

MEETING DATE	Wed, 18 May 2016 10:00 am	TYPE	AGM	ISSUE DATE	Thu, 12 May 2016
MEETING LOCATION	Tenneco Headquarters 500 North Field Drive, Lake Forest, IL 60045				
CURRENT INDICES	PIRC Global				
SECTOR	Motor vehicle parts and accessories				

PROPOSALS		ADVICE
1a	Elect Thomas C. Freyman Independent Non-Executive Director.	For
1b	Elect Dennis J. Letham Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1c	Elect James S. Metcalf Independent Non-Executive Director.	For
1d	Elect Roger B. Porter 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 Nomination committee and less than 20% of the Board are women which Triodos does not support.	Oppose
1e	Elect David B. Price, Jr. Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1f	Elect Gregg M. Sherrill Chairman and CEO. Combined roles at the head of the Company. 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.	Oppose
1g	Elect Paul T. Stecko 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.	Oppose
1h	Elect Jane L. Warner Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1i	Elect Roger J. Wood Independent Non-Executive Director. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board. Triodos opposes this resolution.	Oppose
2	Appoint the auditors PricewaterhouseCoopers proposed. Non-audit fees represented 18.85% of audit fees during the year under review and 6.30% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditors. Triodos supports this resolution.	For

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: CED.

The performance element of the award only amounts to 33.3% of the long-term incentive, and there is 100% payout for only 50th percentile TSR performance. Additionally, restricted stock units vest incrementally by one-third over three years rather than according to a full three year performance period. This incremental vesting does not reflect a sufficiently long performance period. Based on these concerns, Triodos opposes this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory vote on executive compensation

Disclosure: C- It is not clear that management cannot influence the Compensation Committee's process for determining pay. This concern is exacerbated by the fact that the Compensation Committee is not fully independent, which raises concerns about independence and transparency in relation to setting executive pay. The annual incentive is based on economic value added (EVA) (75%) and individual performance (25%), but the individual performance component is based on the Compensation Committee's discretion regarding company performance and other factors that are not defined. This means that 25% of the award is based entirely on the discretion of the Compensation Committee, which also has the discretion to increase the 200% maximum payout if it sees fit.

Balance: E- Although three performance metrics are used in respect of the long-term performance awards - total shareholder return (TSR) (50%), earnings before interest, tax, depreciation, amortization and non-controlling interests (30%), and free cash flow (20%) - performance awards do not comprise the entire long-term award, which raises concerns about the link between pay and performance. In fact, the performance element of the award only amounts to 33.3% of the long-term incentive, and there is 100% payout for only 50th percentile TSR performance. Additionally, restricted stock units vest incrementally by one-third over three years rather than according to a full three year performance period. This incremental vesting does not reflect a sufficiently long performance period.

Contract: D- Severance and change-in-control awards do not appear to be restricted to three times base salary plus target bonus, and although change-in-control payments can only be made if an executive is dismissed without cause or resigns for good reason, 'good reason' is not adequately defined.

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Researcher:
Email: pircresearch@pirc.co.uk

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Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

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

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