholder is entitled. In the event of termination of the merger agreement, a party to the merger agreement may on behalf of its security holders seek damages under the merger agreement in the case of a willful and material breach of the merger agreement by the other party or parties.

The merger agreement contains representations and warranties made by UTC and Merger Sub, on the one hand, and Goodrich, on the other hand, that are qualified in several important respects, which you should consider as you read them in the merger agreement. The representations and warranties are qualified in their entirety by certain information of UTC, on the one hand, and Goodrich, on the other hand, filed with the SEC by UTC and Goodrich, respectively, before the date of the merger agreement, and after January 1, 2011. In addition, the representations, warranties and covenants of the parties are qualified by confidential disclosure letters that each party prepared and delivered to the other party immediately before signing the merger agreement.

In addition, certain of the representations and warranties made by UTC and Merger Sub, on the one hand, and Goodrich, on the other hand, were made as of a specified date, and may have been used for the purpose of allocating risk between the parties to the merger agreement rather than as establishing matters as facts. Moreover, certain of the representations, warranties and covenants of the parties may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders.

None of the representations or warranties will survive the closing of the merger and they will therefore have no legal effect under the merger agreement after the closing of the merger. The parties will not be able to assert the inaccuracy of the representations and warranties as a basis for refusing to close unless all such inaccuracies as a whole would reasonably be expected to have or result in, individually or in the aggregate, a material adverse effect on Goodrich, in the case of the representations and warranties made by Goodrich, or a material adverse effect on the ability of UTC and Merger Sub to consummate the merger, in the case of the representations and warranties made by UTC and Merger Sub, except for certain limited representations and warranties that must be true and correct in all respects, excluding any de minimis inaccuracies. Investors are not third-party beneficiaries under the merger agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Goodrich, UTC or Merger Sub, or any of their respective subsidiaries or affiliates.

Information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement. Goodrich will provide additional disclosure, if any, in its public reports of any material information necessary to provide Goodrich's shareholders with a materially complete understanding of the disclosures relating to the merger agreement. Other than as disclosed in this proxy statement and the documents incorporated in

this proxy statement by reference, as of the date of this proxy statement, Goodrich is not aware of any material facts that are required to be disclosed under the federal securities laws that would contradict the representations, warranties or covenants in the merger agreement. The representations, warranties and covenants in the merger agreement and the description of them in this proxy statement should not be read alone but instead should be read in conjunction with the other information contained in the reports,

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statements and filings Goodrich publicly files with the SEC. Such information can be found elsewhere in this proxy statement and in the public filings Goodrich makes with the SEC, as described in the section titled "Additional Information" beginning on page [ ].

## **The Merger**

At the effective time of the merger, Merger Sub, a wholly owned subsidiary of UTC, will be merged into Goodrich. The separate corporate existence of Merger Sub will cease, and Goodrich will continue as the surviving corporation, which is referred to as the surviving corporation. As a result, Goodrich will become a wholly owned subsidiary of UTC. Merger Sub was created solely for purposes of the merger and has no material assets or operations of its own.

## **Closing and Effective Time of the Merger**

The closing of the merger will take place at 10:00 a.m. on the third business day after the satisfaction or waiver of all of the conditions described below under "Conditions of the Merger" beginning on page [ ] (other than any condition that by its nature cannot be satisfied until the closing of the merger, but subject to satisfaction or waiver of any such condition), unless Goodrich, UTC and Merger Sub agree to another time in writing.

The merger will become effective at the time a certificate of merger is filed with the Department of State of the State of New York or such later time as is specified in the certificate of merger and as is agreed to by Goodrich and UTC in writing, which is referred to as the effective time of the merger.

## **Consideration to be Received in the Merger**

The merger agreement provides that, at the effective time of the merger, each then issued and outstanding Goodrich common share (other than any Goodrich common stock (1) held in the treasury of Goodrich, (2) owned by UTC, and (3) owned by any direct or indirect wholly owned subsidiary of Goodrich or UTC (including Merger Sub)) will be cancelled and extinguished and converted into the right to receive \$127.50 in cash, without interest, which is referred to as the merger consideration. Following the effective time of the merger, each holder of Goodrich common stock will cease to have any rights with respect to such Goodrich common stock, except for the right to receive the merger consideration therefor, without interest.

## **Cancellation of Shares**

Each share of Goodrich common stock held by Goodrich as a treasury share and each share of Goodrich common stock owned by UTC or Merger Sub immediately before the effective time of the merger will be automatically cancelled and extinguished and will not be entitled to any merger consideration.

## **Conversion of Shares**

Each share of Goodrich common stock held by any direct or indirect wholly owned subsidiary of Goodrich, any direct or indirect wholly owned subsidiary of UTC (other than Merger Sub) or any direct or indirect wholly owned subsidiary of Merger Sub immediately before the effective time of the merger will be automatically converted into such number of shares of common stock of the surviving corporation such that the ownership percentage of any such subsidiary in the surviving corporation immediately after the effective time of the merger will equal the ownership percentage of that subsidiary in Goodrich immediately before the effective time of the merger.

## **Goodrich Equity and Equity-Based Awards**

*Stock Options*

At the effective time of the merger, each outstanding stock option to acquire shares of Goodrich common stock under Goodrich's equity compensation plans granted prior to September 21, 2011, whether or not vested

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or exercisable, will be adjusted under the applicable plan and converted into the right of the holder to receive an amount in cash, without interest, less any applicable withholding tax, equal to the product of:

the total number of shares of Goodrich common stock covered by the option, multiplied by

the excess, if any, of \$127.50 over the per share exercise price of the option.

### ***Restricted Share Units***

At the effective time of the merger, each outstanding time-based vesting restricted share unit granted prior to September 21, 2011 will be adjusted under the applicable plan and converted into the right of the holder to receive an amount in cash, without interest, less any applicable withholding tax, equal to the product of \$127.50 multiplied by the number of shares of Goodrich common stock underlying the restricted share unit.

### ***Performance Units***

At the effective time of the merger, each outstanding performance unit award granted prior to September 21, 2011 will be adjusted under the applicable plan and converted into the right of the holder to receive an amount in cash, without interest, determined under the award agreement for such award, less any applicable withholding tax.

### ***Deferred Compensation Awards***

At the effective time of the merger, each notional share under any deferred compensation plan will be adjusted under the applicable plan and converted into the right to receive \$127.50 in cash, without interest, less any applicable withholding tax.

Notwithstanding the foregoing, any equity awards in respect of Goodrich common stock that are granted by Goodrich on or after September 21, 2011, which Goodrich is permitted by the merger agreement to do on certain terms and conditions if the effective time of the merger occurs after August 31, 2012, will be treated upon completion of the merger in the manner set forth in the applicable award agreements as agreed between Goodrich and UTC.

### **Payment for Shares**

Before the effective time of the merger, UTC will designate a national bank or trust company that is reasonably satisfactory to Goodrich, to act as paying agent for the holders of Goodrich common stock in connection with the merger. Promptly after the effective time of the merger (but not later than two business days after the effective time of the merger), UTC or Merger Sub will deposit, or cause to be deposited, with the paying agent funds sufficient to pay the aggregate merger consideration to which holders of Goodrich common stock will be entitled to receive following the effective time of the merger.

As soon as reasonably practicable after the effective time of the merger (but no later than five business days after the effective time of the merger), UTC will cause the paying agent to mail to all record holders of certificates or book-entry shares representing Goodrich common stock whose shares were converted into the right to receive the merger consideration a letter of transmittal and instructions on how to surrender certificates or book-entry shares representing Goodrich common stock in exchange for the merger consideration. The certificates or book-entry shares may be surrendered to the paying agent until the first anniversary of the effective time of the merger. Upon delivery of a duly completed and validly executed letter of transmittal and the surrender of certificates or book-entry shares representing Goodrich common stock on or before the first anniversary of the effective time of the merger, Merger Sub will cause the paying agent to pay the holder of such certificates or book-entry shares, in exchange therefor, cash

in an amount equal to the merger consideration multiplied by the number of shares of Goodrich common stock represented by such certificates or book-entry shares, without interest. **Each certificate or book-entry share representing Goodrich common stock that is surrendered will be cancelled. You should not send in your Goodrich common share certificates until you receive a letter of transmittal with instructions from the paying agent. Do not send Goodrich common share certificates with your proxy card.**



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Payment of the merger consideration may be made to a person other than the person in whose name a surrendered Goodrich common share certificate is registered if:

such certificate is properly endorsed or otherwise is in proper form for transfer; and

the person requesting such payment establishes to the satisfaction of the paying agent that any transfer and other taxes required by reason of such payment in a name other than that of the registered holder of such surrendered certificate have been paid or are not applicable.

The merger consideration paid upon the surrender of certificates will be deemed to have been paid in full satisfaction of all rights pertaining to the Goodrich common stock previously represented by those certificates, except that the surviving corporation will still be obligated, provided that the applicable record date is before the effective time of the merger, to pay any dividends or make any other distributions that have been declared or made by Goodrich on such Goodrich common stock but not yet paid.

At the effective time of the merger, the stock transfer books of Goodrich will be closed and there will not be any further registration of transfers of any shares of Goodrich's capital stock thereafter on the records of Goodrich. From and after the effective time of the merger, the holders of certificates and book-entry shares will cease to have any rights with respect to any Goodrich common stock, except as otherwise provided for in the merger agreement or by applicable law. If, after the effective time of the merger, certificates or book-entry shares (other than certificates or book-entry shares representing shares of Goodrich common stock held by UTC, Merger Sub, or any direct or indirect wholly owned subsidiary of UTC (other than Merger Sub), direct or indirect wholly owned subsidiary of Goodrich or direct or indirect wholly owned subsidiary of Merger Sub, and Goodrich common stock held in the treasury of Goodrich) are presented to the surviving corporation, they will be cancelled and exchanged for merger consideration. No interest will accrue or be paid on any cash payable upon the surrender of certificates or book-entry shares which immediately before the effective time of the merger represented the Goodrich common stock.

Promptly following the date which is one year after the effective time of the merger, the surviving corporation will be entitled to require the paying agent to deliver to it any cash, including any interest received with respect to such cash, and any certificates or other documents made available to the paying agent and not yet disbursed to holders of certificates or book-entry shares or previously delivered to the surviving corporation. Afterward, holders of certificates or book-entry shares will be entitled to look to the surviving corporation (subject to abandoned property, escheat or similar laws) only as general creditors of the surviving corporation with respect to the merger consideration payable upon due surrender of their certificates or book-entry shares, without any interest on such merger consideration. Notwithstanding the foregoing, none of UTC, the surviving corporation, any other subsidiary of UTC or the paying agent will be liable to any holder of certificates or book-entry shares for merger consideration delivered to a governmental entity pursuant to any applicable abandoned property, escheat or similar law.

Notwithstanding any provision in the merger agreement to the contrary, UTC, the surviving corporation and the paying agent will be entitled to deduct and withhold from amounts payable under the merger agreement, such amounts as are required to be withheld or deducted under any provision of the Code, the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law with respect to the making of such payment. To the extent that amounts are so withheld or deducted and paid over to the applicable governmental entity, such withheld or deducted amounts will be treated for all purposes of the merger agreement as having been paid to the person in respect of which such deduction and withholding was made.

If any certificate has been lost, stolen or destroyed, the paying agent will issue, in exchange for any lost, stolen or destroyed certificate, the merger consideration to be paid in respect of the Goodrich common stock represented by that certificate, provided that the person claiming such certificate to be lost, stolen or destroyed makes an affidavit of that

fact and, if required by UTC or the surviving corporation, that person posts a bond in such reasonable amount as UTC or the surviving corporation, as the case may be, may direct as indemnity against any action that may be made against it with respect to such certificate.

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If at any time during the period between the date of the merger agreement and the effective time of the merger, any change in the outstanding shares of capital stock, or securities convertible or exchangeable into or exercisable for shares of capital stock, of Goodrich occurs as a result of any merger, business combination, reclassification, recapitalization, stock split (including a reverse stock split) or subdivision or combination, exchange or readjustment of shares, or any stock dividend or stock distribution with a record date during such period, the merger consideration will be appropriately adjusted to provide UTC and the holders of Goodrich common stock the same economic benefit as contemplated by the merger agreement before such event. Goodrich may not take any action with respect to its securities that is prohibited by the terms of the merger agreement.

## **Representations and Warranties**

The merger agreement contains a number of representations and warranties made by Goodrich, including representations and warranties relating to:

corporate organization, good standing and similar matters;

corporate power and authority to execute and deliver the merger agreement and to consummate the transactions contemplated by the merger agreement;

authorization of the merger agreement, the merger and the other transactions contemplated by the merger agreement and enforceability of the merger agreement;

required governmental filings, approvals and consents and absence of violation of applicable laws in connection with the execution, delivery and performance of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement;

absence of contraventions or conflicts with the organizational documents of Goodrich and its subsidiaries, and absence of violations of, conflicts with or defaults under certain contracts and permits in connection with the execution, delivery and performance of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement;

capital structure and equity securities;

accuracy and sufficiency of certain reports and financial statements filed with the SEC;

absence of certain off-balance sheet arrangements ;

internal controls over financial reporting;

absence of certain changes or events and the conduct of business in the ordinary course of business consistent with past practice from January 1, 2011;

absence of undisclosed liabilities;

compliance with applicable laws (including anti-corruption laws), court orders and certain regulatory matters;

material contracts;

accuracy of the information in this proxy statement;

legal proceedings;

employee compensation and benefits matters and matters relating to the Employee Retirement Income Securities Act of 1974, as amended;

real property;

intellectual property;

environmental matters and compliance with environmental laws;

tax matters;

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receipt of opinions from Goodrich's financial advisors;

brokers', finder's and similar fees payable in connection with the merger and the other transactions contemplated by the merger agreement; and

the inapplicability of state takeover statutes.

The merger agreement also contains a number of representations and warranties made by UTC and Merger Sub, including representations and warranties relating to:

corporate organization, good standing and similar matters;

corporate power and authority to execute and deliver the merger agreement and to consummate the transactions contemplated by the merger agreement;

authorization of the merger agreement, the merger and the other transactions contemplated by the merger agreement, and enforceability of the merger agreement;

required governmental filings, approvals and consents and absence of violation of applicable laws in connection with the execution, delivery and performance of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement;

absence of contraventions or conflicts with the organizational documents of UTC, Merger Sub and their respective subsidiaries, and absence of violations of, conflicts with or defaults under certain contracts and permits in connection with the execution, delivery and performance of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement;

interested shareholder (as defined in Section 912 of the NYBCL) status and the ownership of Goodrich common stock;

accuracy of information supplied to Goodrich specifically for inclusion or incorporation by reference in this proxy statement;

sufficiency of funds to pay the merger consideration and UTC's financing commitment;

operations of Merger Sub since its formation;

legal proceedings; and

absence of the necessity of any vote of the stockholders or the holders of any other securities of UTC (equity or otherwise) to consummate the merger, except for the adoption of the plan of merger contained in the merger agreement by UTC as the sole stockholder of Merger Sub.

Significant portions of the representations and warranties of Goodrich, UTC and Merger Sub are qualified as to materiality or material adverse effect. Under the merger agreement, a material adverse effect means, with respect to Goodrich, any event, occurrence, state of facts, condition, effect or change that is, or would reasonably be expected to become, individually or in the aggregate, a material adverse effect on (1) the ability of Goodrich to consummate the merger and the other transactions contemplated by the merger agreement or (2) the business, assets, results of

operations or condition (financial or otherwise) of Goodrich and its subsidiaries, taken as a whole, except to the extent such material adverse effect under this clause (2) results from:

any changes in general United States or global economic conditions (including securities, credit, financial or other capital markets conditions), except to the extent such changes in conditions have a disproportionate effect on Goodrich and its subsidiaries, taken as a whole, relative to others in any industry in which Goodrich and its subsidiaries operate;

any changes in conditions generally affecting any of the industries in which Goodrich and its subsidiaries operate, except to the extent such changes in conditions have a disproportionate effect on Goodrich and its subsidiaries, taken as a whole, relative to others in any such industry;

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any decline in the market price of the Goodrich common stock (although the facts or occurrences giving rise to or contributing to such decline may be deemed to constitute, and be taken into account in determining whether there has been or would reasonably be expected to be, a material adverse effect);

any failure, in and of itself, by Goodrich to meet any internal or published projections or forecasts in respect of revenues, earnings or other financial or operating metrics (although the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, and be taken into account in determining whether there has been or would reasonably be expected to be, a material adverse effect);

the public announcement of the merger or the other transactions contemplated by the merger agreement;

any change in law or GAAP (or authoritative interpretations thereof), except to the extent such changes have a disproportionate effect on Goodrich and its subsidiaries, taken as a whole, relative to others in any industry in which Goodrich and any of its subsidiaries operate;

geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of the merger agreement, except to the extent such conditions or events have a disproportionate effect on Goodrich and its subsidiaries, taken as a whole, relative to others in any industry in which Goodrich and any of its subsidiaries operate; or

any hurricane, tornado, flood, earthquake or other natural disaster, except to the extent such events have a disproportionate effect on Goodrich and its subsidiaries, taken as a whole, relative to others in any industry in which Goodrich and any of its subsidiaries operate.

Under the merger agreement, a material adverse effect means, with respect to UTC and Merger Sub, a material adverse effect on the ability of UTC and Merger Sub to consummate the merger and the other transactions contemplated by the merger agreement.

**Covenants and Agreements**

***Operating Covenants***

Goodrich has agreed, except (a) as expressly required by the merger agreement, (b) as set forth in Goodrich's disclosure letter that accompanied the merger agreement, (c) as required by applicable law, or (d) as consented to in writing by UTC (which consent cannot be unreasonably withheld or delayed under certain specified circumstances), that during the period from the date of the merger agreement until the effective time of the merger, with certain exceptions:

Goodrich and its subsidiaries will conduct business only in the ordinary course of business consistent with past practice, and will use their reasonable best efforts to preserve intact their business organizations, assets and lines of business, keep available the services of their present officers and key employees and preserve intact their relationships with third parties, including customers and suppliers;

Goodrich will not amend its Restated Certificate of Incorporation or By-Laws and its subsidiaries will not amend their certificates of incorporation, bylaws or other comparable charter or organizational documents;

neither Goodrich nor any of its subsidiaries will (1) except for Goodrich's regular quarterly cash dividend in respect of Goodrich common stock consistent with past practice (including with respect to the timing thereof) and not in excess of \$0.29 per share, declare, set aside or pay any dividend or other distribution, whether payable in cash, stock or other property, with respect to its capital stock, (2) issue, sell, transfer, pledge, dispose of or encumber or agree to issue, sell, transfer, pledge, dispose of or encumber any additional shares of capital stock or other rights of Goodrich or any of its subsidiaries (including treasury stock), other than in respect of shares of Goodrich common stock issued pursuant to the exercise of options outstanding immediately before the date of the merger agreement, (3) split,



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combine or reclassify the Goodrich common stock or any other outstanding capital stock of Goodrich or any of the subsidiaries of Goodrich or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution therefor or (4) redeem, purchase or otherwise acquire, directly or indirectly, any capital stock or other rights of Goodrich or any of its subsidiaries;

except as required by applicable law or under the terms of any employee benefit plan of Goodrich immediately before the date of the merger agreement, Goodrich will not and will not permit its subsidiaries to (1) increase or agree to increase the compensation payable or to become payable to any current or former officers, directors, employees or consultants of Goodrich or any of its subsidiaries or pay any amount not required to be paid, except (a) for increases in annual base salaries in the ordinary course of business consistent with past and competitive markets practices, in an amount not to exceed 5% of such annual base salaries in effect immediately before the date hereof in the aggregate, or (b) in connection with the assumption by an officer or employee of Goodrich who is not a senior executive of Goodrich of materially new or additional material responsibilities and provided that the amounts so granted, combined with such officer's or employee's existing compensation and benefits, will not exceed the aggregate amount of compensation of a similarly situated officer or employee; (2) accelerate, amend or change the period of exercisability or vesting of options, stock purchase rights, restricted stock or other stock-based awards granted under any employee benefit plan of Goodrich, or authorize cash payments in exchange for any options, stock purchase rights, restricted stock or other stock-based awards granted under any employee benefit plan of Goodrich; (3) grant any new rights to severance or termination pay to, or enter into any new rights to employment or severance contracts with, any employees or officers; (4) establish, adopt, enter into or materially amend any collective bargaining agreement, or any other contract or work rule or practice with any labor union, labor organization or works council; (5) establish, adopt, enter into, materially amend or terminate any employee benefit plan of Goodrich or any plan, contract, policy or program that would be an employee benefit plan of Goodrich if in effect as of the date hereof (except for any amendments expressly permitted above under items (1) or (3) of this paragraph); or (6) fund (or agree to fund) any compensation or benefits under any employee benefit plan of Goodrich, including through a rabbi trust or similar trust;

neither Goodrich nor any of its subsidiaries will (1) incur or assume any indebtedness for borrowed money other than under certain of Goodrich's existing revolving credit facilities or (2) except in the ordinary course of business consistent with past practices, (a) incur or assume any other form of indebtedness; (b) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person; or (c) make any loans, advances or capital contributions to, or investments in, any other person;

neither Goodrich nor any of its subsidiaries will (1) make, commit to make or authorize any capital expenditure or research and development expenditure, other than capital expenditures and research and development expenditures contemplated by Goodrich's existing capital budget, a copy of which was furnished to UTC or (2) announce or implement any restructuring programs or transactions that would qualify as an exit or disposal activity under FASB Accounting Standards Codification Topic 420, including any programs or transactions that would, individually or in the aggregate, qualify as a restructuring as defined under International Account Standard (IAS) No. 37, other than as contemplated by Goodrich's existing capital budget;

neither Goodrich nor any of its subsidiaries will (1) release, assign, compromise, pay, discharge, waive, settle, agree to settle, or satisfy any legal proceeding (including any legal proceeding relating to the merger agreement or the merger) or other rights, claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the release, assignment, compromise, payment, discharge, waiver, settlement or satisfaction of (a) legal proceeding or other claims, liabilities or obligations reflected or reserved against in Goodrich's financial statements (or the notes to Goodrich's financial statements), in the case of this

clause (a), in each case not materially in excess of the amount reflected or reserved in respect of such right, claim, liability or obligation, provided that any such amount in excess of the applicable amount reflected or reserved shall be counted toward and reduce the limits set forth in clause (b) below, or (b) claims, liabilities or obligations incurred since the

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date of Goodrich financial statements in the ordinary course of business consistent with past practice that involve amounts not to exceed \$5,000,000 individually or \$25,000,000 in the aggregate, in either case of clause (a) or clause (b), without the imposition of injunctive or other equitable relief on, or the admission of wrongdoing or a nolo contendere or similar plea by, Goodrich or any of its subsidiaries or (2) waive any claims of substantial value;

neither Goodrich nor any of its subsidiaries will change any of the accounting methods, principles or practices used by it unless required by a change in GAAP or law;

neither Goodrich nor any of its subsidiaries will (1) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, business combination, restructuring, recapitalization or other reorganization (other than the merger agreement); (2) acquire by merging or consolidating with, or by purchasing an equity interest in or portion of the assets of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof; (3) acquire, transfer, lease, license, sell, mortgage, pledge, dispose of or encumber any assets, other than, in the case of this clause (3), acquisitions of raw materials and inventory and sales of inventory in the ordinary course of business consistent with past practice; (4) take or omit to take any action that would cause any material intellectual property rights, including with respect to any registrations or applications for registration, to lapse, be abandoned or canceled, or fall into the public domain, other than actions or omissions in the ordinary course of business consistent with past practice; or (5) enter into a joint venture or partnership or similar third-party business enterprise

neither Goodrich nor any of its subsidiaries will enter into any contract that contains a put, call, right of first refusal, right of first negotiation, redemption, repurchase or similar right, contains a non-compete affecting Goodrich or its subsidiaries or affiliates (including UTC, following the merger), grants any material exclusivity rights to a third party, or contains change of control or similar provisions that would be implicated by the merger (and involves annual payments by or to Goodrich of greater than \$5 million), or amend or terminate any such contract in any material respect, or grant any release or relinquishment of any material rights under, or renew, any such contract;

neither Goodrich nor any of its subsidiaries will make, change or revoke any material tax election; settle or compromise any material tax liability or refund; enter into any closing agreement within the meaning of Section 7121 of the Code (or any comparable provision of state, local or foreign law); agree to any adjustment of any material tax attribute; change any method of tax accounting or tax period; file any claim for a material refund of taxes; execute or consent to any waivers extending the statutory period of limitations with respect to the collection or assessment of material taxes; file any material amended tax return; or request any material tax ruling;

except to the extent necessary to take any actions that Goodrich or any third party would otherwise be permitted to take under the merger agreement, neither Goodrich nor any of its subsidiaries will take any action to exempt or make any person (other than UTC) or action (other than the transactions contemplated by the merger agreement) not subject to the provision of Section 912 of the NYBCL or any other potentially applicable anti-takeover or similar statute or regulation, or the provisions of Article Eleventh of Goodrich's Restated Certificate of Incorporation; and

neither Goodrich nor any of its subsidiaries will enter into an agreement, contract, commitment or arrangement to do any of the foregoing, or to authorize, recommend, propose or announce an intention to do any of the foregoing.

***No Solicitation; Board Recommendation***

Goodrich agreed to, and to cause each of its subsidiaries and their respective representatives to, immediately cease any solicitations, encouragements, discussions or negotiations with any parties that may be ongoing with respect to a takeover proposal and immediately instruct any party (and any such party's representatives) to whom confidential information about Goodrich was furnished in connection with any actual or potential takeover proposal to return or destroy all such information or documents or material incorporating

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such information. Goodrich has also agreed that it will not, and will cause each of its subsidiaries and their respective representatives not to, directly or indirectly:

solicit, initiate or knowingly facilitate or encourage (including by way of furnishing non-public information) any inquiries regarding, or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, any takeover proposal;

participate in any discussions or negotiations regarding, or furnish to any other person any non-public information in connection with or for the purpose of encouraging or facilitating, any takeover proposal; or

approve, recommend or enter into, or propose to approve, recommend or enter into, any letter of intent or similar agreement in principle (whether written or oral, binding or nonbinding) with respect to any takeover proposal.

The merger agreement provides that, notwithstanding the restrictions described above, if, at any time from the date of the merger agreement until the approval of Goodrich shareholders described in this proxy statement has been obtained, Goodrich receives a bona fide, unsolicited written takeover proposal from any party, under circumstances not involving any breach of the no solicitation section of the merger agreement, and if the Board determines in good faith, after consultation with outside financial advisors and outside legal counsel, that the received takeover proposal constitutes or would reasonably be expected to lead to a superior proposal, then Goodrich may, directly or indirectly:

furnish, pursuant to a confidentiality agreement that contains provisions that are no less favorable to Goodrich than those contained in the confidentiality agreement between Goodrich and UTC, dated August 4, 2011, which is referred to as the confidentiality agreement, information (including non-public information) with respect to Goodrich and its subsidiaries to the party that has made the takeover proposal; however, Goodrich will promptly (but not later than 24 hours) provide to UTC any non-public information concerning Goodrich or any of its subsidiaries that is provided to any party given such access which was not previously provided to UTC or its representatives; and

participate in discussions or negotiations with such party regarding the takeover proposal.

Except as described above, Goodrich and its subsidiaries have agreed not to waive, amend or modify any provision of, or grant permission under, any confidentiality or standstill provision in any agreement to which any of them is a party. Goodrich has also agreed to, and to cause its subsidiaries to, enforce the standstill provisions of any such agreement, and Goodrich will, and will cause its subsidiaries to, immediately take all steps necessary to terminate any waiver that may have been granted prior to the date of the merger agreement under any such provisions.

Goodrich has also agreed to promptly (but not later than 24 hours after receipt) notify UTC orally and in writing of any takeover proposal, including the party making the takeover proposal, and provide copies to UTC of any proposals or documents relating to such takeover proposal. Goodrich has also agreed to keep UTC reasonably informed of any material developments, discussion or negotiations regarding any takeover proposal (including by promptly (but not later than 24 hours) providing copies of any additional or revised documents) and, upon request, to apprise UTC of the status of such takeover proposal. Goodrich and its subsidiaries will not enter into any agreement after the date of the merger agreement, which prohibits Goodrich from providing any information to UTC as described above.

Subject to the provisions described below, the Board has unanimously agreed to recommend that Goodrich's shareholders adopt the merger agreement. Notwithstanding the foregoing restrictions, the Board may make an adverse recommendation change or terminate the merger agreement in accordance with its terms if, after receiving a bona fide, unsolicited takeover proposal, the Board determines in good faith, after consultation with its outside financial advisors

and outside legal counsel, that:

in light of such takeover proposal, the failure to make an adverse recommendation change or to terminate the merger agreement would reasonably be likely to be a violation of the Board's fiduciary duties to Goodrich's shareholders under applicable law, and

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such takeover proposal constitutes a superior proposal;

however, before making an adverse recommendation change or terminating the merger agreement:

Goodrich must give UTC at least five calendar days prior written notice of its intention to take such action accompanied by an unredacted copy of the superior proposal, an unredacted copy of the relevant proposed transaction agreements and an unredacted copy of any related financing commitments (including redacted fee letters) and a written summary of the material terms of any superior proposal not made in writing, including any financing commitments relating to such superior proposal;

during the notice period, Goodrich must negotiate, and must cause its representatives to negotiate, in good faith with UTC to the extent UTC wishes to negotiate, to enable UTC to propose revisions to the terms of the merger agreement such that it would cause the superior proposal to no longer constitute a superior proposal;

following the end of the notice period, the Board must consider in good faith any revisions to the terms of the merger agreement proposed in writing by UTC, and must determine, after consultation with its outside financial advisors and outside legal counsel, that the superior proposal would nevertheless continue to constitute a superior proposal if the revisions proposed were to be given effect;

in the event of each and every change to any of the financial terms (including the form, amount and timing of payment of consideration) or any other material terms of the superior proposal, Goodrich must, in each case, deliver to UTC an additional notice as described above and a new notice period as described above must commence (except that the five calendar day notice period referred to above will instead be equal to the longer of three business days and the period remaining under the previous notice period) during which time Goodrich must comply with the requirements outlined above with respect to the additional notice; and

Goodrich must have complied in all material respect with its obligations described above.

Any purported termination of the merger agreement will be void unless Goodrich terminates in accordance with the terms of the merger agreement and, as a condition precedent to any such Goodrich termination, Goodrich must pay UTC the applicable termination fee before or concurrently with the termination, as described below.

Notwithstanding the restrictions discussed above and not in response to any takeover proposal or superior proposal, the Board may also change or publicly propose to change, in a manner adverse to UTC, its recommendation regarding adoption of the merger agreement, if, in response to an intervening event that occurs after the date of the merger agreement and does not relate to a takeover proposal or superior proposal and that was not known by the Board as of the date of the merger agreement, but which becomes known by the Board prior to approval of the merger agreement by Goodrich's shareholders, the Board has determined in good faith, after consultation with its outside financial advisors and outside legal counsel, that failure to change its recommendation would be reasonably likely to be a violation of its fiduciary duties to Goodrich's shareholders under applicable law; however, before taking such action:

the Board must give UTC at least five calendar days prior written notice of its intention to change its recommendation and a reasonable description of the intervening event that serves as the basis of the change in recommendation;

Goodrich must negotiate, and must cause its representatives to negotiate, in good faith with UTC during the notice period, to the extent UTC wishes to negotiate, to enable UTC to propose revisions to the terms of the merger agreement in such a manner that would obviate the need for changing the recommendation;

at the end of the notice period, the Board must consider in good faith any revisions to the terms of the merger agreement proposed in writing by UTC, and must determine in good faith, after consultation with its outside financial advisors and outside legal counsel, that failure to change its recommendation



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would nevertheless reasonably be likely to be a violation of the Board's fiduciary duties to Goodrich's shareholders under applicable law if the revisions proposed were to be given effect; and

in the event of each and every change to the material facts and circumstances relating to the intervening event, Goodrich must, in each case, deliver to UTC an additional notice consistent with that described above and a new notice period as described above will commence (except that the five calendar day period notice period referred to above will instead be equal to the longer of (1) three business days and (2) the period remaining under the previous notice period) during which time Goodrich must comply with the requirements outlined above with respect to the additional notice.

Nothing in the merger agreement prohibits Goodrich or the Board from taking and disclosing to Goodrich's shareholders a position contemplated by Rule 14e-2(a) or Rule 14d-9 promulgated under the Exchange Act or from making any other similar disclosure to Goodrich's shareholders if, in the Board's determination in good faith after consultation with outside counsel, the failure to so disclose would be inconsistent with the Board's fiduciary duties to Goodrich's shareholders under applicable law or its obligations under applicable federal securities law. However, any such position or disclosure will be deemed to be an adverse recommendation change unless the Board expressly and concurrently reaffirms its prior recommendation in favor of adopting the merger agreement.

For purposes of this proxy statement and the merger agreement, a **takeover proposal** means (1) any inquiry, proposal or offer for or with respect to a merger, consolidation, business combination, recapitalization, binding share exchange, liquidation, dissolution, joint venture or other similar transaction involving Goodrich, (2) any inquiry, proposal or offer (including tender or exchange offers) to acquire in any manner, directly or indirectly, more than 20% of the outstanding Goodrich common stock or securities of Goodrich representing more than 20% of the voting power of Goodrich or (3) any inquiry, proposal or offer to acquire in any manner (including the acquisition of stock in any subsidiary of Goodrich), directly or indirectly, assets or businesses of Goodrich or its subsidiaries, including pursuant to a joint venture, representing more than 20% of the consolidated assets, revenues or net income of Goodrich, in each case, other than the merger and the transactions contemplated by the merger agreement.

For the purpose of this proxy statement and the merger agreement, a **superior proposal** means a bona fide, unsolicited written takeover proposal (1) that if consummated would result in a third party (or in the case of a direct merger between such third party and Goodrich, the shareholders of such third party) acquiring, directly or indirectly, more than 80% of the outstanding Goodrich common stock or all or substantially all the assets of Goodrich and its subsidiaries, taken as a whole, for consideration consisting of cash and/or securities, (2) that the Board determines in good faith, after consultation with its outside legal counsel and its outside financial advisor, is reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal, including all conditions contained therein and the person making such takeover proposal, (3) that the Board determines in good faith, after consultation with its outside legal counsel and its outside financial advisor (taking into account any changes to the merger agreement proposed by UTC in response to such takeover proposal, and all financial, legal, regulatory and other aspects of such takeover proposal, including all conditions contained therein and the party making such proposal, and the merger agreement), is more favorable to the shareholders of Goodrich from a financial point of view than the merger, and (4) the definitive documentation in respect of which does not contain any due diligence or financing condition.

For purposes of this proxy statement and the merger agreement, an **adverse recommendation change** means any action by Goodrich such that it (1) fails to include the Board's recommendation to Goodrich's shareholders in favor of adopting the merger agreement in this proxy statement, (2) changes, qualifies, withholds, withdraws or modifies, or authorizes or publicly proposes to change, qualify, withhold, withdraw or modify, in a manner adverse to UTC, the Board's recommendation to Goodrich's shareholders in favor of adopting the merger agreement, (3) takes any formal action or makes any recommendation or public statement in connection with a tender offer or exchange offer (other

than a recommendation against such offer or a customary "stop, look and listen" communication of the type contemplated by Rule 14d-9(f) under the Exchange Act, in each case that includes a reaffirmation of the Board's recommendation to Goodrich's

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shareholders in favor of adopting the merger agreement) or (4) adopts, approves or recommends, or publicly proposes to adopt, approve or recommend to its shareholders a takeover proposal.

***Meeting of Our Shareholders***

We have agreed to, as promptly as practicable after the date of the merger agreement, duly call, set a record date for, give notice of, convene and hold a special meeting of our shareholders for the purpose of considering and taking action upon the adoption of the merger agreement, which meeting is the subject of this proxy statement.

***Reasonable Best Efforts and Certain Pre-Closing Obligations***

UTC, Merger Sub and Goodrich have agreed to use their respective reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under any applicable laws to consummate and make effective in the most expeditious manner possible the transactions contemplated by the merger agreement, including using reasonable best efforts in:

the preparation and filing of all forms, registrations and notices required to be filed to consummate the transactions contemplated by the merger agreement;

the satisfaction of the other parties' conditions to consummating the transactions contemplated by the merger agreement;

taking all reasonable actions necessary to obtain (and cooperation with each other in obtaining) any consent, authorization, order or approval of, or any exemption by, any third party, including any governmental entity (which actions will include furnishing all information required under the HSR Act and in connection with approvals of or filings with any governmental entity responsible for or having jurisdiction over antitrust, competition, trade regulation, foreign investment and/or national security or defense matters) required to be obtained or made in connection with the transactions contemplated by the merger agreement or the taking of any action contemplated by the merger agreement;

the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by the merger agreement and to fully carry out the purposes of the merger agreement;

the fulfillment of all conditions precedent to the merger; and

not taking any action after the date of the merger agreement that would reasonably be expected to materially delay the obtaining of, or result in not obtaining, any permission, approval or consent from any governmental entity necessary to be obtained before the closing of the merger.

In addition, UTC and Goodrich have each agreed to:

keep the other apprised of the status of matters relating to the completion of the transactions contemplated by the merger agreement;

work cooperatively in obtaining all required consents, authorizations, orders, approvals and exemptions from any governmental entity, including by working cooperatively in connection with any sales or dispositions of assets or businesses if and to the extent undertaken pursuant to the provisions of the merger agreement;

use reasonable best efforts to file, as promptly as practicable (but in any event no later than fifteen business days after the date of the merger agreement), notifications under the HSR Act and to file, as promptly as practicable, any other filings or notifications under applicable United States federal, state, foreign or supranational laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or that provide for review of foreign investment and/or national security or defense matters, which United States federal, state, foreign or supranational laws are referred to as the regulatory laws;

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in the event that the parties receive a request for information or documentary materials following the HSR Act filing, which is referred to as a second request, and/or the transactions contemplated by the merger agreement are subject to second phase review following any filing, notice, petition, statement, registration, submission of information, application or similar filing required by any other regulatory law or by any governmental entity, responsible for or having jurisdiction over antitrust, competition, trade regulation, foreign investment and/or national security or defense matters, use their respective reasonable best efforts to respond to such second request and/or second phase review, as applicable, as promptly as possible;

use all reasonable best efforts to resolve any objections that may be asserted by any governmental entity with respect to the transactions contemplated by the merger agreement under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other regulatory laws;

cooperate and use all reasonable best efforts to vigorously contest and resist any action instituted (or threatened to be instituted) challenging any of the transactions contemplated by the merger agreement as violative of any regulatory laws, and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction or other order whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents, or restricts consummation of the merger or any other transactions contemplated by the merger agreement, including by vigorously pursuing all available avenues of administrative and judicial appeal; and

use all reasonable best efforts to take such action as may be required to cause the expiration of the notice periods under the HSR Act or other regulatory laws with respect to the transactions contemplated by the merger agreement as promptly as possible after the execution of the merger agreement.

Furthermore, UTC and Goodrich have each agreed to take all actions necessary to eliminate every impediment under any regulatory laws so as to enable the closing of the merger to occur as soon as reasonably possible (and in any event no later than the outside date), including:

proposing, negotiating, committing to and effecting, by consent decree, hold separate order, or otherwise, the sale, divestiture or disposition of such businesses, product lines or assets of Goodrich, UTC and their respective subsidiaries; and

otherwise taking or committing to take actions that after the date of the closing of the merger would limit UTC's or its subsidiaries' freedom of action with respect to, or its or their ability to retain, one or more of the businesses, product lines or assets of Goodrich, UTC and their respective subsidiaries, in each case as may be required in order to avoid the entry of, or to effect the dissolution of, any preliminary or permanent injunction, in any action under any regulatory laws, which would otherwise have the effect of preventing the closing of the merger, and in that regard UTC and, if and only if requested by UTC, Goodrich will agree to divest, sell, dispose of, hold separate, or otherwise take or commit to take any action that limits its freedom of action with respect to, UTC's, Goodrich's or their respective subsidiaries' ability to retain, any of the businesses, product lines or assets of Goodrich, UTC or any of their respective subsidiaries;

however, any such action will be conditioned upon the consummation of the merger, and notwithstanding anything to the contrary set forth in the merger agreement, UTC will not be required to take, or agree or commit to take, any such action that, in the reasonable judgment of UTC, would constitute or reasonably be expected to result in the sale, divestiture or disposal of, or the holding separate of or direct or indirect operational or ownership restrictions on, businesses, product lines or assets of Goodrich, UTC or their respective subsidiaries generating revenues (including for both UTC and its subsidiaries and Goodrich and its subsidiaries) for the fiscal year ended December 31, 2010 in

excess of \$900 million in the aggregate (excluding any revenues of Goodrich from the Aero Engine Controls joint venture, as constituted on the date of the merger agreement, if Goodrich's interest in that joint venture is sold pursuant to a contractual obligation of Goodrich existing as of the date of the merger agreement).

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Notwithstanding the agreements of UTC, Merger Sub and Goodrich discussed above, the parties have agreed that it is UTC's sole right to devise the strategy for any filing, notice, petition, statement, registration, submission of information, application or similar filing discussed above.

### ***Access to Information; Confidentiality***

Subject to the confidentiality agreement and applicable law relating to the sharing of information, Goodrich has agreed to:

provide, and cause its subsidiaries to provide, UTC and its representatives, from the date of the merger agreement until the earlier of the effective time of the merger or the termination of the merger agreement, reasonable access during normal business hours to Goodrich's and its subsidiaries' respective properties, books, contracts, commitments, personnel and records and such other information as UTC reasonably requests with respect to Goodrich and its subsidiaries and their respective businesses, financial condition and operations; and

request its and its subsidiaries' respective representatives to cooperate with UTC with respect to the foregoing.

However, nothing in the merger agreement requires Goodrich or any of its subsidiaries to disclose any information to UTC or its representatives that would cause a violation of any material contract to which Goodrich or any of its subsidiaries is a party, would cause a risk of a loss of privilege to Goodrich or any of its subsidiaries, or would constitute a violation of applicable laws. However, no investigation of Goodrich's business will affect any representation or warranty given by Goodrich under the merger agreement or certain ancillary documents, or otherwise limit or affect the remedies available under the merger agreement to UTC; and competitively sensitive material (reasonably designated by Goodrich as such) may be provided in accordance with heightened confidentiality procedures. UTC will and will cause UTC's controlled affiliates and representatives to keep confidential any non-public information received from Goodrich, its affiliates or representatives, directly or indirectly, pursuant to the terms of the merger agreement in accordance with the confidentiality agreement.

### ***Indemnification and Insurance***

Under the merger agreement, from the effective time of the merger, the surviving corporation must, and UTC must cause the surviving corporation to, to the fullest extent permitted under the NYBCL, honor Goodrich's obligations existing immediately prior to the date of the merger agreement to indemnify and hold harmless each indemnified party, in accordance with the terms of Goodrich's Restated Certificate of Incorporation and By-laws and all indemnification agreements with indemnified parties, in each case in effect immediately before the date of the merger agreement.

Before the closing of the merger, Goodrich must purchase a six-year tail prepaid officers' and directors' liability insurance policy, providing, for a period of six years after the effective time of the merger, Goodrich's current and former directors and officers (as defined to mean those persons insured under Goodrich's existing officers' and directors' liability insurance policy) with insurance and indemnification policy coverage for events occurring at or before the effective time of the merger that is no less favorable than the existing policy (including that such purchase does not result in any gaps or lapses in coverage with respect to matters occurring before the effective time of the merger). However, Goodrich will not pay an aggregate amount for the officers' and directors' liability insurance policy in excess of 300% of the current aggregate annual premium paid by Goodrich for the existing policy, but in such case will purchase such coverage under a six-year tail prepaid policy as will then be available at an aggregate cost no greater than 300% of such rate). From and after the effective time of the merger, UTC will continue to honor its obligations under the officers' and directors' liability insurance policy and will not cancel nor take any action or omit to take any action that would result in the cancellation thereof.

The certificate of incorporation and by-laws of the surviving corporation will contain the provisions with respect to indemnification set forth in the Restated Certificate of Incorporation and By-Laws of Goodrich. The



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surviving corporation has agreed that those provisions will not be amended, modified or otherwise repealed for a period of six years from the effective time of the merger in any manner that would adversely affect any individual who at the effective time of the merger is an indemnified party, unless such modification is required after the effective time of the merger by law and then only to the minimum extent required by such law.

The rights of each indemnified party under the merger agreement are in addition to any rights conveyed by the Restated Certificate of Incorporation and By-Laws (or other governing documents) of Goodrich and any of its subsidiaries, the NYBCL, any other applicable laws or any agreement of any indemnified party with Goodrich or any of its subsidiaries. These rights will survive consummation of the merger and are intended to benefit, and will be enforceable by, each indemnified party.

In the event that UTC or Goodrich or any of their respective successors or assigns consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger or transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision will be made so that the successors and assigns of Goodrich assume the indemnification obligations set forth in the merger agreement.

***Employee Benefits Matters***

The merger agreement provides that for one year following the effective time of the merger, employees of Goodrich and its subsidiaries, other than employees subject to a collective bargaining agreement, will receive compensation and benefits (excluding equity compensation) that are substantially equivalent in the aggregate to the compensation and benefits (excluding equity compensation) provided to those employees immediately prior to the effective time of the merger.

The merger agreement also provides that if the employment of an employee of Goodrich or its subsidiaries is terminated within one year following the effective time of the merger, the employee will receive severance payments and benefits determined under the severance arrangement applicable to the employee as of September 21, 2011. However, employees subject to a Management Continuity Agreement would instead receive severance payments and benefits as set forth in the applicable Management Continuity Agreement, and employees subject to a collective bargaining agreement would receive severance payments and benefits under the applicable collective bargaining agreement.

The merger agreement also provides that with certain exceptions service credit will be provided to Goodrich employees for purposes of vesting, eligibility to participate and benefit accrual under the employee benefit plans of UTC and its subsidiaries.

In addition, pursuant to the merger agreement, UTC will grant equity awards in respect of UTC's common stock to the Goodrich employees who were granted equity awards in respect of Goodrich common stock in the first quarter of 2011, on terms and conditions generally consistent with the UTC equity compensation program for grants made by UTC in the first quarter of 2012. However, if the closing of the merger does not occur on or prior to August 31, 2012, in lieu of the grants contemplated by the prior sentence, Goodrich may make similar grants of equity-based or cash-based awards, so long as (1) the aggregate grant date fair value of those awards does not exceed the aggregate grant date fair value of the equity-based awards granted to Goodrich employees in the first quarter of 2011, and (2) the vesting and allocations of those awards is substantially equivalent to the vesting and allocations of the equity-based awards of Goodrich granted to those Goodrich employees in the first quarter of 2011, but the awards will not provide for vesting or payment in connection with the transactions contemplated by the merger agreement.

The provisions described above are solely for the benefit of the parties to the merger agreement and do not confer upon any individual any rights or remedies, including any right to employment or compensation or benefits of any nature or kind whatsoever. Nothing in the merger agreement amends any plan or arrangement of Goodrich or UTC or limits the rights of Goodrich or UTC to amend or terminate any of their respective plans or arrangements.

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***Additional Agreements***

The merger agreement contains additional agreements between Goodrich and UTC relating to, among other things:

consultations regarding public announcements;

notification of certain matters;

compliance of Merger Sub with all of its obligations under or related to the merger agreement;

cooperation by Goodrich in connection with any financing by UTC; and

participation by UTC in any legal proceeding against Goodrich and/or its directors or officers related to the transactions contemplated by the merger agreement.

**Conditions of the Merger**

The obligation of each party to the merger agreement to effect the merger is subject to the satisfaction or waiver on or before the closing date of the merger of each of the following conditions:

adoption of the merger agreement by Goodrich's shareholders;

(1) the waiting period (including any extension thereof) applicable to the consummation of the merger under the HSR Act will have expired or been terminated, and (2) all other filings with or permits, authorizations, consents and approvals of or expirations of waiting periods imposed pursuant to any other applicable regulatory laws required to consummate the merger will have been obtained or filed or will have occurred; and

no order or law, entered, enacted, promulgated, enforced or issued by any court of competent jurisdiction, or any other governmental entity, or other legal restraint or prohibition will be in effect preventing or prohibiting the consummation of the merger.

The obligation of UTC and Merger Sub to effect the merger is further subject to the satisfaction, or waiver by UTC and Merger Sub, on or before the closing date of the merger of the following conditions:

(1) the representations and warranties of Goodrich relating to Goodrich's authority to execute and deliver the merger agreement and to consummate the transactions contemplated by the merger agreement, Goodrich's capitalization and the inapplicability of state anti-takeover statutes must be true and correct in all respects (except for any de minimis inaccuracy) both when made and at and as of the closing date of the merger, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), and (2) each of the other representations and warranties of Goodrich must be true and correct in all respects (without giving effect to any materiality or material adverse effect qualifications contained therein) both when made and at and as of the closing date of the merger, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except, in the case of this subclause (2), where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have or result in, individually or in the aggregate, a material adverse effect on Goodrich;

performance of or compliance with the covenants and agreements contained in the merger agreement to be performed or complied with by Goodrich before or on the closing date of the merger to the extent specified in

the merger agreement;

delivery to UTC of a certificate signed by our chief executive officer and chief financial officer certifying to the satisfaction of the two immediately above-mentioned conditions;

no action will have been instituted or be pending by any governmental entity (1) seeking an order that would result in, or would reasonably be expected to result in the sale, divestiture or disposal of, or the holding separate of or direct or indirect operational or ownership restrictions on, businesses, product lines or assets of Goodrich, UTC or their respective subsidiaries generating revenues for the fiscal year

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ended December 31, 2010 in excess of \$900 million in the aggregate (excluding any revenues of Goodrich from the Aero Engine Controls joint venture, as constituted on the date of the merger agreement, if Goodrich's interest in that joint venture is sold pursuant to a contractual obligation of Goodrich existing as of the date of the merger agreement) or (2) that would reasonably be expected to result in any legal restraint or prohibition preventing or prohibiting the consummation of the merger; and

since January 1, 2011, there will not have been any event, circumstance, change, occurrence, state of facts or effect (including the incurrence of any liabilities of any nature, whether or not accrued, contingent or otherwise) that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Goodrich.

The obligation of Goodrich to effect the merger is further subject to the satisfaction or waiver by Goodrich, on or before the closing date of the merger, of the following conditions:

(1) the representations and warranties of UTC relating to UTC's and Merger Sub's authority to execute and deliver the merger agreement and to consummate the transactions contemplated by the merger agreement must be true and correct in all respects (except for any de minimis inaccuracy) both when made and at and as of the closing date of the merger, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), and (2) each of the other representations and warranties of UTC and Merger Sub set forth herein shall be true and correct in all respects (without giving effect to any materiality or material adverse effect qualifications contained therein) both when made and at and as of the closing date of the merger, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except, in the case of this subclause (2), where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have or result in, individually or in the aggregate, a material adverse effect on the ability of UTC and Merger Sub to consummate the merger and the other transactions contemplated by the merger agreement;

performance of or compliance with the covenants and agreements contained in the merger agreement to be performed or complied with by UTC before or on the closing date of the merger to the extent specified in the merger agreement;

delivery to Goodrich of a certificate signed by UTC's chief executive officer and chief financial officer certifying to the satisfaction of the two immediately above-mentioned conditions.

**Termination**

Goodrich, UTC and Merger Sub may mutually agree in writing, at any time before the effective time of the merger, to terminate the merger agreement and abandon the merger. Also, either UTC or Goodrich may terminate the merger agreement and abandon the merger without the consent of the other before the effective time of the merger if:

the merger has not been consummated on or before September 21, 2012 (referred to as the outside date); however, if all conditions to the closing of the merger other than certain regulatory approval or governmental action conditions discussed above are fulfilled on September 21, 2012 or are then capable of being fulfilled, then the outside date will, without any action on the part of the parties to the merger agreement, be extended to March 21, 2013. Moreover, the party seeking to terminate the merger agreement for failure to close by the outside date must have used all reasonable best efforts to cause certain regulatory approval and governmental action conditions discussed above to be satisfied consistent with that party's obligations as described in

Reasonable Best Efforts and Certain Pre-Closing Obligations, beginning on page [ ];

(1) any governmental entity that must grant a consent, permit or termination in connection with the merger has denied such grant and such denial has become final and non-appealable or (2) a permanent injunction or other order which is final and nonappealable has been issued prohibiting consummation of the merger; however, the party seeking to terminate the merger agreement on either of these grounds

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must have used all reasonable best efforts to obtain the relevant consent, permit or termination, or to prevent the entry of the relevant permanent injunction or other order consistent with that party's obligations as described in Reasonable Best Efforts and Certain Pre-Closing Obligations, beginning on page [ ]; or

Goodrich's shareholders fail to adopt the merger agreement at the special meeting (including any adjournments and postponements thereof).

Goodrich can additionally terminate the merger agreement:

before the adoption of the merger agreement by Goodrich's shareholders in order to concurrently enter into a definitive agreement with respect to a superior proposal; however, Goodrich must have fulfilled its obligations related to takeover proposals and superior proposals discussed above and must have paid or must concurrently pay to UTC the termination fee described in Termination Fee, beginning on page [ ]; or

if UTC or Merger Sub has breached or failed to perform or comply with any of its representations, warranties, agreements or covenants contained in the merger agreement, which breach or failure to perform or comply would give rise to the failure of the related condition discussed in Conditions of the Merger beginning on page [ ] and cannot be cured by the outside date, or, if capable of being cured by the outside date, is not cured within 30 calendar days after UTC receives written notice of the breach (so long as Goodrich is not then in material breach of any representation, warranty, agreement or covenant contained in the merger agreement).

UTC can additionally terminate the merger agreement if:

the Board has made an adverse recommendation change or has otherwise changed, qualified, withheld, withdrawn or modified its recommendation in favor of adoption of the merger agreement in a manner adverse to UTC;

Goodrich has breached its non-solicitation obligations under the merger agreement in any material respect; or

Goodrich has breached or failed to perform or comply with any of its representations, warranties, agreements or covenants contained in the merger agreement, which breach or failure to perform or comply would give rise to the failure of the related condition discussed in Conditions of the Merger beginning on page [ ] and cannot be cured by the outside date, or, if capable of being cured by the outside date, is not cured within 30 calendar days after Goodrich receives written notice of the breach (so long as UTC is not then in material breach of any representation, warranty, agreement or covenant contained in the merger agreement).

A terminating party must provide written notice of termination to the other parties specifying with particularity the reason for such termination. If more than one reason for termination discussed above is available to a terminating party in connection with a termination, that terminating party may rely on any or all available reasons for any such termination.

**Termination Fee**

Pursuant to the merger agreement, Goodrich will be required to pay UTC a termination fee equal to \$500 million, if the merger agreement is terminated:

by UTC if (1) the Board has made an adverse recommendation change or has otherwise changed, qualified, withheld, withdrawn or modified its recommendation in favor of adoption of the merger agreement in a manner adverse to UTC or (2) Goodrich has breached its non-solicitation obligations under the merger agreement in

any material respect;

by Goodrich on the ground that the merger has not been consummated on or before the outside date and, at the time of such termination, (1) our shareholders have not adopted the merger agreement at the special meeting (including any adjournments and postponements thereof) and (2) UTC would have been



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permitted to terminate the merger agreement because (a) the Board has made an adverse recommendation change or otherwise changed, qualified, withheld, withdrawn or modified its recommendation in favor of adoption of the merger agreement in a manner adverse to UTC or (b) Goodrich has breached its non-solicitation obligations under the merger agreement in any material respect;

by Goodrich before the adoption of the merger agreement by the Goodrich shareholders, in order to concurrently enter into a definitive agreement with respect to a superior proposal; or

by either UTC or Goodrich if (1) the merger has not been consummated on or before the outside date or (2) our shareholders fail to adopt the merger agreement at the special meeting (including any adjournments and postponements thereof) and (a) before such termination a takeover proposal has been publicly announced or has become publicly known (or, in the case of a termination for failure to consummate by the outside date, otherwise made known to the Board) and has not been withdrawn and (b) at any time on or before the twelve month anniversary of such termination Goodrich or any of its subsidiaries enters into a definitive agreement with respect to any takeover proposal or the transactions contemplated by any takeover proposal are consummated (with all references to 20% in the definition of takeover proposal replaced with 40% for purposes of this provision).

If UTC terminates the merger agreement because Goodrich breaches any of its representations, warranties, agreements or covenants contained in the merger agreement, such that the breach gives rise to the failure of the related condition and is not cured as described above, then Goodrich must reimburse UTC, up to an aggregate of \$50 million, for all of the documented out-of-pocket fees and expenses incurred by UTC or its affiliates, including (1) all fees and expenses of accountants, counsel, investment banking firms or financial advisors (and their respective counsel and representatives), experts and consultants and (2) all fees and expenses payable to banks, investment banking firms and other financial institutions (and their respective counsel and representatives) in connection with arranging or providing financing, and any other expenses otherwise allocated to UTC, in connection with the merger agreement and the transactions contemplated in the merger agreement.

If we fail to pay in a timely manner any amount due as described above, then (1) Goodrich will reimburse UTC for all costs and expenses (including disbursements and reasonable fees of counsel) incurred in the collection of such overdue amount, including in connection with any related actions commenced by or against UTC and (2) Goodrich will pay to UTC interest on such amount from and including the date payment of such amount was due to but excluding the date of actual payment at the prime rate set forth in the *Wall Street Journal* in effect on the date such payment was required to be made plus 2%.

## **Effect of Termination**

If the merger agreement is terminated by us or UTC in accordance with its terms, the merger agreement will become void and of no effect, with no liability on the part of any party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the other party to the merger agreement. If such termination, however, results from a willful and material breach of the merger agreement by any party, such party will not be relieved of any liability to the other parties as a result of such willful and material breach. In the event the merger agreement is terminated, certain provisions of the merger agreement, including but not limited to those related to publicity and termination fees, and the provisions pursuant to the confidentiality agreement will survive the termination.

## **Amendment**

Subject to applicable law, the merger agreement may be amended by the parties to the merger agreement by action taken or authorized by or on behalf of their respective boards of directors, at any time prior to the closing of the

merger, whether before or after adoption of the merger agreement by the shareholders of Goodrich and Merger Sub. The merger agreement may only be amended by a written instrument signed by the parties to the merger agreement.

**Table of Contents****Extension; Waiver**

At any time before the effective time of the merger, any party to the merger agreement may (1) extend the time for the performance of any of the obligations or other acts of the other parties to the merger agreement, (2) waive any inaccuracies in the representations and warranties by the other party contained in the merger agreement or in any document delivered pursuant to the merger agreement, and (3) subject to the requirements of applicable law, waive compliance by the other party with any of the agreements or conditions contained in the merger agreement. Any such extension or waiver will be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby. The failure of any party to the merger agreement to assert any of its rights under the merger agreement or otherwise will not constitute a waiver of such rights.

**HISTORICAL MARKET PRICES AND DIVIDEND INFORMATION**

Shares of Goodrich common stock are listed for trading on the NYSE under the Symbol GR. The following table sets forth, for the fiscal quarters indicated, on a per share basis, the high and low sale prices for Goodrich common stock for the periods indicated as reported on the NYSE composite transactions reporting system, and the cash dividends declared on Goodrich common stock for these periods. As of [ ], the most recent practicable date before this proxy statement was printed, there were approximately [ ] holders of Goodrich common stock.

|  | <b>High</b><br>(\$) | <b>Low</b><br>(\$) | <b>Dividend</b><br>(\$) |
|--|---------------------|--------------------|-------------------------|
| <b><i>Fiscal Year Ended December 31, 2009</i></b>  |                     |                    |                         |
| First Quarter                                      | 41.67               | 29.95              | .25                     |
| Second Quarter                                     | 55.34               | 35.69              | .25                     |
| Third Quarter                                      | 57.98               | 47.36              | .25                     |
| Fourth Quarter                                     | 65.93               | 51.97              | .27                     |
| <b><i>Fiscal Year Ended December 31, 2010</i></b>  |                     |                    |                         |
| First Quarter                                      | 72.80               | 60.10              | .27                     |
| Second Quarter                                     | 77.89               | 63.17              | .27                     |
| Third Quarter                                      | 75.77               | 64.44              | .27                     |
| Fourth Quarter                                     | 88.60               | 72.93              | .29                     |
| <b><i>Fiscal Year Ending December 31, 2011</i></b> |                     |                    |                         |
| First Quarter                                      | 93.09               | 80.88              | .29                     |
| Second Quarter                                     | 95.50               | 83.59              | .29                     |
| Third Quarter through [ ]                          | [ ]                 | [ ]                | .29                     |

The closing price of the shares of Goodrich common stock on the NYSE on September 15, 2011, the last full trading day prior to the first published report of a rumor that UTC was considering a possible transaction involving Goodrich, was \$86.48 per share, and on September 21, 2011, the last full trading day prior to the announcement of the merger, was \$109.49 per share. On [ ], the most recent practicable date before this proxy statement was printed, the closing price for the shares of Goodrich common stock on the NYSE was \$[ ] per share.

Goodrich's debt agreements contain various restrictive covenants that, among other restrictions, place limitations on the payment of cash dividends and our ability to repurchase our capital stock. Under the most restrictive of these agreements, \$[ ] million of income retained in the business and additional capital was free from such limitations at [ ]. In connection with the merger, Goodrich agreed not to declare or pay any dividend or other distribution with respect to its capital stock, except for Goodrich's regular quarterly cash dividend for its common stock consistent with

past practice and not in excess of \$0.29 per share.

Following the merger there will be no further market for Goodrich common stock.

**Table of Contents****GOODRICH COMMON STOCK OWNERSHIP****Security Ownership of Directors and Named Executive Officers**

The following table contains information with respect to the number of shares of common stock beneficially owned by our directors and executive officers as of [ ]:

| Name of Beneficial Owner                                 | Amount and Nature<br>of Beneficial<br>Ownership(1)(2)(3) | Percent of<br>Class(4) |
|--|--|------------------------|
| John J. Carmola  | 108,054  | *                      |
| Carolyn Corvi  | 1,056  | *                      |
| Diane C. Creel   | 8,770  | *                      |
| Harris E. DeLoach, Jr.                                   | 28,673   | *                      |
| Cynthia M. Egnotovich                                    | 170,606  | *                      |
| James W. Griffith  | 3,418  | *                      |
| William R. Holland                                       | 16,086   | *                      |
| John P. Jumper   | 0  | *                      |
| Scott E. Kuechle   | 117,740  | *                      |
| Marshall O. Larsen                                       | 343,259  | *                      |
| Terrence G. Linnert                                      | 195,001  | *                      |
| Lloyd W. Newton  | 275  | *                      |
| Alfred M. Rankin, Jr.                                    | 10,682   | *                      |
| Directors and executive officers as a group (17 persons) | 1,342,315  | 1.07%                  |

\* Less than 1%.

- (1) Includes the approximate number of shares of common stock credited to the individuals' accounts in the Goodrich Employee's Savings Plan or similar plans of Goodrich's subsidiaries. Includes shares not presently owned by the executive officers but which are subject to stock options exercisable within 60 days as follows: Mr. Carmola, 70,499 shares; Ms. Egnotovich, 105,500 shares; Mr. Kuechle, 89,566 shares; Mr. Larsen, 203,333 shares; Mr. Linnert, 166,333 shares; and all executive officers as a group, 908,715 shares.

Includes phantom shares awarded to our directors under the Outside Director Deferral Plan and the Directors Deferred Compensation Plan that are paid out in common stock following termination of service as a director, as follows: Ms. Creel, 8,564 shares; Mr. DeLoach, 27,673 shares; Mr. Griffith, 2,218 shares; Mr. Holland, 5,229 shares; Mr. Rankin, 9,682 shares; and all directors as a group, 53,366 shares.

- (2) Excludes restricted stock units as to which the executive officers have no voting or investment power as follows: Mr. Carmola, 48,275 units; Ms. Egnotovich, 48,275 units; Mr. Kuechle, 31,650 units; Mr. Larsen, 118,000 units; Mr. Linnert, 37,775 units; and all executive officers as a group, 395,125 units.

Excludes phantom shares awarded to our directors under the Outside Director Phantom Share Plan and the Directors' Phantom Share plan that are paid out in cash following termination of service as a director, as follows:

Ms. Corvi, 2,591 shares; Ms. Creel, 25,257 shares; Mr. DeLoach, 19,120 shares; Mr. Griffith, 17,198 shares; Mr. Holland, 22,672 shares; Gen. Jumper, 9,367 shares; Gen. Newton, 7,937 shares; Mr. Rankin, 18,263 shares; and all directors as a group, 119,814 shares.

- (3) Each person has sole voting and investment power with respect to common stock beneficially owned by such person, except as described in note (1) above, except that Ms. Corvi has shared voting and investment power with respect to 1,056 shares; Mr. Griffith has shared voting and investment power with respect to 1,200 shares; Mr. Kuechle has shared voting and investment power with respect to 956 shares; Mr. Larsen has shared voting and investment power with respect to 13,900 shares; Mr. Linnert has shared voting and investment power with respect to 14,373 shares; and all directors and executive officers as a group have shared voting and investment power with respect to 31,763 shares.

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(4) Applicable percentage ownership is based on 125,222,805 shares of common stock outstanding at October 10, 2011 (excluding 14,000,000 shares held by a wholly owned subsidiary).

**Security Ownership of Certain Owners**

The following table contains information known to us with respect to persons who are the beneficial owners of more than 5% of our Common Stock as of January 31, 2011.

| Name and Address of Beneficial Owner  | Amount    | Percent of Class(1) |
|---|-----------|---------------------|
| FMR LLC(2)<br>82 Devonshire Street,<br>Boston, Massachusetts 02109                    | 7,408,125 | 5.9%                |
| Mandel (3)<br>Lone Spruce L.P.<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830 | 6,504,218 | 5.2%                |
| Lone Balsam, L.P.<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830              |           |                     |
| Lone Sequoia, L.P.<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830             |           |                     |
| Lone Cascade, L.P.<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830             |           |                     |
| Lone Sierra, L.P.<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830              |           |                     |
| Lone Pine Associates LLC<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830       |           |                     |
| Lone Pine Members LLC<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830          |           |                     |
| Lone Pine Capital LLC<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830          |           |                     |
| Stephen F. Mandel, Jr.<br>Two Greenwich Plaza<br>Greenwich, Connecticut 06830         |           |                     |

(1) Applicable percentage ownership is based on 125,222,805 shares of common stock outstanding at October 10, 2011 (excluding 14,000,000 shares held by a wholly owned subsidiary).

- (2) This information is based on a Schedule 13G filed with the SEC on February 11, 2011 by FMR LLC, in which it reported sole voting power as of December 31, 2010 as to 144,369 shares and sole dispositive power as to 7,408,125 shares.
- (3) This information is based on a Schedule 13G filed with the SEC on August 15, 2011 by Lone Spruce, L.P., Lone Balsam, L.P., Lone Sequoia, L.P., Lone Cascade, L.P., Lone Sierra, L.P., Lone Pine Associates LLC, Lone Pine Members LLC, Lone Pine Capital LLC and Stephen F. Mandel, Jr. As reported in such filing, Lone Spruce, L.P., Lone Balsam, L.P., Lone Sequoia, L.P., Lone Cascade, L.P., Lone Sierra, L.P., Lone Pine Associates LLC, Lone Pine Members LLC, Lone Pine Capital LLC and Stephen F. Mandel, Jr. have shared voting power and shared disposition power as to 6,504,218 shares of common stock. Lone Pine Associates, the general partner of Lone Spruce, Lone Sequoia and Lone Balsam, has the power to



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direct the affairs of Lone Spruce, Lone Sequoia and Lone Balsam, including decisions respecting the disposition of the proceeds from the sale of shares. Lone Pine Members, the general partner of Lone Cascade and Lone Sierra, has the power to direct the affairs of Lone Cascade and Lone Sierra, including decisions respecting the disposition of the proceeds from the sale of shares. Lone Pine Capital, the investment manager of Lone Cypress, Lone Kauri and Lone Monterey Master Fund, has the power to direct the receipt of dividends from or the proceeds of the sale of shares held by Lone Cypress, Lone Kauri and Lone Monterey Master Fund. Mr. Mandel is the Managing Member of each of Lone Pine Associates, Lone Pine Members and Lone Pine Capital and in that capacity directs their operations.

**ADDITIONAL INFORMATION**

Goodrich files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy this information at the SEC's Public Reference Room at 100 F Street N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. You also may obtain copies of this information by mail from the Public Reference Room at the address set forth above, at prescribed rates. In addition, the SEC maintains a website that contains reports, proxy statements and other information about issuers like Goodrich who file electronically with the SEC. The address of that site is <http://www.sec.gov>. Goodrich SEC filings are also available, free of charge, on our website, at <http://www.Goodrich.com>.

You should rely only on the information contained in or incorporated by reference in this proxy statement to vote your shares at the special meeting. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated [ ]. You should not assume that the information contained in this proxy statement is accurate as of any date other than that date. Neither the mailing of this proxy statement to Goodrich shareholders nor the payment of cash in the merger shall create any implication to the contrary.

We incorporate by reference into this proxy statement the documents listed below and any future filings we make with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, including any filings after the date of this document until the date of the special meeting. The information incorporated by reference is an important part of this proxy statement. Any statement in a document incorporated by reference into this document will be deemed to be modified or superseded for purposes of this document to the extent a statement contained in this or any other subsequently filed document that is incorporated by reference into this document modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this document.

**Securities and Exchange Commission Filings**

| <b>Commission File Number 1-05111</b> | <b>Period</b>   |
|---------------------------------------|---|
| Annual Report on Form 10-K            | Year ended December 31, 2011 (filed on February 15, 2011)   |
| Definitive Proxy Statement            | For annual meeting on April 19, 2011 (filed on March 10, 2011)  |
| Quarterly Report on Form 10-Q         | Quarter ended March 31, 2011 (filed on April 21, 2011) and June 30, 2011 (filed on July 22, 2011)     |
| Current Reports on Form 8-K           | Filed on February 16, 2011, April 1, 2011, April 21, 2011, May 23, 2011, June 8, 2011, July 21, 2011, |

September 22, 2011 and October 19, 2011

GOODRICH WILL MAIL WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF ITS ANNUAL REPORT ON FORM 10-K, ITS SCHEDULES AND LIST OF ITS EXHIBITS. REQUESTS SHOULD BE SENT TO GOODRICH CORPORATION, FOUR COLISEUM CENTRE, 2730 WEST TYVOLA ROAD, CHARLOTTE, NORTH CAROLINA 28217, ATTENTION: CORPORATE SECRETARY.

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**MULTIPLE SHAREHOLDERS SHARING ONE ADDRESS**

In accordance with Rule 14a-3(e)(1) under the Exchange Act, one proxy statement will be delivered to two or more shareholders who share an address, unless Goodrich has received contrary instructions from one or more of the shareholders. Goodrich will deliver promptly upon written or oral request a separate copy of the proxy statement to a shareholder at a shared address to which a single copy of the proxy statement was delivered. Requests for additional copies of the proxy statement, and requests that in the future separate proxy statements be sent to shareholders who share an address, should be directed to Goodrich Corporation, Four Coliseum Centre, 2730 West Tyvola Road, Charlotte, North Carolina 28217, Telephone: (704) 423-7000, Attention: Corporate Secretary. In addition, shareholders who share a single address but receive multiple copies of the proxy statement may request that in the future they receive a single copy by contacting Goodrich at the address and phone number set forth in the prior sentence.

**SHAREHOLDER PROPOSALS FOR ANNUAL MEETING**

Goodrich does not currently expect to hold an annual meeting of shareholders in 2012 because Goodrich will not be a separate public company after the merger is consummated. If the merger has not yet been consummated and such a meeting is to be held, it is presently anticipated that next year's annual meeting will be held on [ ] and, accordingly, shareholders who intend to present proposals at the next annual meeting of shareholders, and who wish to have such proposals included in the proxy statement and form of proxy for such meeting, pursuant to the mechanism provided by SEC rules, must submit such proposals to the attention of: Office of the Secretary, at our principal executive offices, and such proposals must be received by us by [ ].

Under our By-Laws, the proposal of business that is appropriate to be considered by the shareholders may be made at an annual meeting of shareholders by any shareholder who was a shareholder of record at the time of giving the notice described below, who is entitled to vote at such meeting and who complies with the notice procedures set forth in the By-Laws.

For business to be properly brought before an annual meeting of shareholders, the shareholder must have given timely notice thereof in writing to our Secretary. To be timely, the shareholder's notice must have been sent to, and received by, our Secretary at our principal executive offices generally not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; however, if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, the shareholder's notice must be so delivered not earlier than the close of business on the 120<sup>th</sup> day prior to the date of the annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to the date of such annual meeting or the close of business on the 10<sup>th</sup> day following the day on which public announcement of the date of the annual meeting is first made by Goodrich. If the merger is not consummated and the 2012 Annual Meeting is to be held, such notice must be received between December 21, 2011 and January 20, 2012 to be considered submitted on a timely basis. Each such notice must include among other things:

for each matter, a brief description thereof and the reasons for conducting such business at the annual meeting;

the name and address of the shareholder proposing such business, as well as any other shareholders believed to be supporting such proposal;

the number of shares of each class of Goodrich stock owned by such shareholders;

any material interest of such shareholders in such proposal; and

a description of all ownership interests in the shares identified, including derivative securities, hedged positions and other economic and voting interests.

This notice requirement applies to matters being brought before the meeting for a vote. Shareholders, of course, may and are encouraged to ask appropriate questions at the meeting without having to comply with the notice provisions.

Goodrich Corporation

[ ]

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**Annex A**

**AGREEMENT AND PLAN OF MERGER**

by and among  
UNITED TECHNOLOGIES CORPORATION,  
CHARLOTTE LUCAS CORPORATION  
and  
GOODRICH CORPORATION  
dated as of  
September 21, 2011

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