SEVCON, INC.
Form DEFM14A
August 21, 2017
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

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

SEVCON, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box):

No fee required

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

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

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

(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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Dated August 21, 2017

SEVCON, INC.

155 Northboro Road

Southborough, Massachusetts 01772

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

TO THE STOCKHOLDERS OF SEVCON, INC.:

You are cordially invited to attend the special meeting of stockholders of Sevcon, Inc., a Delaware corporation, which we refer to as Sevcon, to be held at 12:00 p.m., Eastern Time, on September 22, 2017, at the offices of Locke Lord LLP, 111 Huntington Avenue at Prudential Center, Boston, Massachusetts.

At the special meeting, you will be asked to consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger (as it may be amended from time to time) dated July 14, 2017, which we refer to as the merger agreement, by and among Sevcon, BorgWarner Inc., which we refer to as Parent, and Slade Merger Sub Inc., which we refer to as Merger Sub, a wholly owned subsidiary of Parent. Under the merger agreement, Merger Sub will merge with and into Sevcon, and Sevcon will become a wholly owned subsidiary of Parent, which we refer to as the merger. Your vote to approve and adopt the merger agreement will also approve the transactions contemplated by the merger agreement, including the merger. You will also be asked to consider and vote on: (i) a proposal to approve and adopt an amendment to Sevcon s Amended and Restated Certificate of Incorporation, which we refer to as the charter amendment, to provide that, at the effective time of the merger, you will be entitled to receive the consideration provided for in the merger agreement for each share of Series A Convertible Preferred Stock, par value $0.10 per share, which we refer to as Series A preferred stock, you own; (ii) a proposal to adjourn the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement and/or the charter amendment at the time of the special meeting or in the absence of a quorum; (iii) a proposal to approve by non-binding, advisory vote, compensation that will or may become payable by Sevcon to its named executive officers in connection with the merger; and (iv) such other business as may properly come before the special meeting or any adjournment or postponement thereof.

If the merger is consummated, you will be entitled to receive $22.00 in cash, without interest, less any required withholding, for each share of our common stock, par value $0.10 per share, that you own (unless you do not vote in favor of the adoption of the merger agreement (or consent thereto in writing) and have properly perfected your appraisal rights with respect to such shares). This represents a premium of approximately 61% over the closing share price of our common stock on July 14, 2017, the last trading day before the merger agreement was signed. If the charter amendment also becomes effective, you will be entitled to receive $66.00 in cash, without interest, less any required withholding, for each share of our Series A preferred stock that you own (unless you have properly perfected your appraisal rights with respect to such shares). Each share of Series A preferred stock is convertible into three shares of common stock; accordingly, the per preferred share merger consideration represents the consideration each share of Series A preferred stock would receive on an as-converted basis. Immediately prior to the effective time of the merger, the Board of Directors of Sevcon intends to declare and pay a special dividend on the Series A preferred

stock representing the amount of the accrued and unpaid dividends on the Series A preferred stock.

Concurrently with the execution of the merger agreement, Sevcon stockholders Meson Capital LP, Meson Constructive Capital LP and Ryan J. Morris (which we refer to collectively as Meson Capital) and Bassi Holding S.r.l. (which we refer to as Bassi) entered into separate voting and support agreements with Parent, in which such stockholders agreed, on the terms and subject to the conditions set forth in the voting and support agreements, to vote all Sevcon shares owned by them (representing, with respect to Meson Capital, approximately 13.74% of Sevcon s issued and outstanding common stock and 1.91% of Sevcon s issued and outstanding Series A preferred stock, based on Amendment No. 4 to the Schedule 13D filed by Meson Capital in respect of its interest in Sevcon on July 21, 2017, and with respect to Bassi, approximately 10.71% of Sevcon s issued and outstanding common

Table of Contents

stock, based on the Schedule 13G filed by Bassi in respect of its interest in Sevcon on October 13, 2016) in favor of the adoption of the merger agreement and the charter amendment and the approval of the transactions contemplated by the merger agreement, including the merger, and any other matter to be approved by the stockholders of Sevcon to facilitate such transactions, and not to vote in favor of any alternative transactions.

After consideration of, and based among other factors on, the recommendation of a special committee of independent and disinterested directors, the Board of Directors of Sevcon unanimously (i) determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, and the charter amendment are fair to and in the best interests of Sevcon and its stockholders; (ii) approved, adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger, and the charter amendment; (iii) recommended that Sevcon s stockholders approve and adopt the merger agreement and the merger and the charter amendment; and (iv) directed that the approval of the merger and the adoption of the merger agreement and the charter amendment be submitted to Sevcon s stockholders.

Our Board unanimously recommends that you vote FOR each of the proposals to be presented at the special meeting so that we can accomplish this important transaction.

We encourage you to read the enclosed proxy statement and its appendices, including the merger agreement, carefully and in their entirety. You may also obtain more information about Sevcon from documents we file with the Securities and Exchange Commission from time to time.

Your vote is very important, regardless of the number of shares that you own. We cannot consummate the merger unless (i) the proposal to approve and adopt the merger agreement is approved by the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting and (ii) unless Parent and Merger Sub waive the condition to their obligation to close the merger that the charter amendment has become effective, the proposal to approve and adopt the charter amendment is approved by the affirmative vote of (a) a majority of the outstanding shares of our common stock entitled to vote thereon and (b) a majority of the outstanding shares of Series A preferred stock entitled to vote thereon, voting as separate classes. The failure of any stockholder to vote will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement and AGAINST the proposal to approve and adopt the charter amendment. Similarly, if you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement and AGAINST the proposal to approve and adopt the charter amendment.

We hope that you will be able to attend the special meeting. However, whether or not you plan to attend in person, please complete, sign, date and return the enclosed proxy card in the postage prepaid envelope provided as promptly as possible. You also may grant your proxy by using the toll-free telephone number, or by accessing the Internet website, specified on your proxy card. If you attend the special meeting and wish to vote in person, you must deliver to our Secretary a written revocation of any proxy you previously submitted, as voting by ballot will not revoke any proxy previously submitted. If you have any questions or need assistance voting your shares, please contact The Proxy Advisory Group, LLC, our proxy solicitor, by calling 1-844-99PROXY (1-844-997-7699) toll-free.

We thank you for your support and appreciate your consideration of this matter.

Sincerely,

President and Chief Executive Officer Chairman of the Board

The accompanying proxy statement is dated August 21, 2017, and is first being sent to Sevcon s stockholders on or about August 22, 2017.

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

Table of Contents

PLEASE SIGN, DATE AND RETURN

THE ENCLOSED PROXY PROMPTLY

TO SAVE US THE EXPENSE

OF ADDITIONAL SOLICITATION.

Table of Contents

DATED AUGUST 21, 2017

SEVCON, INC.

155 Northboro Road

Southborough, Massachusetts 01772

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON SEPTEMBER 22, 2017

TO THE STOCKHOLDERS OF SEVCON, INC.:

Notice is hereby given that a special meeting of stockholders of Sevcon, Inc., a Delaware corporation, will be held at 12:00 p.m., Eastern Time on September 22, 2017, at the offices of Locke Lord LLP, 111 Huntington Avenue at Prudential Center, Boston, Massachusetts, for the following purposes:

1. To consider and vote on the proposal to approve and adopt the Agreement and Plan of Merger dated July 14, 2017, by and among Sevcon, Inc., BorgWarner Inc., and Slade Merger Sub Inc., as it may be amended from time to time;

2. To consider and vote on the proposal to approve and adopt the amendment to the Amended and Restated Certificate of Incorporation of Sevcon, Inc. to provide that, at the effective time of the merger, each holder of Series A preferred stock will be entitled to receive the consideration provided for in the merger agreement for each share of Series A preferred stock owned by such holder;

3. To consider and vote on the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement or the charter amendment at the time of the special meeting or in the absence of a quorum;

4. To consider and vote on the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Sevcon, Inc. to its named executive officers in connection with the merger contemplated by the merger agreement; and

5. To consider and act upon such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Only stockholders of record as of the close of business on August 15, 2017, are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof.

Under Delaware law, holders of Sevcon common stock who do not, among other things, vote in favor of the adoption of the merger agreement (or consent thereto in writing) and holders of shares of Series A preferred stock that are outstanding immediately prior to the effective time of the merger, in each case, who are entitled to demand and who properly demand appraisal of such shares, and do not thereafter fail to perfect, effectively withdraw, or otherwise lose their right to appraisal in accordance with Section 262 of the Delaware General Corporation Law, or the DGCL, will have the right to seek appraisal of the fair value of their shares in cash as determined by the Delaware Court of Chancery if the merger is completed, but only if they properly submit a written demand for such an appraisal prior to the vote on the adoption of the merger agreement and strictly comply with all of the applicable requirements of Section 262 of the DGCL, which are summarized in the attached proxy statement and set forth in their entirety in Section 262 of the DGCL, which is reproduced in its entirety in Annex C to the attached proxy statement, and a summary of these provisions can be found under The Merger Appraisal Rights in the accompanying proxy statement. Failure to strictly comply with Section 262 of the DGCL may result in your loss of, or inability to exercise, appraisal rights.

Table of Contents

After consideration of, and based among other factors upon, the recommendation of a special committee of the Board consisting of independent and disinterested directors, our Board unanimously recommends that you vote (i) FOR the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) FOR the proposal to approve and adopt the charter amendment; (iii) FOR the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement and/or the charter amendment at the time of the special meeting or in the absence of a quorum; and (iv) FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Sevcon to its named executive officers in connection with the merger.

By Order of the Board of Directors,

Secretary

Dated August 21, 2017

YOU ARE CORDIALLY INVITED TO ATTEND THE SPECIAL MEETING. IF YOU DO NOT PLAN TO ATTEND THE MEETING, PLEASE BE SURE YOU ARE REPRESENTED AT THE MEETING BY MARKING, SIGNING, DATING AND MAILING YOUR PROXY IN THE REPLY ENVELOPE PROVIDED.

Table of Contents

YOUR VOTE IS IMPORTANT

Holders of shares of Series A preferred stock will receive a separate proxy card to vote such shares on Proposal 2. If you own shares of Series A preferred stock and shares of common stock, please return BOTH proxy cards.

If your shares are registered directly in your name: If you are a stockholder of record, you may vote your shares by the Internet, by telephone or by mail as described below. Please help us save time and postage costs by voting through the Internet or by telephone. Each method is generally available 24 hours a day and will ensure that your vote is confirmed and posted immediately. To vote:

1. BY THE INTERNET

    a. Go to the website at www.voteproxy.com, 24 hours a day, seven days a week, until 11:59 p.m. Eastern Time on September 21, 2017.

    b. Please have your proxy card available to verify your identity and create an electronic ballot.

    c. Follow the simple instructions provided.

2. BY TELEPHONE

    a. On a touch-tone telephone, call toll-free 1-800-776-9437 (or 1-718-921-8500 from outside the U.S.), 24 hours a day, seven days a week, until 11:59 p.m. Eastern Time on September 21, 2017.

    b. Please have your proxy card available to verify your identity.

    c. Follow the simple instructions provided.

3. BY MAIL

    a. Mark, sign and date your proxy card.

    b. Return it in the postage-paid envelope provided with this proxy statement.

If your shares are held in the name of a broker, bank or other nominee: As a beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares in your account. You have received voting instructions from the organization holding your account and you must follow those instructions to vote your shares.

Your broker, bank or other nominee cannot vote on any of the proposals, including the proposal to approve and adopt the merger agreement, without your instructions.

If you fail to return your proxy card, grant your proxy electronically over the Internet or by telephone or vote by ballot in person at the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. If you hold your shares through a broker, bank or other nominee, you must obtain from the record holder a valid proxy issued in your name in order to vote in person at the special meeting. A stockholder providing a proxy may revoke it at any time before it is exercised by providing written notice of revocation to our Secretary or by providing a proxy of a later date.

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

The Proxy Advisory Group, LLC

1-844-99PROXY (1-844-997-7699)

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

SUMMARY

The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under Where You Can Find More Information beginning on page 111.

This proxy statement is dated August 21, 2017, and is first being mailed to stockholders of Sevcon, Inc. on or about August 22, 2017.

Parties to the Merger (page 26)

Sevcon, Inc.

155 Northboro Road

Southborough, Massachusetts 01772

(508) 281 5510

Sevcon, Inc., which we refer to as Sevcon, we, us or our is a company which through wholly-owned subsidiaries located in the United States, England, France, Germany, Canada, South Korea, Japan and China, and through an international dealer network, designs and sells, under the Sevcon name, motor controllers for zero emission electric and hybrid vehicles. The controls are used to vary the speed and movement of vehicles, to integrate specialized functions and to optimize the energy consumption of the vehicle s power source. Through a wholly-owned subsidiary in Italy, the Company also designs, manufactures and sells battery chargers for electric vehicles and power management and uninterrupted power source systems for industrial, medical and telecom applications, as well as electronic instrumentation for battery laboratories. Sevcon s customers are manufacturers of on and off-road vehicles, including cars, trucks, buses, motorcycles, fork lift trucks, aerial lifts, mining vehicles, airport tractors, sweepers and other electrically powered vehicles. Through another subsidiary located in the United Kingdom, Sevcon manufactures special metalized film capacitors that are used as components in the power electronics, including Sevcon s new automotive controller families, signaling and audio equipment markets.

See also Where You Can Find More Information beginning on page 111.

Our common stock is currently listed on the NASDAQ Capital Market, which we refer to as NASDAQ, under the symbol SEV.

BorgWarner Inc.

3850 Hamlin Road

Auburn Hills, Michigan 48326

(248) 754 0872

BorgWarner Inc., a Delaware corporation, which we refer to as BorgWarner or Parent, is a global product leader in clean and efficient technology solutions for combustion, hybrid and electric vehicles. These products help improve vehicle performance, propulsion efficiency, stability and air quality. These products are manufactured and sold worldwide, primarily to original equipment manufacturers of light vehicles (passenger cars, sport-utility vehicles, vans and light trucks). BorgWarner s products are also sold to other original equipment manufacturers of commercial vehicles (medium-duty trucks, heavy-duty trucks and buses) and off-highway vehicles (agricultural and construction machinery and marine applications). BorgWarner also manufactures and sells its products to certain Tier One vehicle systems suppliers and into the aftermarket for light, commercial and off-highway vehicles. BorgWarner operates manufacturing facilities serving customers in Europe, the Americas, and Asia and is an original equipment supplier to every major automotive original equipment manufacturer in the world.

Table of Contents

Slade Merger Sub Inc.

Slade Merger Sub Inc., which we refer to as Merger Sub, is a Delaware corporation and a wholly owned subsidiary of Parent. It was formed solely for the purpose of effecting the merger and the transactions contemplated by the merger agreement, and it has not engaged in any other business.

Certain Effects of the Merger on Sevcon (page 76)

Upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into Sevcon, with Sevcon continuing as the surviving company and a wholly owned subsidiary of Parent. Throughout this proxy statement, we use the term surviving company to refer to Sevcon as the surviving company following the merger. If the merger is consummated, you will not own any shares of the common stock of the surviving company, and if the charter amendment becomes effective, you will not own any shares of Series A Convertible Preferred Stock, par value $0.10 per share, which we refer to as Series A preferred stock, of the surviving company.

The time at which the merger will become effective, which we refer to as the effective time of the merger, will occur upon the filing of the certificate of merger with the Secretary of State of the State of Delaware (or at such later time as we and Parent may agree and specify in the certificate of merger).

Effect on Sevcon if the Merger is Not Completed (page 76)

If the merger agreement is not adopted by Sevcon stockholders or if the merger is not completed for any other reason, Sevcon stockholders will not receive any payment for their shares of common stock or Series A preferred stock. Instead, Sevcon will remain a public company, our common stock will continue to be listed and traded on NASDAQ and registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and we will continue to file periodic reports with the Securities and Exchange Commission, or the SEC. Under specified circumstances, Sevcon may be required to pay Parent or its designee a termination fee or an expense reimbursement amount as described under The Merger Agreement Termination Fees and Expense Reimbursement beginning on page 99.

The Charter Amendment (page 33)

Sevcon has two classes of stock outstanding, common stock and Series A preferred stock. Under the terms of Sevcon s Amended and Restated Certificate of Incorporation, which we refer to as our charter, related to the Series A preferred stock, the effects of a transaction such as the merger on the Series A preferred stock may not be certain and accordingly, if the Series A preferred stock remains outstanding, the rights of a holder of Series A preferred stock of the surviving company may not be certain. To address the risk of this potential uncertainty, it is a condition to Parent and Merger Sub s obligation to close the merger that our charter be amended to provide that, at the effective time of the merger, each holder of Series A preferred stock will be entitled to receive the consideration provided for in the merger agreement for each share of Series A preferred stock owned by such holder. This amendment, which we refer to as the charter amendment, requires the affirmative vote of holders of a majority of both the outstanding common stock and the outstanding Series A preferred stock, voting as separate classes. If the charter amendment does not become effective, and Parent waives this condition, the shares of our Series A preferred stock may remain outstanding as securities of the surviving company.

According to Sevcon s records, stockholders GGCP, Inc., Mario J. Gabelli, Teton Advisors, Inc., Gabelli Funds, LLC, GAMCO Investors, Inc., Associated Capital Group, Inc., GAMCO Asset Management Inc. or Gabelli & Company Investment Advisers, Inc. (which we refer to collectively as GAMCO) collectively beneficially own a majority of the outstanding shares of our Series A preferred stock. Because of GAMCO s ownership of a majority of our Series A

preferred stock, votes of the GAMCO entities in favor of the charter amendment proposal would be necessary to secure stockholder adoption of the charter amendment.

Table of Contents

Merger Consideration (page 33)

In the merger, each outstanding share of our common stock (other than (i) shares owned by Parent, Merger Sub or Sevcon or any of their respective subsidiaries, except to the extent held by any such person on behalf of a third party, which we refer to as excluded shares, and (ii) shares held by stockholders who do not vote in favor of the merger and the adoption of the merger agreement and who have properly perfected, and not withdrawn or lost, a demand for appraisal rights under Delaware General Corporation Law, or the DGCL, as of the effective time of the merger, which we refer to as dissenting shares) will be converted automatically into the right to receive $22.00 in cash, without interest and less any applicable withholding taxes, which amount we refer to as the per common share merger consideration. In addition, each share of Series A preferred stock issued and outstanding immediately prior to the effective time (other than excluded shares and dissenting shares) will automatically be converted into the right to receive $66.00 in cash, without interest and less any applicable withholding taxes, which amount we refer to as the per preferred share merger consideration. Each share of Series A preferred stock is convertible into three shares of common stock; accordingly, the per preferred share merger consideration represents the consideration each share of Series A preferred stock would receive on an as-converted basis. Immediately prior to the effective time of the merger, the Board of Directors of Sevcon intends to declare and pay a special dividend on the Series A preferred stock representing the amount of the accrued and unpaid dividends on the Series A preferred stock. All shares converted into the right to receive the per common share merger consideration or per preferred share merger consideration will cease to be outstanding, will be cancelled and cease to exist, and each certificate formerly representing any of such shares (other than excluded shares and dissenting shares) will thereafter represent only the right to receive the per common share merger consideration or the per preferred share merger consideration, as the case may be. As described further in The Merger Agreement Exchange and Payment Procedures beginning on page 78, at or immediately prior to the effective time of the merger, Parent will deposit or cause to be deposited cash sufficient to pay the aggregate per common share merger consideration and the per preferred share merger consideration with a designated paying agent. Shortly after completion of the merger, you will receive a letter of transmittal instructing you to send your stock certificates to the paying agent in order to receive the per common share merger consideration or per preferred share merger consideration for each share of our common stock or Series A preferred stock represented by the stock certificates.

After the merger is completed, you will have the right to receive the per common share merger consideration or per preferred share merger consideration, as the case may be, but you will no longer have any rights as a Sevcon stockholder (except that stockholders who have properly perfected and not withdrawn or lost their demand for appraisal rights would have the right to receive a payment for the fair value of their shares as contemplated by Delaware law, as described below under The Merger Appraisal Rights beginning on page 67), nor will you be entitled to receive any shares in Parent or the surviving company.

Treatment of Warrants (page 33)

In 2016, Sevcon issued warrants to purchase 562,000 shares of our common stock at an exercise price of $10.00 per share, which we refer to as the warrants, of which 556,482 remain outstanding as of the date of this proxy statement. Under the terms of the warrants, the effects of a transaction such as the merger on the warrants may not be certain and accordingly, if the warrants remain outstanding, the rights of a holder of warrants of the surviving company may not be certain. To address the risk of this potential uncertainty, it is a condition to Parent and Merger Sub s obligation to close the merger that each of the holders of outstanding warrants has executed an agreement with Sevcon agreeing to cancel such warrants in exchange for an amount equal to the product of the per common share merger consideration and the number of shares issuable upon exercise of such warrants, less the aggregate exercise price for such warrants, which we refer to as warrant acknowledgement agreements. If Sevcon fails to obtain warrant acknowledgement agreements from holders of all outstanding warrants, and Parent waives this condition, the warrants held by any such

holder may remain outstanding as securities of the surviving company. Prior to the date of this proxy statement, holders of all of the outstanding warrants have executed such agreements, and provided that each such agreement remains in full force and effect and is not amended, modified or waived in whole or in part without the prior written consent of Parent, the condition related to the warrant acknowledgement agreements will be satisfied.

Table of Contents

Treatment of Equity Awards (page 77)

The merger agreement generally provides for the following treatment of options to purchase shares of Sevcon common stock which are outstanding immediately prior to the effective time of the merger (which we refer to as options) and awards of shares of Sevcon common stock outstanding immediately prior to the effective time of the merger that are subject to forfeiture or other restrictions (which we refer to as restricted stock awards), in each case, granted to our directors, director emeritus, and certain employees under our 1996 Equity Incentive Plan (which we refer to as the equity plan):

Options. At the effective time of the merger, each option will be cancelled and converted into the right to receive, with respect to each share of Sevcon common stock subject to such option, an amount in cash, without interest, equal to the excess, if any, of $22.00 over the applicable per share exercise price of such option, less any applicable withholding taxes, which we refer to as the option payment. Option payments in respect of options that vest in accordance with their terms at the effective time of the merger or that would have vested assuming the holder s continued employment or service through December 31, 2018, and achievement of any applicable performance-based vesting conditions, including those held by certain of our executive officers, will be paid to the holder promptly following the effective time of the merger. Option payments in respect of options that do not vest in accordance with their terms at the effective time of the merger and that would have vested in accordance with their terms on or after January 1, 2019, assuming the holder s continued employment or service through the date on which the options are scheduled to become vested and the achievement of performance based vesting conditions, will vest and become payable in accordance with the vesting schedule, terms and conditions applicable to such options immediately prior to the effective time; provided that pro rata option payments may be made in connection with certain qualifying terminations of employment and any performance-based vesting conditions applicable to such options will no longer apply and such options will be subject to service-based vesting only.

Restricted Stock Awards. At the effective time of the merger, each restricted stock award will be converted into the right to receive, with respect to each share of common stock subject to such restricted stock award, an amount in cash, without interest, equal to $22.00, less any applicable withholding taxes, which we refer to as the restricted stock award payment. Restricted stock award payments (or portions thereof) in respect of restricted stock awards (or portions thereof) that vest by their terms at the effective time of the merger or that would have vested assuming the holder s continued employment or service through December 31, 2018 and achievement of any applicable performance-based vesting conditions, including, in each case, those held by our directors, director emeritus, and certain of our executive officers, will be paid to the holder promptly following the effective time of the merger. Restricted stock award payments (or portions thereof) in respect of restricted stock awards (or portions thereof) that do not vest in accordance with their terms prior to or at the effective time of the merger and that would have vested in accordance with their terms on or after January 1, 2019 assuming the holder s continued employment or service through the date on which the restricted stock awards (or portions thereof) are scheduled to become vested and the achievement of performance based vesting conditions, will vest and become payable in accordance with the vesting schedule, terms and conditions applicable to such restricted stock awards immediately prior to the effective time; provided that pro rata restricted stock award payments may be made in connection with certain qualifying terminations of employment and any performance-based vesting conditions applicable to such restricted stock awards will no longer apply and such restricted stock awards will be subject to service-based vesting only.

The Special Meeting (page 27)

Date, Time and Place

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Sevcon of proxies to be voted at a special meeting of our stockholders to be held at 12:00 p.m., Eastern Time, on September 22, 2017, at the offices of Locke Lord LLP, 111 Huntington Avenue at Prudential Center, Boston, Massachusetts.

Table of Contents

Record Date; Shares Entitled to Vote

You are entitled to vote at the special meeting if you owned shares of our common stock or Series A preferred stock at the close of business on August 15, 2017, the record date for the special meeting. You will have one vote at the special meeting for each share of our common stock or Series A preferred stock you owned at the close of business on the record date.

Purpose

At the special meeting, we will ask our stockholders of record as of the record date to vote on (i) a proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) a proposal to approve and adopt the charter amendment; (iii) a proposal to adjourn the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement and/or the charter amendment at the time of the special meeting or in the absence of a quorum, which we refer to as the adjournment proposal; (iv) to approve, by non-binding, advisory vote, compensation that will or may become payable by Sevcon to its named executive officers in connection with the merger, which we refer to as the executive officer compensation proposal; and (v) such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Quorum

As of the record date, there were 5,693,408 shares of common stock and 421,084 shares of Series A preferred stock outstanding and entitled to be voted at the special meeting. A quorum of stockholders is necessary to hold a special meeting. The holders of a majority of the outstanding shares of common stock as of the record date for the meeting will constitute a quorum, except that with respect to the proposal to approve the charter amendment, the holders of a majority of the outstanding shares of Series A preferred stock as of the record date for the meeting will also be required to constitute a quorum. Accordingly, with respect to each proposal, 2,846,705 shares of common stock must be represented by proxy or by stockholders present and entitled to vote at the special meeting to have a quorum, and with respect to the proposal to adopt the charter amendment, 210,543 shares of Series A preferred stock must also be represented by proxy or by stockholders present and entitled to vote at the special meeting to have a quorum. Because, according to Sevcon s records, the GAMCO entities own a majority of the Series A preferred stock, the presence at the meeting or representation by proxy of a portion of the GAMCO entities will be required to have a quorum with respect to the charter amendment proposal.

Required Vote

Approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of common stock entitled to vote at the special meeting. Approval of the charter amendment requires the affirmative vote of (a) a majority of the outstanding shares of common stock entitled to vote at the special meeting and (b) a majority of the outstanding shares of Series A preferred stock entitled to vote at the special meeting, voting as separate classes. Approval of each of the adjournment proposal and the executive officer compensation proposal requires the affirmative vote of a majority of the shares of common stock represented and entitled to vote at the special meeting.

Share Ownership of Our Directors and Executive Officers

As of the close of business on August 15, 2017, the record date, our directors, director emeritus and executive officers beneficially owned and were entitled to vote, in the aggregate, 2,141,887 shares of common stock, representing

approximately 37.6% of the outstanding shares of common stock, and 146,568 shares of Series A preferred stock, representing approximately 34.8% of the outstanding shares of Series A preferred stock. Our directors, director emeritus and executive officers have informed us that they currently intend to vote all of their

Table of Contents

shares of common stock and Series A preferred stock (as applicable) (i) FOR the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) FOR the proposal to approve and adopt the charter amendment; (iii) FOR the adjournment proposal; and (iv) FOR the executive officer compensation proposal.

Voting of Proxies

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

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the special meeting in person. If you attend the special meeting and wish to vote in person, you must deliver to our Secretary a written revocation of any proxy you previously submitted, as your vote by ballot will not revoke any proxy previously submitted.

Voting instructions are included on your proxy card. All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in accordance with the instructions of the stockholder. Properly executed proxies that do not contain voting instructions will be voted (i) FOR the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) FOR the proposal to approve and adopt the charter amendment; (iii) FOR the adjournment proposal; and (iv) FOR the executive officer compensation proposal.

The failure to submit a proxy or to attend and vote in person at the special meeting or, if you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement and AGAINST the proposal to approve and adopt the charter amendment, but will not have any effect on the adjournment proposal or the executive officer compensation proposal.

For both registered stockholders and holders of shares in street name, abstentions will have the same effect as votes AGAINST each of the proposals.

Holders of shares of Series A preferred stock will receive a separate proxy card to vote such shares on Proposal 2.

Recommendation of the Board of Directors and Reasons for the Merger (page 45)

Sevcon s Board of Directors, which we refer to as the Board, after considering various factors described in the section entitled The Merger Recommendation of the Board of Directors and Reasons for the Merger, unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, and the charter amendment are fair to and in the best interests of Sevcon and its stockholders, approved, adopted and declared advisable the merger agreement and the transactions contemplated by the merger agreement, including the merger, and the charter amendment, and directed that the approval of the merger and the adoption of the merger agreement and the approval and adoption of the charter amendment be submitted to Sevcon s stockholders.

Table of Contents

The Board unanimously recommends that you vote (i) FOR the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) FOR the proposal to approve and adopt the charter amendment; (iii) FOR the adjournment proposal; and (iv) FOR the executive officer compensation proposal.

Fairness Opinion of Financial Advisor (page 49)

In connection with the merger, the Board and the Special Committee received a written opinion from the Special Committee s financial advisor, Rothschild, to the effect that, as of July 14, 2017, and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Rothschild, the $22.00 in cash per share to be paid to the holders of outstanding shares of common stock, par value $0.10 per share, of Sevcon, other than (i) shares of our common stock owned by Sevcon, Parent, Merger Sub or any of their respective subsidiaries and (ii) dissenting shares, pursuant to the merger agreement was fair, from a financial point of view, to such holders of shares of our common stock other than shares of our common stock owned by Sevcon, Parent, Merger Sub or any of their respective subsidiaries and dissenting shares as described under The Merger Fairness Opinion of Financial Advisor beginning on page 49.

The full text of Rothschild s written opinion dated July 14, 2017, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement as *Annex B* and is incorporated into this proxy statement by reference. We encourage you to read this opinion carefully and in its entirety. This summary is qualified in its entirety by reference to the full text of such opinion. Rothschild s opinion was provided for the benefit of the Board and the Special Committee in connection with their evaluation of the merger. Rothschild s opinion should not be construed as creating any fiduciary duty on Rothschild s part to any party. Rothschild s opinion was limited to the fairness, from a financial point of view, to the holders of outstanding shares of common stock, par value $0.10 per share, of Sevcon, other than shares of our common stock owned by Sevcon, Parent, Merger Sub or any of their respective subsidiaries and dissenting shares, on the date of the opinion, of the $22.00 in cash per share to be paid to such holders pursuant to the merger agreement, and Rothschild expressed no opinion as to any underlying decision that Sevcon may have made to engage in the merger or any alternative transaction, the relative merits of the merger as compared to any alternative transaction or the terms (other than the $22.00 in cash per share to be paid pursuant to the merger agreement to the holders of outstanding shares of common stock of Sevcon, other than shares of our common stock owned by Sevcon, Parent, Merger Sub or any of their respective subsidiaries and dissenting shares, to the extent expressly set forth in the written opinion) of the merger, the merger agreement or any other agreement entered into in connection with the merger. Rothschild s opinion did not constitute a recommendation to the Board or the Special Committee as to whether to approve the merger or a recommendation as to how any holder of shares of common stock of Sevcon should vote or otherwise act with respect to the merger or any other matter. In addition, Rothschild did not express any opinion or view with respect to (i) the fairness to, or any other consideration of, the holders of any class of securities (other than holders of shares of common stock of Sevcon and then only to the extent expressly set forth in its written opinion) or creditors or other constituencies, including the fairness to, or any other consideration of, the holders of shares of Series A preferred stock, or the holders of the warrants, (ii) the fairness to the holders of shares of common stock of Sevcon of the consideration or other payments to be paid to the holders of shares of Series A preferred stock and the warrants pursuant to the merger, (iii) the fairness to the holders of shares of common stock of Sevcon of the allocation of the total consideration and other payments pursuant to the merger among the holders of shares of common stock of Sevcon, shares of Series A preferred stock and the warrants or (iv) the fairness to the holders of shares of common stock of Sevcon of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Parent or Sevcon, or any class of such persons, whether relative to the $22.00

in cash per share to be paid to the holders of shares of common stock of Sevcon, other than shares of our common stock owned by Sevcon, Parent, Merger Sub or any of their respective subsidiaries and dissenting shares, pursuant to the merger agreement or otherwise.

Table of Contents

Interests of the Directors and Executive Officers of Sevcon in the Merger (page 62)

When considering the recommendation of the Board that you vote to approve the proposal to approve and adopt the merger agreement and to approve and adopt the charter amendment, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a stockholder. The special committee of the Board, which we refer to as the Special Committee, was aware of these interests and considered them, among other matters, in evaluating and overseeing the negotiation of the merger agreement, and in recommending that the Board approve the merger agreement and the merger. The Board was also aware of these interests in approving the merger agreement and the merger and in recommending that the merger agreement be adopted by the stockholders of Sevcon. These interests include the following:

- The treatment of outstanding equity awards described under The Merger Agreement Treatment of Common and Preferred Stock, Warrants and Stock-Based Awards beginning on page 77.

- The entitlement of certain of Sevcon s executive officers to receive payments and benefits upon certain terminations of employment under their respective service agreements and non-competition and non-solicitation agreements with Sevcon.

- Continued indemnification and directors and officers liability insurance to be provided by Parent and the surviving company.

If the proposal to approve and adopt the merger agreement is approved by our stockholders and the merger closes, any shares of Sevcon stock held by our directors and executive officers will be treated in the same manner as outstanding shares of Sevcon stock held by all other Sevcon stockholders entitled to receive the per common or per preferred share merger consideration, respectively, and as applicable.

Financing of the Merger (page 67)

The merger agreement is not subject to any financing contingency. Parent and Merger Sub have informed Sevcon that they expect the funds needed by them in connection with the merger will be derived from a combination of cash on hand and committed financing.

Employee Benefits Matters (page 94)

The merger agreement generally provides for the following treatment with respect to those employees of Sevcon and its subsidiaries who continue to be employed by Parent, the surviving corporation or any of their subsidiaries following the effective time of the merger, which we refer to as the continuing employees:

- During the period following the effective time of the merger and ending on the earlier of the first anniversary of such time or December 31, 2018 (which we refer to as the continuation period), each continuing employee will receive (i) at least the same base salary, wage rate and cash incentive compensation opportunity as provided immediately before the effective time of the merger, (ii) employee benefits that are no less favorable in the aggregate than those provided immediately before the effective time of the merger

(excluding long-term equity incentive opportunities and any defined benefit pension plan), and (iii) long-term equity incentive opportunities that are no less favorable than those provided to similarly situated employees of Parent or its subsidiaries.

Each continuing employee who incurs a termination of employment during the continuation period will receive severance payments and benefits that are no less favorable than the severance payments and benefits that such continuing employee was eligible to receive under any applicable severance plan, policy, practice or arrangement sponsored or maintained by Sevcon or its subsidiaries in accordance with the terms of such arrangement as in effect immediately before the date of the merger agreement or, if greater, the severance payments and benefits that are provided to similarly situated employees of Parent and its subsidiaries at the time of such termination.

Table of Contents

Each continuing employee will receive credit for service with Sevcon or its subsidiaries to the extent such service would be recognized if it had been performed as an employee of Parent for all purposes (including eligibility, vesting and determination of the level of benefits but not for any purpose with respect to defined benefit pension plans or other plans providing for post-employment benefits) under any employee benefit plans maintained by Parent, its subsidiaries or the surviving company in which the continuing employee participates, except where such credit would result in a duplication of benefits. No continuing employee will be retroactively eligible for any employee benefit plan maintained by Parent or any of its subsidiaries, including any such employee benefit plan that was frozen prior to the effective time of the merger.

Appraisal Rights (page 67)

Under the DGCL, holders of Sevcon common stock who do not vote in favor of adoption of the merger agreement (or consent thereto in writing), who are entitled to demand and who properly demand appraisal of such shares, and do not thereafter fail to perfect, effectively withdraw, or otherwise lose their right to appraisal in accordance with Section 262 of the DGCL, will have the right to seek appraisal of the fair value of their shares of Sevcon common stock in cash as determined by the Delaware Court of Chancery in lieu of receiving the per common share merger consideration if the merger is completed, but only if they strictly comply with the procedures and requirements set forth in Section 262 of the DGCL. Any holder of record of shares of Sevcon common stock intending to exercise appraisal rights, among other things, must properly submit a written demand for appraisal to us prior to the taking of the vote on the proposal to adopt the merger agreement, must not vote or otherwise submit a proxy in favor of (or consent in writing to) the proposal to adopt the merger agreement, must continue to hold the shares of Sevcon common stock through the effective tim