

MEETING DATE	Wed, 12 Sep 2018 10:00 am	TYPE	EGM	ISSUE DATE	Fri, 24 Aug 2018
MEETING LOCATION	500 North Field Drive, Lake Forest, Illinois 60045, USA				
CURRENT INDICES	PIRC Global				
SECTOR	Motor vehicle parts and accessories				

COMPANY OVERVIEW

Tenneco Inc., is one of the world's largest producers of clean air and ride performance products and systems for light vehicle, commercial truck, off-highway and other vehicle applications. The Company serves both original equipment vehicle manufacturers ("OEMs") and the repair and replacement markets, or aftermarket, worldwide. It was incorporated in Delaware in 1996. In 2005, the Company changed its name from Tenneco Automotive Inc. to Tenneco Inc.

PROPOSALS		ADVICE
1 Approve Authority to Increase Share Capital by Creating a Class of Non-Voting Common Stock	The Board seeks to reclassify ordinary stock as "Class A Voting Common Stock" and then authorise the creation of 25,000,000 new shares of "Class B Non-Voting Common Stock", both with a par value of USD 0.01. The principle of one share, one vote is considered best practice. Dual voting rights for different share classes distort the relationship between economic interest and control of the company. Triodos opposes this resolution.	Oppose
2 Approve the Issuance of Shares for the Acquisition	Voting recommendations on corporate actions, such as merger decisions, are based on the information presented and on the view of the overall independence of the Board and shareholder rights post-merger. It is noted that, over the time that the Merger Agreement was approved and until now, none of the directors had a connection to the merger. Excluding length of tenure in office, eight out of ten directors in this period were considered independent. This provides some assurance that the transaction received the appropriate level of objective scrutiny. However, as the acquisition requires the creation of the Class B Non-Voting Common Stock and therefore the creation of a dual class voting structure, Triodos opposes this resolution.	Oppose
3 Approve the Amended Executive Share Plan	The Board seeks to increase the number of shares available in the executive LTIP scheme to 3,000,000 representing an increase of roughly 1,735,200. LTIP stock awards are based on EBITDA, TSR and FCF criteria. While specific targets have been provided, these criteria are not considered to be sufficient indicators on individual director performance, especially TSR. Payment limits appear to be in line with best practice. Schemes are paid in stock awards that vest in three years, which is not considered sufficiently long term. There is a compensation claw back policy in place that allows for the recouping of payment in the event that misconduct by an executive contributes to a restatement of the financial results. LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the Company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute Company underperformance and long-term share price falls. They are also a significant factor in reward for failure. Triodos opposes this resolution.	Oppose

4 Adjourn Meeting

Oppose

The Board requests authority to adjourn the special meeting until a later date or dates, if necessary, in order to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger. An oppose vote is recommended to any adjournment or postponement of meetings if a sufficient number of votes are present to constitute a quorum. It is considered that where a quorum is present, the vote outcome should be considered representative of shareholder opinion.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Approve the Issuance of Shares for the Acquisition

Merger Consideration

The issuance of shares of Class A Voting Common Stock and Class B Non-Voting Common Stock as the Stock Consideration will dilute the ownership and voting interests of existing Tenneco stockholders. The transaction will create an additional 9.9% of Class A Voting Common Stock, which will be issued immediately upon the completion of the transaction. AEP, the parent company of Federal-Mogul LLC, is entitled to receive up to 7,315,490 shares of the Company's stock, issued as Class B Non-Voting Common Stock. Existing Tenneco stockholders will have proportionally less ownership as a result of the Acquisition, though the size of the company will be increased.

Rationale

The Board expects beneficial synergies as a result of the transaction, including annual earnings of USD 200 million and one-time working capital synergies of up to USD 250 million within the first 24 months. The board also believes that the acquisition will drive long-term value creation in the areas of aftermarket and original equipment supplies and Powertrain technology.

External Advisors

Acting as an independent financial advisor, Barclays Capital Inc. has declared the acquisition to be fair, from a financial point of view, to Tenneco.

Board Structure

Upon the completion of the acquisition, the size of the board will be increased by one member, and the vacancy will be occupied by the CEO of IEP (Icahn Enterprises L.P.). Upon closing of the transaction, Brian J. Kessler and Roger J. Wood will serve as co-Chief Executive Officers of Tenneco. Mr. Kessler will lead Aftermarket & Ride Performance and Mr. Wood will lead Powertrain Technology.

Shareholder Rights

Shareholder ownership will be diluted as a result of the transaction. Both companies will be governed according to Delaware laws.

BOARD AND COMMITTEE COMPOSITION (post-Meeting)

DIRECTOR	GENDER	INDEPENDENT BY			BOARD	AC	RC	NC	SC	TENURE
		PIRC	COMPANY							
Thomas C. Freyman	M	Yes	Yes		NED	M	-	-	-	5
Brian J. Kessler	M	No	No		CEO	-	-	-	-	3
Dennis J. Letham	M	No	Yes		NED	C	-	-	-	11
James S. Metcalf	M	Yes	Yes		NED	M	-	-	-	4
Roger B. Porter	M	No	Yes		NED	-	C	C	C	20
David B. Price Jr.	M	No	Yes		NED	-	M	M	M	19
Gregg M. Sherrill	M	No	No		ExCh	-	-	-	-	11
Paul T. Stecko	M	No	Yes		SID	-	M	M	M	11
Jane L. Warner	F	No	Yes		NED	M	-	-	-	16
Roger J. Wood	M	Yes	Yes		NED	-	M	M	M	2
Number of Meetings					-	-	-	-	-	
Number of NED only Meetings					-					

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, SC = Sustainability Committee, C = Chairperson of Committee, M = Member of Committee.

BOARD OF DIRECTORS (post-Meeting)

THOMAS C. FREYMAN				NON-EXECUTIVE DIRECTOR	
AGE	63	TENURE	5 Years	COMMITTEES	A
OTHER POSITION	Hanger, Inc [Dir]; ex-Abbott [CFO, EVP]; ex-Ernst & Whinney [Accountant]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY			Y
BRIAN J. KESSELER				CHIEF EXECUTIVE	
AGE	51	TENURE	3 Years	COMMITTEES	None
OTHER POSITION	ex-Ford Motor Company [n/d]; ex-Johnson Controls Power Solutions [Pres, COO]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY			N
DENNIS J. LETHAM				NON-EXECUTIVE DIRECTOR	
AGE	66	TENURE	11 Years	COMMITTEES	A*
OTHER POSITION	Extra Space Storage Inc. [Dir]; ex-Anixter International Inc. [EVP, CFO]; ex-Arthur Andersen & Co.; ex-Interline Brands, Inc. [NED]; ex-National Intergroup Inc. [Exec]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY			Y
COMMENT	Not considered independent owing to a tenure of over nine years.				
JAMES S. METCALF				NON-EXECUTIVE DIRECTOR	
AGE	60	TENURE	4 Years	COMMITTEES	A
OTHER POSITION	Harvard University [Adv]; National Association of Manufacturers [NED]; ex-USG Corporation [Ch, Pres & CEO]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY			Y

ROGER B. PORTER		NON-EXECUTIVE DIRECTOR			
AGE	71	TENURE	20 Years	COMMITTEES	R*,N*,C*
OTHER POSITION	Extra Space Storage Inc. [NED]; Harvard University [Professor]; Packaging Corporation of America [NED]; Zions Bancorporation [NED]; ex-US Government [Special Assistant]; ex-White House Office of Policy Development [NED] White House Economic Policy Board [Executive Secretary]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered independent owing to a tenure of over nine years.					
DAVID B. PRICE JR.		NON-EXECUTIVE DIRECTOR			
AGE	72	TENURE	19 Years	COMMITTEES	R,N,C
OTHER POSITION	ex-BF Goodrich Company [Exec VP]; ex-Birdet Price, LLC [Pres]; ex-Monsanto Company [Exec]; ex-Noveon Inc. [Exec, Pres]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered independent owing to a tenure of more than nine years.					
GREGG M. SHERRILL		CHAIRMAN (EXECUTIVE)			
AGE	65	TENURE	11 Years	COMMITTEES	None
OTHER POSITION	Snap-on Incorporated [Dir]; The Allstate Corporation [Dir]; The Wilderness Society [Exec]; ex-Ford Motor Company [Exec]; ex-Johnson Controls Inc. [Exec]; ex-National Association of Manufacturers [Exec];				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Chairman and Chief Executive Officer until May 2017. Not considered independent owing to a tenure of over nine years.					
PAUL T. STECKO		SENIOR INDEPENDENT DIRECTOR			
AGE	73	TENURE	11 Years	COMMITTEES	R,N,C
OTHER POSITION	Packaging Corporation of America [Ch & CEO]; State Farm Mutual Insurance Company [Dir]; ex-International Paper Company [VP]; ex-Smurfit Kappa Group [Dir]; ex-Tenneco Inc [Exec]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
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. Not considered independent owing to a tenure of over nine years.					
JANE L. WARNER		NON-EXECUTIVE DIRECTOR			
AGE	71	TENURE	16 Years	COMMITTEES	A
OTHER POSITION	Brunswick Corporation [NED]; John G. Shedd Aquarium [Trustee]; Regal Beloit Corporation [NED]; ex-Electronic Data Systems [VP]; ex-General Motors Corporation [Exec]; ex-Illinois Tool Works Inc. [EVP]; ex-MeadWestvaco Corporation [NED]; ex-Plexus Systems, L.L.C. [Pres]; ex-Textron Automotive [EVP]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered independent owing to a tenure of more than nine years.					
ROGER J. WOOD		NON-EXECUTIVE DIRECTOR			
AGE	55	TENURE	2 Years	COMMITTEES	R,N,C
OTHER POSITION	Brunswick Corporation [NED]; Fallbrook Technologies [NED]; ex-BorgWarner [ExecVP]; ex-Business Leaders of Michigan [NED]; ex-Dana Holding Corporation [Pres, CEO]; ex-Manufacturer's Alliance/MAPI [Trustees]; ex-Ohio Business Roundtable [NED]; ex-Original Equipment Suppliers Association (OESA) [Council Member]				
INDEPENDENT BY PIRC COMMENT	Y	INDEPENDENT BY COMPANY			Y

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE EGM

	Number	% of Board	- MEAN	
			Number	% of Board
Executive Director	2	20.0	n/a	n/a
Independent NEDs	3	30.0	n/a	n/a
Connected NEDs	5	50.0	n/a	n/a
Other	0	0.0	n/a	n/a

BOARD COMMITTEES FOLLOWING THE EGM

	Number of Members	% Women	% Independent by PIRC	% Independent by Company	- MEAN	
					Number of Members	% Independent by PIRC
Whole Board	10	10.0	30.0	80.0	-	-
Audit	4	25.0	50.0	100.0	-	-
Remuneration	4	0.0	25.0	100.0	-	-
Nomination	4	0.0	25.0	100.0	-	-
CSR	4	0.0	25.0	100.0	-	-

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