Triodos Investment Management

OWENS CORNING

MEETING DATE	Thu, 19 Apr 2018 10:00 am	TYPE	AGM	ISSUE DATE	Fri, 23 Mar 2018
MEETING LOCATION	Jones Day, 250 Vesey Street, New York, New York 10281				
CURRENT INDICES	PIRC Global				
SECTOR	Asphalt felts and coatings				

	PROPOSALS	ADVICE
1A	**Elect Cesar Conde** Independent Non-Executive Director.	**For**
1B	**Elect Adrienne D. Elsner** Independent Non-Executive Director.	**For**
1C	**Elect J. Brian Ferguson** Independent Non-Executive Director. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**
1D	**Elect Ralph F. Hake** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1E	**Elect Edward F. Lonergan** Independent Non-Executive Director. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1F	**Elect Maryann T. Mannen** Independent Non-Executive Director.	**For**
1G	**Elect W. Howard Morris** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1H	**Elect Suzanne P. Nimocks** Independent Non-Executive Director.	**For**
1I	**Elect Michael H. Thaman** 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**
1J	**Elect John D. Williams** Lead Independent Director.	**For**
2	**Appoint the Auditors** PwC proposed. Non-audit fees represented 7.66% of audit fees during the year under review and 6.90% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than seven years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	**Oppose**
3	**Advisory Vote on Executive Compensation** 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.	**Oppose**

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote on Executive Compensation

Disclosure: D- The Company's disclosure is not considered transparent. There are no specific targets for the annual bonus or long-term awards. Annual incentives are delivered through the annual Corporate Incentive Plan ("CIP"). Incentive awards for the NEOs are based 75% on corporate performance measures and 25% on individual performance measures. The corporate component is earned based upon the achievement of pre-determined financial goals, such as Adjusted EBIT. There are concerns over the use of adjusted measures, as this does not permit an assessment on the challenging nature of performance targets.

The long-term incentive programme ("LTI") is an equity-based programme that has a combination of Restricted Stock, Stock Options and Performance Share Units. The aggregate LTI award's total value is allocated 40% to Restricted Stock, 35% to ROC PSUs, and 25% to TSR PSUs.

Balance: C- Restricted Stock generally vests at a rate of 25% per year over a four-year period, which is against best practice. Return on Capital-based Performance Share Units ("ROC PSUs") and Total Shareholder Return-based Performance Share Units ("TSR PSUs") generally vest after the completion of the three-year performance period, which is not considered to be sufficiently long-term.

Contract: D- Potential severance awards are considered to be excessive. Equity is accelerated in the event of a change in control, which is a concern.

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