Triodos Investment Management

OWENS CORNING

MEETING DATE	Thu, 15 Apr 2021 10:00 am	TYPE	AGM	ISSUE DATE	Wed, 14 Apr 2021
MEETING LOCATION	Virtual at www.virtualshareholdermeeting.com/OC2021				
CURRENT INDICES	PIRC Global				
SECTOR	Asphalt felts and coatings				
FYE	31 Dec 2020				

	PROPOSALS	ADVICE
1a	**Elect Brian D Chambers - Chair & Chief Executive** Chair 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. Triodos opposes this resolution.	**Oppose**
1b	**Elect Eduardo E. Cordeiro - Non-Executive Director** Independent Non-Executive Director.	**For**
1c	**Elect Adrienne D. Elsner - Non-Executive Director** Independent Non-Executive Director.	**For**
1d	**Elect Alfred E. Festa - Non-Executive Director** Independent Non-Executive Director.	**For**
1e	**Elect Edward F. Lonergan - Non-Executive Director** Independent Non-Executive Director.	**For**
1f	**Elect Maryann T. Mannen - Non-Executive Director** Independent Non-Executive Director.	**For**
1g	**Elect Paul E. Martin - Non-Executive Director** Independent Non-Executive Director.	**For**
1h	**Elect W. Howard Morris - Non-Executive Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1i	**Elect Suzanne P. Nimocks - Non-Executive Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1j	**Elect John D. Williams - Senior Independent Director** Senior Independent Director. Not considered independent as owing to a tenure of over nine years. It is considered that the senior independent director should be considered independent, irrespective of the level of independence of the Board.	**Oppose**
2	**Appoint the Auditors** PwC proposed. Non-audit fees represented 0.20% of audit fees during the year under review and 2.76% 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 ten years and there are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	**Oppose**

3 Advisory Vote to Ratify Named Executive Officers' Compensation **Abstain**

The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices.

The peer groups used for the purpose of pay comparison have been fully disclosed by the company. The grant of performance awards was based on the achievement of set levels of specific performance targets: EBIT. The performance-based long term incentive is subject to quantified performance targets for Restricted Stock Units, ROC & TSR.

The company does not consider non-financial metrics in its assessment of performance. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. The company uses only one performance metrics to determine the payout of performance awards. Instead of the use of a sole performance metric, it would be preferred that payout be linked to at least two or more performance metrics, with the inclusion of an non-financial performance critertia. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure.

The company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice. Cash severance is limited to three times base salary; which is welcomed. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. Equity awards are subject to pro-rata vesting, which is line with best practice. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

The compensation rating is: ACA.

Triodos abstains this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote to Ratify Named Executive Officers' Compensation

Disclosure: A - The company has provided the level of fees paid to the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the company. The grant of performance awards was based on the achievement of set levels of specific performance targets: EBIT. The performance-based long term incentive is subject to quantified performance targets for Restricted Stock Units, ROC & TSR.

Balance: C - The company does not consider non-financial metrics in its assessment of performance. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. The company uses only one performance metrics to determine the payout of performance awards. Instead of the use of a sole performance metric, it would be preferred that payout be linked to at least two or more performance metrics, with the inclusion of an non-financial performance critertia. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. Executive compensation is aligned with peer group averages. In addition, executive compensation is aligned with companies of a similar market cap.

Contract: A - The company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice. Cash severance is limited to three times base salary; which is welcomed. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. Equity awards are subject to pro-rata vesting, which is line with best practice. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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