

<b>MEETING DATE</b>	Wed, 16 May 2018 10:00 am	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Thu, 03 May 2018
<b>MEETING LOCATION</b>	Tenneco Headquarters, 500 North Field Drive, Lake Forest, IL 60045				
<b>CURRENT INDICES</b>	PIRC Global				
<b>SECTOR</b>	Motor vehicle parts and accessories				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1a. Elect Thomas C. Freyman</b> Independent Non-Executive Director.		<b>For</b>
<b>1b. Elect Brian J. Kessler</b> Chief Executiv		<b>For</b>
<b>1c. Elect Dennis J. Letham</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 Audit committee which is not fully independent which Triodos does not support.		<b>Oppose</b>
<b>1d. Elect James S. Metcalf</b> Independent Non-Executive Director.		<b>For</b>
<b>1e. 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 Nomination Committee and less than 20% of the Board are women which Triodos does not support He is chair of the Remuneration committee which is not fully independent which Triodos does not support.		<b>Oppose</b>
<b>1f. 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>1g. Elect Gregg M. Sherrill</b> Executive Chairman. It is a generally accepted norm of good practice that the Chairman of the Board should act with a proper degree of independence from the Company's management team when exercising his or her oversight of the functioning of the Board. Holding an executive position is incompatible with this and a vote to Oppose is recommended.		<b>Oppose</b>
<b>1h. Elect Paul T. Stecko</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>1i. 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>1j. Elect Roger J. Wood</b> Independent Non-Executive Director.		<b>For</b>
<b>2. Appoint the Auditors</b> PwC proposed. Non-audit fees represented 6.57% of audit fees during the year under review and 11.00% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.		<b>For</b>

### 3. **Advisory Vote on Executive Compensation**

**Abstain**

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.

Best practice states that all executives should hold at least six times base salary in stocks, currently executives hold five times base salary. Executive compensation is aligned with peer group averages and with companies of a similar market capitalisation. Mr. Hollar received an additional sign-on bonus in connection with the CEO transition. These kind of discretionary awards are not considered best practice.

Tenneco Inc. has a compensation claw back policy in place that allows for the recoupment of payment if in the event that misconduct by an executive contributes to a restatement of the financial results. Change-in-control payments are not subject to double-trigger provisions. Good reason is also not adequately defined.

The compensation rating is: ACC.

Triodos abstains this resolution.

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## **SUPPORTING INFORMATION FOR RESOLUTIONS**

### **Proposal 3. - Advisory Vote on Executive Compensation**

**Disclosure: A-** Annual cash incentives are based primarily on the achievement of Economic Value Added (EVA) performance. Long-term cash incentive payments are based on free cash flow, (20%) EBITDA (30%) and total stockholder return measures (50%). Peer groups are disclosed. However, the Company failed to provide the fees it paid to the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency.

**Balance: C-** For fiscal 2017, annual incentives was not considered to be excessive. The CEO's actual bonus for the year was 892,059 USD, representing 91.92% of his base salary (200% maximum is considered as acceptable practice. Best practice states that all executives should hold at least six times base salary in stocks, currently executives hold five times base salary. Executive compensation is aligned with peer group averages and with companies of a similar market capitalisation. Mr. Hollar received an additional sign-on bonus in connection with the CEO transition. These kind of discretionary awards are not considered best practice.

**Contract: C-** Tenneco Inc. has a compensation claw back policy in place that allows for the recoupment of payment if in the event that misconduct by an executive contributes to a restatement of the financial results. Change-in-control payments are not subject to double-trigger provisions. Good reason is also not adequately defined.

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