

MEETING DATE	Wed, 13 May 2015 10:00 am	TYPE	AGM	ISSUE DATE	Mon, 11 May 2015
MEETING LOCATION	500 North Field Drive, Lake Forest, Illinois 60045				
CURRENT INDICES	PIRC Global				
SECTOR	Motor vehicle parts and accessories				

PROPOSALS		ADVICE
<b>1a</b>	<b>Elect Thomas C. Freyman</b> Independent Non-Executive Director.	<b>For</b>
<b>1b</b>	<b>Elect Dennis J. Letham</b> Independent Non-Executive Director. He is chair of the Audit committee which is not fully independent which Triodos does not support.	<b>Oppose</b>
<b>1c</b>	<b>Elect James S. Metcalf</b> Independent Non-Executive Director. He is newly appointed and his appointment does not improve the gender balance which is insufficient. Triodos opposes this resolution.	<b>Oppose</b>
<b>1d</b>	<b>Elect Roger B. Porter</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board. He is chair of the Remuneration committee which is not fully independent. Furthermore, he is chair of the Nomination committee and less than 20% of the board are women which Triodos does not support.	<b>Oppose</b>
<b>1e</b>	<b>Elect David B. Price, Jr.</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	<b>Oppose</b>
<b>1f</b>	<b>Elect Gregg M. Sherrill</b> Chairman and CEO. Combined roles at the head of the Company which Triodos does not support. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.	<b>Oppose</b>
<b>1g</b>	<b>Elect Paul T. Stecko</b> Non-Executive Director. Not considered independent as he previously served as President and Chief Operating Officer of Tenneco Inc. from November 1998 to April 1999 and as Chief Operating Officer of Tenneco Inc. from January 1997 to November 1998. There is insufficient independent representation on the board.	<b>Oppose</b>
<b>1h</b>	<b>Elect Jane L. Warner</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	<b>Oppose</b>
<b>2</b>	<b>Appoint the auditors</b> PwC LLP proposed. There were no non-audit fees during the year under review and on a three-year aggregate basis. This level of non-audit fees does not raise concerns about the independence of the statutory auditor. The current auditor has been in place for more than five years.	<b>For</b>

### 3 **Advisory vote on executive compensation**

**Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: ADC.

As the annual bonus is made up of a 25% discretionary element for which no disclosure was provided as to the areas the Compensation Committee took into consideration when awarding the bonus. Long-term equity is awarded in the form of stock options which generally vest in 1/3 increments over three years and awards of restricted stock which generally vest in 1/3 increments over three years. Based on these concerns Triodos opposes this resolution.

---

## **SUPPORTING INFORMATION FOR RESOLUTIONS**

### **Proposal 3 - Advisory vote on executive compensation**

**Disclosure: A-** The Company provided sufficient disclosure surrounding the targets attached to the annual bonus and long-term equity award.

**Balance: D-** The annual bonus is made up of a 25% discretionary element for which no disclosure was provided as to the areas the Compensation Committee took into consideration when awarding the bonus. Long-term equity is awarded in the form of 1) stock options which generally vest in 1/3 increments over three years, (2) awards of restricted stock which generally vest in 1/3 increments over three years, and (3) cash-settled long-term performance units ("LTPUs") which are generally earned over a three-year performance period and paid after the end of the performance period. The award of equity that vest based on continued employment is not considered an acceptable means of linking pay with performance.

**Contract: C-** Equity is subject to accelerated vesting in a change in control.

**For Private Circulation only**

©Copyright 2015 PIRC Ltd

Researcher: Rasheed Rambaran  
Email: [pircresearch@pirc.co.uk](mailto:pircresearch@pirc.co.uk)

Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.



Pensions & Investment Research Consultants Limited  
6th Floor  
9 Prescott Street  
London E1 8AZ

Tel: 020 7247 2323  
Fax: 020 7247 2457  
<http://www.pirc.co.uk>

**Regulated by the Financial Conduct Authority**