

TENNECO INC
Form PREM14A
June 26, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Tenneco Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1 Title of each class of securities to which transaction applies:

Common Stock, par value \$0.01 per share, of Tenneco Inc.

2 Aggregate number of securities to which transaction applies:

29,444,846 shares of Tenneco Common Stock

3 Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The filing fee was calculated based on the value of the transaction, which was computed as the sum of (A) 29,444,846 shares of Tenneco Common Stock being issued in the transaction multiplied by \$44.515, that being the average of the high and low prices reported on the New York Stock Exchange for such shares on June 25, 2018, plus (B) \$800,000,000 in cash to be paid in the transaction. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined at the rate of \$124.50 per million.

4 Proposed maximum aggregate value of transaction:

\$2,110,737,363.86

5 Total fee paid:

\$262,786.80

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1 Amount Previously Paid:

2 Form, Schedule or Registration Statement No.:

3 Filing Party:

4 Date Filed:

SEC 1913

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Table of Contents

**Proxy Statement and
Notice of Special Meeting**

*Pioneering global ideas for cleaner air and
smoother, quieter and safer transportation*

*, , 2018 at **Central Time***

Tenneco Headquarters, 500 North Field Drive

Lake Forest, IL 60045

Table of Contents

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED JUNE 26, 2018

To the Stockholders of Tenneco Inc.:

We are pleased to invite you to attend a special meeting of the stockholders of Tenneco Inc., which we refer to as Tenneco, we, us or our, to be held on _____, _____, 2018, at _____, Central Time, at our headquarters at 500 North Field Drive in Lake Forest, Illinois 60045.

On April 10, 2018, we entered into a Membership Interest Purchase Agreement (the Purchase Agreement) with Federal-Mogul LLC (Federal-Mogul), American Entertainment Properties Corp. (AEP), and Icahn Enterprises L.P., pursuant to which we have agreed to acquire Federal-Mogul. The board of directors of Tenneco is proposing the transaction because it believes the acquisition will provide substantial benefits to Tenneco stockholders and is in the best interests of Tenneco.

If the transaction is completed, Tenneco will:

- (i) pay to AEP \$800 million in cash, subject to increase if Tenneco undertakes a primary offering of common stock, par value \$0.01, of Tenneco (Common Stock) prior to the closing of the transaction as described in this proxy statement; and
- (ii) issue and deliver to AEP an aggregate of 29,444,846 shares (the Stock Consideration) of Common Stock, subject to reduction if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction, which will be comprised of:
 - (a) a number of shares of Common Stock (to be reclassified as Class A Voting Common Stock, par value \$0.01, at the closing of the transaction (Class A Voting Common Stock)) equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and
 - (b) the balance in shares of newly created Class B Non-Voting Common Stock, par value \$0.01 (Class B Non-Voting Common Stock).

At the special meeting of Tenneco stockholders, Tenneco stockholders will be asked to:

- (i) adopt the amended and restated certificate of incorporation of Tenneco Inc., in the form attached to this proxy statement as Annex C, to, among other things, create a new class of non-voting common stock;
- (ii) approve the issuance of the Stock Consideration in connection with the transaction;

- (iii) approve the amended and restated Tenneco Inc. 2006 Long-Term Incentive Plan, in the form attached to this proxy statement as Annex D, to change the number of

Table of Contents

shares available for issuance under the plan pursuant to equity awards granted thereunder to 3,300,000 (which represents an increase of approximately 1,675,000 from the number of shares available for issuance under the plan prior to the amendment); and

- (iv) approve a proposal to adjourn the special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

The board of directors of Tenneco unanimously recommends that Tenneco stockholders vote FOR each of the foregoing proposals. While each proposal is being voted upon separately, each of proposals (i) and (ii) relate to the transaction, and proposal (i) must be adopted and proposal (ii) must be approved in order for the transaction to be completed.

The obligations of the parties to the Purchase Agreement to complete the transaction are subject to several conditions set forth in the Purchase Agreement. More information about Tenneco and Federal-Mogul, the special meeting and the transaction is contained in this proxy statement. We encourage you to read the entire proxy statement carefully. **Please pay particular attention to the section entitled Risk Factors beginning on page 33 for a discussion of the risks related to the transaction and Tenneco following completion of the transaction.**

Thank you for your confidence and continued support.

Gregg M. Sherrill

Brian J. Kessler

Chairman

Chief Executive Officer

Tenneco Inc.

Tenneco Inc.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the proposed issuance of the Class A Voting Common Stock or the Class B Non-Voting Common Stock in connection with the transaction described in this proxy statement or determined if this proxy statement is truthful or complete. Any representation to the contrary is a criminal offense.

This proxy statement is dated _____, 2018 and is first being mailed or otherwise delivered to stockholders of Tenneco on or about _____, 2018.

Table of Contents

**NOTICE OF
SPECIAL MEETING OF STOCKHOLDERS**

What: The Special Meeting of Stockholders of Tenneco Inc.

When: , 2018, at a.m., Central Time

Where: Tenneco Headquarters, 500 North Field Drive, Lake Forest, Illinois 60045
Items of

- Business:**
1. To adopt the amended and restated certificate of incorporation of Tenneco Inc., in the form attached to this proxy statement as Annex C (the Amended and Restated Certificate of Incorporation), to create a new class of non-voting common stock of Tenneco called Class B Non-Voting Common Stock, par value \$0.01 (Class B Non-Voting Common Stock), with 25,000,000 shares authorized, and reclassify common stock, par value \$0.01, of Tenneco (Common Stock) as Class A Voting Common Stock, par value \$0.01 (Class A Voting Common Stock).
 2. To approve the issuance and delivery of an aggregate of 29,444,846 shares of Common Stock (the Stock Consideration) in connection with Tenneco s acquisition of Federal-Mogul LLC. Subject to reduction if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction, the Stock Consideration issuable to American Entertainment Properties Corp. (AEP) will consist of (i) a number of shares of Class A Voting Common Stock equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and (ii) the balance in shares of Class B Non-Voting Common Stock.
 3. To approve the amended and restated Tenneco Inc. 2006 Long-Term Incentive Plan, in the form attached to this proxy statement as Annex D (the Amended and Restated Long-Term Incentive Plan), to change the number of shares available for issuance under the plan pursuant to equity awards granted thereunder to 3,300,000 (which represents an increase of approximately 1,675,000 from the number of shares available for issuance under the plan prior to the amendment).
 4. To approve a proposal to adjourn the special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

The board of directors of Tenneco unanimously recommends that holders of Common Stock vote FOR each of the foregoing proposals.

Who may vote: The record date for the special meeting is _____, 2018.

Only stockholders of record at the close of business on _____, 2018 are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. A list of stockholders entitled to vote at the special meeting will be available for inspection at our offices 10 days before the special meeting.

Table of Contents

Questions: For any questions about the special meeting or any of the matters to be voted on at the special meeting, please contact Innisfree M&A Incorporated, Tenneco's proxy solicitor, by calling toll free at 888-750-5834. Banks, brokerage firms and other nominees may call collect at 212-750-5833.

Your vote is very important, regardless of the number of shares of Common Stock you own. The transaction cannot be completed unless the issuance of the Stock Consideration is approved by a majority of the votes cast by stockholders entitled to vote on the proposal at the special meeting (whether in person or by proxy, attorney or representative), and the Amended and Restated Certificate of Incorporation is adopted by a majority of the outstanding shares of Common Stock (whether in person or by proxy, attorney or representative).

Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares of Common Stock will be represented at the special meeting if you are unable to attend.

If you fail to return your proxy card, to submit your proxy by phone or the Internet or to attend the special meeting in person, your shares of Common Stock will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote **AGAINST** the proposal to adopt the Amended and Restated Certificate of Incorporation, but will have no effect on the proposal to approve the issuance of the Stock Consideration to AEP, the proposal to approve the Amended and Restated Long-Term Incentive Plan or the proposal to adjourn the special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the issuance of the Stock Consideration to AEP, to adopt the Amended and Restated Certificate of Incorporation or to approve the Amended and Restated Long-Term Incentive Plan.

By Order of the Board of Directors

Brandon B. Smith

Corporate Secretary

Lake Forest, Illinois

, 2018

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement incorporates important business and financial information about Tenneco Inc. (Tenneco) from other documents that are not included in or delivered with this proxy statement. The fact that this additional information is being incorporated by reference into this proxy statement should not necessarily be viewed as an indication that such information is material to your decision on how to vote on any proposal. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this proxy statement by requesting them in writing or by telephone from Tenneco at the following addresses and telephone numbers:

Tenneco Inc.

500 North Field Drive

Lake Forest, IL 60045

Attn: Investor Relations

Call: (847) 482-5000

or

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Stockholders May Call Toll Free: 888-750-5834

Banks & Brokers May Call Collect: 212-750-5833

If you would like to request any documents, please do so by _____, 2018, in order to receive them before the special meeting.

For more information, see the section entitled "Where You Can Find More Information" beginning on page 186.

You should rely only on the information contained in, or incorporated by reference into, this proxy statement. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement. This proxy statement is dated _____, 2018. You should not assume that the information contained in, or incorporated by reference into, this proxy statement is accurate as of any date other than the date of the document in which the information appears. Neither the mailing of this proxy statement to Tenneco stockholders nor the issuance by Tenneco of Class A Voting Common Stock or Class B Non-Voting Common Stock

in connection with the transaction will create any implication to the contrary.

This proxy statement does not constitute the solicitation of a proxy in any jurisdiction from any person to whom it is unlawful to make any such solicitation in such jurisdiction. Information contained in this proxy statement regarding Tenneco has been provided by Tenneco, and information contained in this proxy statement regarding Federal-Mogul has been provided by Federal-Mogul.

Table of Contents**TABLE OF CONTENTS**

	PAGE
<u>QUESTIONS AND ANSWERS ABOUT THE TRANSACTION AND THE SPECIAL MEETING SUMMARY</u>	1
<u>SUMMARY</u>	9
<u>The Companies and Other Parties to the Purchase Agreement</u>	9
<u>The Transaction</u>	11
<u>The Special Meeting</u>	21
<u>SELECTED HISTORICAL AND PRO FORMA COMBINED FINANCIAL DATA</u>	25
<u>Selected Historical Financial Data of Tenneco</u>	25
<u>Selected Historical Financial Data of Federal-Mogul</u>	26
<u>Selected Unaudited Pro Forma Condensed Combined Financial Data of Tenneco</u>	28
<u>Comparative Historical and Unaudited Pro Forma Per Share Data</u>	31
<u>Comparative Per Share Market Price and Dividend Information</u>	32
<u>RISK FACTORS</u>	33
<u>Risks Relating to the Transaction</u>	33
<u>Risks Relating to Federal-Mogul and Federal-Mogul's Business</u>	40
<u>Risks Relating to Tenneco and Tenneco's Business</u>	49
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS INFORMATION ABOUT THE COMPANIES AND THE OTHER PARTIES TO THE PURCHASE AGREEMENT</u>	50
<u>Tenneco Inc.</u>	52
<u>Federal-Mogul LLC</u>	52
<u>American Entertainment Properties Corp.</u>	53
<u>Icahn Enterprises L.P.</u>	53
<u>THE SPECIAL MEETING</u>	54
<u>General Information</u>	54
<u>Time, Date and Location</u>	54
<u>Purpose of the Special Meeting</u>	54
<u>Record Date: Stock Entitled to Vote</u>	55
<u>Voting Requirements</u>	55
<u>Voting at the Special Meeting</u>	56
<u>Revocability of Proxies</u>	58
<u>Quorum Requirements and Effect of Abstentions and Broker Non-Votes</u>	58
<u>Tabulation of Votes</u>	59
<u>Delivery of Proxy Materials and Proxy Card</u>	59
<u>Special Meeting Admission</u>	60
<u>Solicitation of Proxies</u>	60
<u>Questions and Additional Information</u>	60
<u>THE TRANSACTION</u>	61
<u>General Description of Transaction</u>	61
<u>Background of the Transaction</u>	62

Table of Contents

<u>Reasons for the Transaction; Recommendation of our Board of Directors</u>	69
<u>Opinion of Tenneco's Financial Advisor</u>	72
<u>Financial Projections</u>	84
<u>Interests of Directors and Officers in the Transaction</u>	86
<u>Board of Directors and Management Following the Transaction</u>	86
<u>Regulatory Approvals Required for the Transaction</u>	87
<u>Listing of Class A Voting Common Stock</u>	88
<u>Financing</u>	88
<u>Impact of the Issuance of the Stock Consideration on Existing Tenneco Stockholders</u>	88
<u>No Appraisal Rights</u>	89
<u>Material United States Federal Income Tax Consequences to Existing Tenneco Stockholders</u>	89
<u>Accounting Treatment</u>	89
<u>THE PURCHASE AGREEMENT</u>	91
<u>Structure of the Transaction; Consideration</u>	91
<u>Completion of the Transaction; Closing</u>	92
<u>Representations and Warranties</u>	93
<u>Conduct of Business Prior to Closing</u>	94
<u>Exclusive Dealing and No Transfers by AEP and Federal-Mogul</u>	97
<u>No Solicitation by Tenneco; Recommendation Change</u>	98
<u>Standstill Provisions</u>	100
<u>Restrictive Covenants</u>	101
<u>Preparation of Proxy Materials and Stockholder Approval</u>	101
<u>Financing</u>	102
<u>Regulatory Filings</u>	103
<u>Spin-Off</u>	104
<u>Director and Officer Liability and Indemnification and Insurance</u>	105
<u>Employee Matters</u>	105
<u>Stock Exchange Listing</u>	105
<u>Other Covenants and Agreements</u>	106
<u>Conditions to Closing of the Transaction</u>	107
<u>Indemnification</u>	108
<u>Termination of the Purchase Agreement</u>	108
<u>Termination Fee; Effect of Termination</u>	109
<u>Specific Performance</u>	110
<u>Amendment and Waiver</u>	110
<u>Governing Law</u>	110
<u>THE SHAREHOLDERS AGREEMENT</u>	111
<u>Board Representation</u>	111
<u>Standstill Restrictions</u>	111
<u>Voting</u>	112
<u>Transfer Restrictions</u>	112

Table of Contents

<u>Registration Rights</u>	112
<u>Pre-emptive Rights</u>	113
<u>Termination</u>	113
<u>Post Spin-Off</u>	114
<u>PROPOSAL 1 ADOPTION OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF TENNECO INC.</u>	115
<u>Summary of the Terms of the Amended and Restated Certificate of Incorporation</u>	116
<u>Effects of the Authorization of Class B Non-Voting Common Stock</u>	118
<u>PROPOSAL 2 APPROVAL OF THE ISSUANCE OF THE STOCK CONSIDERATION</u>	119
<u>PROPOSAL 3 ADOPTION OF THE AMENDED AND RESTATED TENNECO INC. 2006 LONG-TERM INCENTIVE PLAN</u>	120
<u>Summary of the Terms of the Amended and Restated Long-Term Incentive Plan</u>	121
<u>PROPOSAL 4 APPROVAL OF THE ADJOURNMENT OF THE SPECIAL MEETING OWNERSHIP OF COMMON STOCK</u>	130
<u>Management</u>	131
<u>Certain Other Stockholders</u>	133
<u>INFORMATION ABOUT FEDERAL-MOGUL</u>	134
<u>Business</u>	134
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	152
<u>STOCKHOLDER PROPOSALS 2019 ANNUAL MEETING</u>	185
<u>Stockholder Proposals Inclusion in Tenneco's Proxy Statement</u>	185
<u>Other Stockholder Proposals Discretionary Voting Authority and By-Laws</u>	185
<u>OTHER MATTERS</u>	186
<u>FEDERAL-MOGUL INFORMATION</u>	186
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	186
Annex A Membership Interest Purchase Agreement	
Annex B Shareholders Agreement	
Annex C Amended and Restated Certificate of Incorporation of Tenneco Inc.	
Annex D Amended and Restated Tenneco Inc. 2006 Long-Term Incentive Plan	
Annex E Opinion of Barclays Capital Inc.	

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE TRANSACTION AND THE SPECIAL MEETING

The following are brief answers to common questions that you may have regarding the transaction, the Purchase Agreement, the consideration to be issued in the transaction and the special meeting of Tenneco stockholders. The questions and answers in this section may not address all questions that might be important to you as a stockholder of Tenneco Inc., which we refer to as Tenneco (or we, as or our). To better understand these matters, and for a description of the legal terms governing the transaction, we urge you to read carefully and in its entirety this proxy statement, including the appendices to, and the documents incorporated by reference into, this proxy statement. The fact that additional information is being incorporated by reference into this proxy statement should not necessarily be viewed as an indication that such information is material to your decision on how to vote on the proposals. See the section entitled Where You Can Find More Information beginning on page 186.

Why am I receiving these proxy materials?

On April 10, 2018, Tenneco, Federal-Mogul LLC (Federal-Mogul), American Entertainment Properties Corp. (AEP) and Icahn Enterprises L.P. (IEP) entered into a Membership Interest Purchase Agreement (the Purchase Agreement), which is described in this proxy statement, pursuant to which, subject to the terms and conditions of the Purchase Agreement, Tenneco has agreed to acquire Federal-Mogul. A copy of the Purchase Agreement is attached to this proxy statement as Annex A.

In order to complete the transaction, Tenneco stockholders must vote to (i) adopt the amended and restated certificate of incorporation of Tenneco Inc., in the form attached to this proxy statement as Annex C (the Amended and Restated Certificate of Incorporation), to create a new class of non-voting common stock of Tenneco called Class B Non-Voting Common Stock, par value \$0.01 (Class B Non-Voting Common Stock), with 25,000,000 shares authorized, and reclassify common stock, par value \$0.01, of Tenneco (Common Stock) as Class A Voting Common Stock, par value \$0.01 (Class A Voting Common Stock), and (ii) approve the issuance and delivery of an aggregate of 29,444,846 shares of Common Stock (the Stock Consideration) to AEP, subject to decrease as described in this proxy statement.

This proxy statement is being provided to you in connection with the solicitation of proxies by our board of directors for use at the special meeting, which will take place on , , 2018, or postponements or adjournments of such special meeting, to obtain the foregoing approvals. This proxy statement, together with its appendices, contains and incorporates by reference important information about Tenneco, Federal-Mogul, the transaction and the special meeting, and you should read all of the available information carefully. The fact that additional information is being incorporated by reference into this proxy statement should not necessarily be viewed as an indication that such information is material to your decision on how to vote on the proposals. The enclosed proxy allows you to vote your shares without attending the special meeting in person.

In addition, Tenneco stockholders are being asked to approve the amended and restated Tenneco Inc. 2006 Long-Term Incentive Plan, in the form attached to this proxy statement as Annex D (the Amended and Restated Long-Term Incentive Plan), to change the number of shares available for issuance under the plan pursuant to equity awards granted thereunder to 3,300,000 (which represents an increase of approximately 1,675,000 from the number of shares available for issuance under the plan prior to the amendment).

Your vote is important. We encourage you to vote as soon as possible.

Table of Contents

What is the purpose of the special meeting?

At the special meeting, Tenneco stockholders will consider and vote on the following proposals:

Proposal 1: To adopt the Amended and Restated Certificate of Incorporation;

Proposal 2: To approve the issuance and delivery of an aggregate of 29,444,846 shares of Common Stock, which we refer to as the Stock Consideration in this proxy statement, in connection with Tenneco's acquisition of Federal-Mogul. Subject to reduction if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction, the Stock Consideration issuable to AEP will consist of (i) a number of shares of Class A Voting Common Stock equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and (ii) the balance in shares of Class B Non-Voting Common Stock;

Proposal 3: To approve the Amended and Restated Long-Term Incentive Plan; and

Proposal 4: To approve a proposal to adjourn the special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

What is the voting recommendation of the board of directors?

Our board of directors unanimously recommends that you vote your shares of Common Stock **FOR** each of the proposals.

What vote is needed for each proposal to be approved or adopted?

Proposal 1 requires the affirmative vote of holders of at least a majority of our outstanding Common Stock as of the record date for the special meeting. As of the record date, there were _____ shares of Common Stock outstanding and therefore _____ votes are required for Proposal 1 to be adopted. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** Proposal 1. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting instructions to your bank, broker or other record holder, it will have the same effect as a vote **AGAINST** Proposal 1.

Proposal 2 and Proposal 3 require the affirmative vote of a majority of the votes cast on the proposal at the special meeting. Under the current rules and interpretive guidance of the New York Stock Exchange (NYSE), votes cast on Proposal 2 and Proposal 3 consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on Proposal 2 or Proposal 3 will have the same effect as a vote **AGAINST** such proposal. Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote will have no effect on the outcome of any vote to approve Proposal 2 or Proposal 3 because these failures to vote are not considered votes cast.

Proposal 4 requires the affirmative vote of a majority of those shares voting on the proposal. Any stockholder represented in person or by proxy at the meeting and entitled to vote on Proposal 4 may elect to abstain from voting on this proposal. If so, such abstention will not be counted as a

Table of Contents

vote cast on the proposal and, therefore, will have no effect on the outcome of the vote on the proposal. Provided there is a quorum of stockholders present in person or by proxy, stockholders not attending the meeting, in person or by proxy, will also have no effect on the outcome of this proposal.

How will existing Tenneco stockholders be affected by the transaction?

Existing stockholders will not receive anything in the transaction. Upon the closing of the transaction, existing stockholders will continue to own the same number of shares of Common Stock that they owned immediately prior to the transaction, except that each share of Common Stock will be reclassified as one share of Class A Voting Common Stock. Following such reclassification, existing stockholders will have all of the same rights and privileges as holders of Class A Voting Common Stock as such holders had as holders of Common Stock.

The issuance of shares of Class A Voting Common Stock and Class B Non-Voting Common Stock to AEP as the Stock Consideration will dilute the ownership and voting interests of existing Tenneco stockholders. Upon the closing of the transaction, we will issue an amount of Class A Voting Common Stock to AEP equal to 9.9% of our Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction. Accordingly, Tenneco stockholders existing immediately prior to the closing of the transaction will have proportionally less voting power following the closing of the transaction. In addition, we will issue up to approximately 24 million shares of Class B Non-Voting Common Stock, subject to reduction as described below. As such, existing stockholders will have proportionally less ownership following the closing of the transaction, although the size of Tenneco will be significantly increased as a result of the acquisition of Federal-Mogul.

In addition, if stockholders approve the Amended and Restated Long-Term Incentive Plan, more shares of Common Stock will be reserved for issuance pursuant thereto, and, when and if such additional shares are distributed in the form of compensation to eligible persons, pursuant to the applicable rules of the Amended and Restated Long-Term Incentive Plan and Tenneco policies, existing stockholders' ownership will be proportionally diluted.

Prior to the closing of the transaction, assuming the price of our Common Stock is above \$54.6785, Tenneco may elect, or if Tenneco does not elect, AEP may direct Tenneco in certain circumstances, to conduct a primary offering of Common Stock in order to raise funds to increase the cash consideration of \$800 million (the Cash Consideration) by the amount of certain of the proceeds of such offering. Such offering may include up to 7,315,490 shares of Common Stock that would otherwise have been issued to AEP in connection with the transaction. If such an offering is undertaken, the Cash Consideration will be increased by an amount equal to the number of shares sold in such offering multiplied by \$54.6785 and the Stock Consideration will be decreased by the number of shares sold in such offering. In other words, the total number of shares to be issued in connection with the acquisition of Federal-Mogul will not change if Tenneco undertakes such an offering. However, Tenneco stockholders existing immediately prior to the offering (and prior to the closing of the transaction), will have proportionally less voting power following the closing of the offering (and subsequently, following the closing of the transaction). However, Tenneco stockholders will not experience any incremental economic dilution as a result of such offering as the total number of shares of Common Stock to be issued in connection with the transaction will not be increased above 29,444,846.

Based on the _____ shares of Common Stock issued and outstanding as of _____, 2018, it is anticipated that upon the closing of the transaction, Tenneco stockholders existing immediately prior to the closing of the transaction will own approximately _____%, and AEP will own approximately _____%

Table of Contents

%, of Tenneco's outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class.

Furthermore, following the completion of the transaction, our board of directors has agreed to take all actions necessary to increase the size of our board of directors by one member, and fill the resulting vacancy with the chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the requirements set forth in Tenneco's by-laws (the By-Laws) and Corporate Governance Principles), and nominate and recommend for election at each annual meeting of stockholders the then-serving chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the requirements set forth in the By-Laws and Corporate Governance Principles) until certain events occur. See The Transaction Board of Directors and Management Following the Transaction for additional information.

Why does Tenneco need to amend and restate its certificate of incorporation?

The Amended and Restated Certificate of Incorporation is required under the terms of the Purchase Agreement and is necessary to enable Tenneco to have enough shares of non-voting common stock to issue to AEP in connection with the transaction. Accordingly, if the Amended and Restated Certificate of Incorporation is not adopted by our stockholders at the special meeting, a condition to the closing of the transaction will not be satisfied and the transaction will not be consummated.

If the Amended and Restated Certificate of Incorporation is adopted by our stockholders, Tenneco will have the ability to issue the remaining unissued shares of Class B Non-Voting Common Stock in the future. At present, our board of directors has no plans to issue the additional shares of Class B Non-Voting Common Stock authorized by the Amended and Restated Certificate of Incorporation. However, it is possible that some of these additional shares could be used in the future for various other purposes without further stockholder approval, except as such approval may be required in particular cases by the Amended and Restated Certificate of Incorporation or By-Laws of Tenneco, applicable law or the rules of any stock exchange or other quotation system on which our securities may then be listed. These purposes may include raising capital, providing equity incentives to employees, officers or directors, establishing strategic relationships with other companies and expanding our business or product lines through the acquisition of other businesses or products.

Why does Tenneco need to amend and restate its long-term incentive plan?

Our board of directors is seeking to amend and restate our long-term incentive plan to ensure our continued ability to offer equity-based incentives to employees, non-employee directors and other persons providing services to Tenneco or its subsidiaries. Our board of directors believes this type of compensation is critical to our ability to attract and retain highly qualified individuals and otherwise attain our goals, while also aligning these individuals' interests with those of our stockholders. However, our board of directors does not believe it has sufficient shares available for future delivery under our current long-term incentive plan to accomplish these purposes in light of the substantial increase in

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our employee base that will occur as a result of the transaction. Accordingly, Tenneco is seeking to amend its long-term incentive plan (in the form of an amendment and restatement) in order to issue equity awards to appropriately retain and incentivize a larger number of employees as well as achieve the benefits of the transaction.

The number of shares currently available for grant under our current plan, based on the rate at which we used shares thereunder for the last five years, will be exhausted within the next _____ months.

Table of Contents

Accordingly, we are asking our stockholders to approve the Amended and Restated Long-Term Incentive Plan, which if approved, will change the number of shares available for issuance under the plan pursuant to equity awards granted thereunder to 3,300,000 (which represents an increase of approximately 1,675,000 from the number of shares available for issuance under the plan prior to the amendment).

When do you expect the transaction to be completed?

Tenneco and Federal-Mogul are working to complete the transaction as soon as reasonably possible. Tenneco and Federal-Mogul must first obtain the necessary approvals, including the adoption of Proposal 1 and the approval of Proposal 2 by Tenneco stockholders, all required regulatory approvals, and satisfy the other closing conditions described in the Purchase Agreement. Approval of Proposal 3 is not a condition to the completion of the transaction. There can be no assurance as to whether all the conditions to the transaction will be met, nor any prediction of the exact timing of the completion of the transaction. It is possible Tenneco and Federal-Mogul will not complete the transaction. Tenneco currently expects to complete the transaction in the second half of 2018.

What happens if the transaction is not completed?

If Proposal 1 is not adopted or Proposal 2 is not approved by the Tenneco stockholders or if the transaction is not completed for any other reason, Tenneco will not acquire Federal-Mogul, in which case Tenneco and Federal-Mogul will each remain an independent company. Under certain circumstances specified in the Purchase Agreement, which circumstances do not include the failure of our stockholders to adopt Proposal 1 or approve Proposal 2, Tenneco may be required to pay a termination fee of \$200 million to AEP in connection with a termination of the Purchase Agreement.

Am I entitled to exercise appraisal or similar rights under Delaware law as a result of the transaction or the issuance of the Stock Consideration?

No. Under Delaware law, Tenneco stockholders do not have any dissenters' rights or rights to an appraisal of the value of their shares in connection with the transaction or the issuance of the Stock Consideration.

When and where will the special meeting be held?

The special meeting will be held on _____, 2018, at _____, Central Time, at our headquarters at 500 North Field Drive in Lake Forest, Illinois 60045.

Who is entitled to vote at the special meeting?

Only holders of record of our Common Stock at the close of business on _____, 2018 are entitled to receive notice of, and to vote at, the special meeting, or any adjournments or postponements thereof. There were _____ shares of Common Stock outstanding on _____, 2018.

Stockholders are entitled to cast one vote per share of Common Stock on all matters.

Who may attend the special meeting?

Anyone who was a stockholder as of the close of business on _____, 2018 may attend the special meeting.

Table of Contents

If you plan to attend, please note that you may be asked to present valid identification, as more fully set forth under the section entitled "The Special Meeting - Special Meeting Admission" beginning on page 60.

What constitutes a quorum at the special meeting?

The presence at the special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of Common Stock as of the record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the special meeting to vote in person, your shares of Common Stock will be considered part of the quorum.

Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other record holder holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

How do I vote?

You may vote your shares in person, by telephone, by Internet, by mail, or by facsimile pursuant to the instructions included elsewhere in this proxy statement, as more fully described in the section entitled "The Special Meeting - Voting at the Special Meeting" beginning on page 56.

How will my proxy be voted?

All properly completed, unrevoked proxies that are timely received will be voted in accordance with the specifications made. If a properly executed, unrevoked written proxy card does not specifically direct the voting of shares covered by the proxy, the proxy will be voted:

- **FOR** the adoption of the Amended and Restated Certificate of Incorporation;
- **FOR** the approval of the issuance of the Stock Consideration;
- **FOR** the approval of the Amended and Restated Long-Term Incentive Plan;

- **FOR** the approval of the adjournment of the special meeting; and
- in accordance with the judgment of the persons named in the proxy as to such other matters as may properly come before the special meeting.

Our board of directors is not aware of any other matters that may properly come before the special meeting. However, should any such matters come before the special meeting, it is the intention of the persons named in the enclosed form of proxy card to vote all proxies (unless otherwise directed by stockholders) in accordance with their judgment on such matters.

May I revoke or change my vote?

Yes. You can change your vote at any time before your proxy is voted at the special meeting. In addition to revocation in any other manner permitted by law, you can revoke your proxy in one of the following ways:

- giving a written and signed revocation to our Corporate Secretary that is received by our Corporate Secretary prior to the special meeting, stating that you revoke your proxy;
- giving a duly executed proxy bearing a later date, provided that to be effective, a later-dated proxy must be received by Tenneco no later than 11:59 p.m., Eastern Time on _____, 2018; or
- attending the special meeting and voting in person.

Table of Contents

Your attendance at the special meeting will not itself revoke your previously granted proxy unless you provide a written and signed revocation to the chair of the special meeting at the special meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other record holder or, if you have obtained a legal proxy from your bank, broker or other record holder giving you the right to vote your shares, by attending the special meeting and voting in person.

What does it mean if I received more than one set of proxy materials?

If you received more than one set of proxy materials, it likely means that you hold shares of our Common Stock in more than one account. For example, you may own your shares in various forms (including jointly with your spouse, as trustee of a trust, or as custodian for a minor). To ensure that all of your shares are voted, please provide a proxy or voting instructions for each account for which you received proxy materials.

If your shares are held by a broker (i.e., in street name), you will receive your proxy card or other voting information from your broker, and you will need to return your proxy card or cards to your broker.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, Equiniti Trust Company, you are considered, with respect to those shares, the stockholder of record. If your shares are held in a stock brokerage account or by a bank, broker or other record holder, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your bank, broker or other record holder on how to vote your shares, and you are also invited to attend the special meeting. Your bank, broker or other record holder will provide voting instructions for you to use in directing the voting of your shares.

If my shares are held in street name by my broker, will my broker vote my shares for me?

If you hold your shares in street name, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank or broker.

Please note that you may not vote shares held in street name by returning a proxy card directly to us or by voting in person at the special meeting unless you provide a legal proxy, which you must obtain from your bank or broker. Under the listing requirements of the NYSE, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect

to the approval of matters that the NYSE determines to be non-routine, such as approval of the issuance of the shares comprising the Stock Consideration pursuant to the Purchase Agreement, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or nominee that are represented at the stockholders meetings, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal.

If you are a beneficial owner of shares held by a broker and you do not instruct your broker on how to vote your shares, your broker may not vote your shares on the proposals.

Table of Contents

What happens if I transfer my shares of Common Stock after the record date?

Transferees of shares of our Common Stock after the record date, but prior to the special meeting, will retain their right to vote at the special meeting.

Who will count the vote?

Representatives of Broadridge Financial Solutions, Inc. will tabulate the votes and act as inspectors of election.

How can I find the voting results of the special meeting?

We will report the voting results in a Current Report on Form 8-K within four business days after the end of the special meeting.

What do I need to do now?

Even if you plan to attend the special meeting, we urge you to read this proxy statement carefully, including its annexes and the documents we refer to in this proxy statement, and then mail your completed, dated, and signed proxy card in the enclosed prepaid return envelope as soon as possible, or submit your proxy instruction via the Internet or by phone in accordance with the instructions included in this proxy statement and the enclosed proxy card or voting instruction form, to ensure that your shares can be voted at the special meeting. If you decide to attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

How is the solicitation being made?

The cost of solicitation of proxies will be borne by us. Solicitation will be made by mail, and may be made by directors, officers and employees, personally or by telephone, email or fax. Proxy cards and materials also will be distributed to beneficial owners of stock through brokers, custodians, nominees and other like parties, and we expect to reimburse such parties for their charges and expenses.

We have also engaged Innisfree M&A Incorporated to assist us in the solicitation of proxies, at an estimated cost of approximately \$30,000, plus expense reimbursement.

Who can help answer my questions?

Tenneco stockholders who have questions about the transaction, the issuance of the Stock Consideration, the Amended and Restated Certificate of Incorporation or the other matters to be voted on at the special meeting or who desire additional copies of this proxy statement or additional proxy cards should contact Innisfree M&A Incorporated, Tenneco's proxy solicitor, by calling toll free at 888-750-5834. Banks, brokerage firms and other nominees may call collect at 212-750-5833.

Table of Contents

SUMMARY

*This summary highlights selected information contained elsewhere in this proxy statement and may not contain all the information that is important to you. Accordingly, we urge you to read this proxy statement carefully and in its entirety, including the appendices attached to, and the other documents incorporated by reference into, this proxy statement, including exhibits thereto. The fact that additional information is being incorporated by reference into this proxy statement should not necessarily be viewed as an indication that such information is material to your decision on how to vote on the proposals. The page references have been included in this summary to direct you to a more complete description of the topics presented below. See also the section entitled *Where You Can Find More Information* beginning on page 186.*

*References to **Tenneco**, **we**, or **our** or other first person references are references to **Tenneco Inc.** References to **Federal-Mogul** are references to **Federal-Mogul LLC**. References to **AEP** are references to **American Entertainment Properties Corp.** References to **IEP** are references to **Icahn Enterprises L.P.** References to **our board of directors** are references to the board of directors of **Tenneco Inc.** References to the **Purchase Agreement** are references to the **Membership Interest Purchase Agreement**, dated as of April 10, 2018, by and among **Tenneco**, **Federal-Mogul**, **AEP** and **IEP** attached to this proxy statement as **Annex A**. References to the **transaction**, unless the context requires otherwise, means the transactions contemplated by the **Purchase Agreement**, taken as a whole. References to the **special meeting**, unless the context requires otherwise, means the special meeting of **Tenneco** stockholders to be held on _____, 2018.*

The Companies and Other Parties to the Purchase Agreement

Tenneco Inc. (See Page 52)

500 North Field Drive

Lake Forest, IL 60045

Telephone: (847) 482-5000

Tenneco designs, manufactures and sells clean air and ride performance systems and products for light vehicle, commercial truck, off-highway and other applications, and generated revenues of \$9.3 billion in 2017. Tenneco serves both original equipment manufacturers (OEMs) and replacement markets worldwide through leading brands, including Monroe[®], Rancho[®], Clevite[®] Elastomers, Axios[®], Kineti[®], and Fric-Rot[®] ride performance products and Walker[®], XNOx[®], Fonos[®], DynoMa[®] and Thrush[®] clean air products. As a parts supplier, we produce individual component parts for vehicles as well as groups of components that are combined as modules or systems within vehicles. These parts, modules and systems are sold globally to most leading OEMs, commercial truck and off-highway engine manufacturers, and aftermarket distribution channels.

Tenneco was incorporated in Delaware in 1996. In 2005, we changed our name from Tenneco Automotive Inc. to Tenneco Inc. Tenneco's Common Stock is traded on the New York Stock Exchange (NYSE) and the Chicago Stock Exchange (CHX) under the symbol TEN.

Tenneco maintains a website at www.tenneco.com. By including the foregoing website address, Tenneco does not intend to and will not be deemed to incorporate by reference any material contained therein. See also [Where You Can Find More Information](#) beginning on page 186.

Table of Contents

Federal-Mogul LLC (See Page 52)

27300 West 11 Mile Road

Southfield, Michigan 48034

Telephone: (248) 354-7700

Federal-Mogul was founded in Detroit in 1899. Federal-Mogul is a global supplier of products and services to the world's manufacturers and servicers of vehicles and equipment in the automotive, light, medium and heavy-duty commercial, marine, rail, aerospace, power generation and industrial markets. Federal-Mogul's products and services enable improved fuel economy, reduced emissions and enhanced vehicle safety.

Federal-Mogul operates two independent business divisions, each with a chief executive officer reporting to Federal-Mogul's board of directors: Federal-Mogul Motorparts (F-M Motorparts) and Federal-Mogul Powertrain (F-M Powertrain). F-M Motorparts sells and distributes a broad portfolio of products through more than 20 brands in the global vehicle aftermarket, while also serving original equipment vehicle manufacturers with products including braking, wipers and a range of chassis components. Federal-Mogul's aftermarket brands include ANC[®] wipers; Beck/Arnley[®] premium OE quality parts and fluids; BERU[®]* ignition systems; Champion[®] lighting, spark plugs, wipers and filters; Interfil[®] filters; AE[®], Fel-Pro[®], FP Diesel[®], Goetze[®], Glyco[®], National[®], Nüral[®], Payen[®], Sealed Power[®] and Speed-Pro[®] engine products; MOOG[®] chassis components; and Abex[®], Ferodo[®], Jurid[®] and Wagner[®] brake products and lighting. F-M Powertrain designs and manufactures original equipment powertrain components and systems protection products for automotive, heavy-duty, industrial and transport applications.

Federal-Mogul maintains websites at www.federalmogul.com and www.fmmotorparts.com. By including the foregoing website addresses, Federal-Mogul does not intend to and will not be deemed to incorporate by reference any material contained therein.

* BERU is a registered trademark of BorgWarner Ludwigsburg GmbH.

American Entertainment Properties Corp. (See Page 53)

767 Fifth Avenue. Suite 4700

New York, New York 10153

Telephone: (212) 702-4300

American Entertainment Properties Corp. is a wholly owned corporate subsidiary of IEP and Icahn Enterprises Holdings L.P., and is engaged in the following business segments: Automotive, Energy, Railcar, Metals, Gaming, Home Fashion and Real Estate.

Icahn Enterprises L.P. (See Page 53)

767 Fifth Avenue. Suite 4700

New York, New York 10153

Telephone: (212) 702-4300

Icahn Enterprises L.P. is a master limited partnership and a diversified holding company engaged in 10 primary business segments: Investment, Automotive, Energy, Metals, Railcar, Gaming, Mining, Food Packaging, Real Estate and Home Fashion.

IEP's depository units are traded on the NASDAQ Global Select Market (NASDAQ) under the symbol IEP.

Table of Contents

IEP maintains a website at www.ielp.com. By including the foregoing website address, IEP does not intend to and will not be deemed to incorporate by reference any material contained therein.

The Transaction

A copy of the Membership Interest Purchase Agreement, dated as of April 10, 2018, by and among Tenneco, Federal-Mogul, AEP and IEP is attached to this proxy statement as [Annex A](#) (the Purchase Agreement). We encourage you to read the entire Purchase Agreement carefully because it is the principal document governing the transaction. For more information on the Purchase Agreement, see the section entitled The Purchase Agreement beginning on page 91.

General Description of Transaction

On April 10, 2018, Tenneco entered into the Purchase Agreement by and among Tenneco, Federal-Mogul, AEP and IEP pursuant to which Tenneco has agreed to acquire Federal-Mogul. In order to complete the transaction, Tenneco must amend its certificate of incorporation, in the form attached to this proxy statement as [Annex C](#) (the Amended and Restated Certificate of Incorporation), to create a new class of non-voting common stock of Tenneco called Class B Non-Voting Common Stock, par value \$0.01 (Class B Non-Voting Common Stock), with 25,000,000 shares authorized, and reclassify common stock, par value \$0.01, of Tenneco (Common Stock) as Class A Voting Common Stock, par value \$0.01 (Class A Voting Common Stock). See Proposal 1 Adoption of the Amended and Restated Certificate of Incorporation of Tenneco Inc. Summary of the Terms of the Amended and Restated Certificate of Incorporation beginning on page 116.

As consideration for the acquisition of Federal-Mogul, Tenneco will (i) pay to AEP \$800 million in cash (the Cash Consideration), subject to increase if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction as described below, and (ii) issue and deliver 29,444,846 shares of Common Stock (the Stock Consideration). Subject to reduction if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction, as described below, the Stock Consideration issuable to AEP will be comprised of: (a) a number of shares of Class A Voting Common Stock equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and (b) the balance in shares of newly created Class B Non-Voting Common Stock.

Until the date that is 10 business days prior to the anticipated closing date of the transaction, assuming the price of our Common Stock is above \$54.6785, Tenneco may elect to conduct a primary offering of Common Stock in order to raise funds to increase the Cash Consideration. Such offering may include up to 7,315,490 shares of Common Stock that would otherwise have been issued to AEP in connection with the transaction. Each share sold in such an offering will decrease the number of shares of Common Stock issuable to AEP by one share, so the total number of shares of Common Stock to be issued in connection with the acquisition of Federal-Mogul will not change if Tenneco undertakes such an offering. The Cash Consideration will be increased by an amount equal to the number of shares sold in such an offering multiplied by \$54.6785, with any excess proceeds to be retained by Tenneco. In certain circumstances, AEP may also elect to require Tenneco to conduct such an offering of Common Stock if Tenneco does not do so at least 10 business days prior to the anticipated closing date of the transaction.

Following the closing of the transaction, Tenneco shall, subject to the fiduciary duties of our board of directors under applicable law, use its reasonable best efforts to pursue a reorganization of the

Table of Contents

combined business of Tenneco and Federal-Mogul into two separate businesses, representing Powertrain Technology and Aftermarket & Ride Performance, distribute the equity interests representing one such business to Tenneco stockholders (the Spin-Off), and consummate the Spin-Off within 18 months of the closing date of the transaction.

Proposals to be Considered and Voted Upon at the Special Meeting

In order to complete the transaction, at the special meeting, our stockholders must vote to adopt the Amended and Restated Certificate of Incorporation and approve the issuance of the Stock Consideration.

Proposal 1 Adoption of the Amended and Restated Certificate of Incorporation of Tenneco Inc. (See Page 115)

We are asking our stockholders to adopt the Amended and Restated Certificate of Incorporation, which if adopted, will be effective upon filing with the Secretary of State of the State of Delaware, which filing is expected to occur immediately prior to the closing of the transaction. In order to issue the Stock Consideration to AEP in connection with the transaction, it is necessary to amend our certificate of incorporation. Our board of directors has unanimously adopted resolutions approving and declaring advisable, and recommending that our stockholders adopt, the Amended and Restated Certificate of Incorporation.

If our stockholders adopt the Amended and Restated Certificate of Incorporation, each share of Common Stock will be reclassified as one share of Class A Voting Common Stock. Holders of our Common Stock immediately prior to such adoption will have all of the same rights and privileges as holders of Class A Voting Common Stock as such holders had as holders of our Common Stock. Holders of shares of Class B Non-Voting Common Stock, which we anticipate will only be AEP (following the issuance of the Stock Consideration), will have no voting powers, unless otherwise required by the Delaware General Corporation Law (DGCL), but will otherwise have all the rights and privileges of holders of our Class A Voting Common Stock. The Class B Non-Voting Common Stock will automatically convert to Class A Voting Common Stock upon transfer of such stock, subject to certain exceptions.

Adoption by our stockholders of the Amended and Restated Certificate of Incorporation is a condition to the closing of the transaction and is necessary for Tenneco to issue the Class A Voting Common Stock and Class B Non-Voting Common Stock to AEP at the closing. Accordingly, if Proposal 1 is not adopted at the special meeting, a condition to the closing of the transaction will not be satisfied and the transaction will not be completed.

Proposal 2 Approval of the Issuance of the Stock Consideration (See Page 119)

We are asking our stockholders to approve the issuance of the Stock Consideration to AEP in connection with Tenneco's acquisition of Federal-Mogul. It is anticipated that upon the closing of the transaction, the shares of Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, comprising the Stock Consideration would represent approximately % of the total number of shares of Common Stock outstanding as of , 2018. The issuance of the Stock Consideration in connection with the transaction requires the approval of holders of our Common Stock under rules of the NYSE because the number of shares

Table of Contents

to be issued in the transaction is in excess of 20% of the number of shares of our Common Stock currently outstanding. Accordingly, if Proposal 2 is not approved by our stockholders at the special meeting, a condition to the closing of the transaction will not be satisfied and the transaction will not be completed.

Proposal 3 Approval of the Amended and Restated Tenneco Inc. 2006 Long-Term Incentive Plan (See Page 120)

We are asking our stockholders to approve the Amended and Restated Long-Term Incentive Plan, which if approved, will change the number of shares available for issuance under the plan pursuant to equity awards granted thereunder to 3,300,000 (which represents an increase of approximately 1,675,000 from the number of shares available for issuance under the plan prior to the amendment).

Our board of directors is seeking to amend and restate our long-term incentive plan to ensure our continued ability to offer equity-based incentives to employees, non-employee directors and other persons providing services to Tenneco or its subsidiaries. Our board of directors believes this type of compensation is critical to our ability to attract and retain highly qualified individuals and otherwise attain our goals, while also aligning these individuals' interests with those of our stockholders. However, our board of directors does not believe it has sufficient shares available for future delivery under our current long-term incentive plan to accomplish these purposes in light of the substantial increase in our employee base that will occur as a result of the transaction. Accordingly, Tenneco is seeking to amend its long-term incentive plan (in the form of an amendment and restatement) in order to issue equity awards to appropriately retain and incentivize a larger number of employees as well as achieve the benefits of the transaction.

The number of shares currently available for grant under our current plan, based on the rate at which we used shares thereunder for the last five years, will be exhausted within the next months. In developing the size of the share pool and request for additional shares, we were mindful of the pool's potentially dilutive impact on stockholders. In that regard, we are proposing a share pool that, in terms of size and expected duration, falls well within industry practice.

Proposal 4 Approval of the Adjournment of the Special Meeting (See Page 130)

We may ask our stockholders to vote on a proposal to grant discretionary authority to adjourn the special meeting, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve Proposal 1, Proposal 2 or Proposal 3. If our stockholders approve this proposal, we may adjourn the special meeting and use the additional time to solicit additional proxies, including proxies from our stockholders who have previously voted against any other proposal.

Reasons for the Transaction; Recommendation of our Board of Directors (See Page 69)

Our board of directors unanimously approved the Purchase Agreement and the transactions contemplated therein, including the Amended and Restated Certificate of Incorporation and the issuance of the Stock Consideration, and has concluded that the transaction is advisable to and in the best interests of Tenneco and its stockholders.

Our board of directors recommends that our stockholders vote **FOR** the proposal to adopt the Amended and Restated Certificate of Incorporation and **FOR** the proposal to approve the issuance of the Stock Consideration.

Table of Contents

In the course of reaching its decision to approve the Purchase Agreement, our board of directors considered a number of reasons in its deliberations. The reasons our board of directors considered as generally supporting its decision to enter into the Purchase Agreement include, among others, the expected synergies of the transaction, the fact that the transaction will create two strong businesses, in particular one of the world's leading multi-line aftermarket and original equipment suppliers and one of the largest global pure-play powertrain suppliers, with scale and strategic and financial flexibility to drive long-term value creation, the fact that the transaction positions us to complete the Spin-Off, and the fact that the transaction is expected to create new opportunities to drive growth with products that are complementary in nature to Tenneco's current product offering.

Our board of directors weighed the foregoing advantages and benefits against a variety of potentially negative factors, including, among others, the terms of the Purchase Agreement regarding the circumstances under which Tenneco may be obligated to pay a termination fee of \$200 million and the fact that, following the completion of the transaction, Tenneco stockholders will have a reduced ownership and voting interest, as AEP will own 9.9% of the outstanding Class A Voting Common Stock and approximately 36.4% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock on a combined basis.

After due consideration, including asking questions of our senior management and financial and legal advisors, our board of directors concluded that the potentially negative factors associated with the transaction were outweighed by the potential benefits that it expected Tenneco and its stockholders to achieve.

For a more complete discussion of these reasons, see section titled "The Transaction – Reasons for the Transaction; Recommendation of our Board of Directors" beginning on page 69.

Opinion of Tenneco's Financial Advisor (See Page 72)

Tenneco engaged Barclays Capital Inc. ("Barclays") to act as its financial advisor with respect to the transaction. Barclays delivered its opinion to our board of directors that, as of April 9, 2018 and based upon and subject to the qualifications, limitations, factors and assumptions set forth in the opinion, the consideration to be paid by Tenneco in the transaction was fair, from a financial point of view, to Tenneco.

The full text of the written opinion of Barclays, dated as of April 9, 2018, is attached as Annex E to this proxy statement. **Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. Barclays provided advisory services and its opinion for the information and assistance of the board of directors of Tenneco in connection with its consideration of the transaction. The Barclays opinion is not a recommendation as to how any Tenneco stockholder should vote with respect to the transaction or any other matter.**

Board of Directors and Management Following the Transaction (See Page 86)

Prior to the closing of the transaction, we and our board of directors will take all action necessary so that, as of the closing, the size of our board of directors will be increased by one member and the resulting vacancy will be filled with the chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the

Table of Contents

requirements set forth in Tenneco's by-laws (the "By-Laws") and Corporate Governance Principles), who will continue as a director from and after the closing of the transaction in accordance with the Shareholders Agreement.

Pursuant to the Shareholders Agreement, prior to the earlier of the date the Spin-Off is consummated, and the date on which IEP and its affiliates cease to own beneficially at least 10% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, our board of directors will take all actions necessary to nominate for election the then-serving chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the requirements set forth in the By-Laws and Corporate Governance Principles) at each annual meeting of Tenneco stockholders.

If the Spin-Off has not occurred by the date that is 18 months after the closing date of the transaction, IEP must cause its designee to have resigned from our board of directors at least 30 days prior to taking certain specified actions with respect to Tenneco.

The current executive officers of Tenneco are expected to remain unchanged. Please see the section entitled "The Shareholders Agreement - Board Representation" beginning on page 111 for additional details on IEP's board representation rights under the Shareholders Agreement.

Regulatory Approvals Required for the Transaction (See Page 87)

The closing of the transaction is conditioned on the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and on the approval of the transaction by the Directorate General for Competition of the European Commission, pursuant to Council Regulation (EC) No. 139/2004 (the "EUMR"). Tenneco, Federal-Mogul and AEP have agreed to make any necessary filings under the HSR Act, the EUMR and any other antitrust laws as soon as reasonably practicable.

Under the HSR Act and the rules promulgated thereunder by the U.S. Federal Trade Commission (the "FTC"), the transaction may not be completed until notifications have been given and information furnished to the FTC and to the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division"), and the specified waiting period has been terminated or has expired. Tenneco and Federal-Mogul each filed notification and report forms under the HSR Act with the FTC and the Antitrust Division. The applicable waiting periods for the filings made under the HSR Act in connection with the transaction expired as of 11:59 p.m., Eastern Time, on May 24, 2018.

Under the EUMR, the transaction may not be completed until a Form CO notification has been filed with the European Commission and the Commission has approved the transaction following the expiration of a 25-working day waiting period. Tenneco and Federal-Mogul filed a draft Form CO notification with the European Commission on May 31, 2018.

Please see the section entitled "The Transaction - Regulatory Approvals Required for the Transaction" beginning on page 87 for additional information with regard to the required regulatory filings and approvals.

Expected Timing of the Transaction

Tenneco and Federal-Mogul are working to complete the transaction as soon as reasonably possible. Tenneco and Federal-Mogul must first obtain the necessary approvals, including the adoption of Proposal 1 and approval of Proposal 2 by our stockholders, and satisfy the other

Table of Contents

closing conditions described in the Purchase Agreement. There can be no assurance as to whether all the conditions to the transaction will be met, nor any prediction of the exact timing of the completion of the transaction. It is possible Tenneco and Federal-Mogul will not complete the transaction. Tenneco currently expects to complete the transaction in the second half of 2018.

Conditions to Closing of the Transaction (See Page 107)

Conditions to Each Party's Obligations (See Page 107)

The respective obligations of each party to consummate the transactions contemplated by the Purchase Agreement are subject to the satisfaction or waiver at or prior to the closing of the following conditions:

- (i) the required approvals and adoptions of the Tenneco stockholders will have been obtained;
- (ii) no outstanding (a) order enacted, promulgated, issued, entered, amended or enforced by any governmental entity in the United States or European Union or (b) applicable law in the United States or European Union will be in effect enjoining or otherwise prohibiting the consummation of the transaction;
- (iii) the applicable waiting periods under the HSR Act will have expired or terminated, approval will have been obtained from the Directorate General for Competition of the European Commission and all approvals, consents and consultations required to consummate the transaction pursuant to any other antitrust law in the United States and European Union will have been obtained or any applicable waiting period thereunder will have terminated or expired;
- (iv) the Amended and Restated Certificate of Incorporation will have been filed with the Secretary of State for the State of Delaware; and
- (v) the Class A Voting Common Stock (including shares of Class A Voting Common Stock issuable upon conversion of the Class B Non-Voting Common Stock to be issued to AEP as Stock Consideration) will have been approved for listing on the NYSE, subject to official notice of issuance.

Conditions to Obligations of Tenneco (See Page 107)

The obligations of Tenneco to consummate the transactions contemplated by the Purchase Agreement are subject to the satisfaction or waiver at or prior to the closing of the following conditions:

- (i) the accuracy of representations and warranties of AEP and Federal-Mogul, subject to certain *de minimis*, materiality, and material adverse effect qualifiers;
- (ii)

the performance by AEP and Federal-Mogul in all material respects of their obligations under the Purchase Agreement at or prior to the closing of the transaction (subject to a 30 business day cure period);

- (iii) since the date of the Purchase Agreement, there not being a material adverse effect (subject to a 30 business day cure period); and

Table of Contents

- (iv) receipt by Tenneco of (a) an executed counterpart to the Shareholders Agreement from each of AEP and IEP and (b) a certificate certifying that AEP is not a foreign person subject to withholding under Section 1445 of the Internal Revenue Code of 1986, as amended from time to time (the Code).

Conditions to Obligations of AEP and Federal-Mogul (See Page 107)

The respective obligations of each of AEP and Federal-Mogul to consummate the transactions contemplated by the Purchase Agreement are subject to the satisfaction or waiver at or prior to the closing of the following conditions:

- (i) the accuracy of all representations and warranties of Tenneco, subject to certain *de minimis*, materiality, and material adverse effect qualifiers;
- (ii) the performance by Tenneco in all material respects of its obligations under the Purchase Agreement (subject to a 30 business day cure period);
- (iii) since the date of the Purchase Agreement, there not being a material adverse effect (subject to a 30 business day cure period); and

- (iv) receipt by AEP of an executed counterpart signature page to the Shareholders Agreement from Tenneco.

Financing (See Page 88)

Tenneco has entered into a debt commitment letter, pursuant to which JPMorgan Chase Bank, N.A. and Barclays Bank PLC have committed to provide an aggregate amount of \$4.9 billion of debt financing. The debt financing will consist of a \$1.7 billion Term Loan A, a \$1.7 billion Term Loan B and a \$1.5 billion revolving credit facility, which will finance the Cash Consideration portion of the consideration and replace Tenneco's existing senior credit facilities and certain senior facilities at Federal-Mogul. The Term Loan A and revolving credit facility will mature on the fifth anniversary of closing, and the Term Loan B will mature on the seventh anniversary of closing. The new credit facilities will be secured on a senior basis by substantially all assets of Tenneco on a *pari passu* basis with Federal-Mogul's existing secured notes, and will be guaranteed by certain material domestic subsidiaries. The commitment to provide financing is subject to specified limited conditions.

Indemnification (See Page 108)

Subject to certain limitations, AEP has agreed to be responsible for, and hold Tenneco, Federal-Mogul and their subsidiaries harmless from, any liability or loss of the resulting from the following, provided Tenneco makes a claim in writing to AEP in respect thereof on or prior to the date that is five years after the closing date of the transaction:

- Federal-Mogul or its subsidiaries being treated as an ERISA affiliate of AEP or any other person, trade or business owned by AEP;

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the presence of hazardous substances at, on, under or emanating from Federal-Mogul's Le Pont de Claix, France facility;

- the presence of hazardous substances at, on, under or emanating from Federal-Mogul's Gif-sur-Yvette, France facility; and
- any claims arising out of conduct alleged in certain administrative proceedings in Brazil initiated by the Conselho Administrativo de Defesa Economica (CADE) against Federal-Mogul.

Table of Contents

Termination of the Purchase Agreement (See Page 108)

The Purchase Agreement may be terminated at any time prior to the closing of the transaction only as follows:

- (i) by mutual written consent of Tenneco and AEP (on behalf of itself and Federal-Mogul);
- (ii) by Tenneco, prior to the time at which the required stockholder approvals and adoptions have been obtained, in order to accept a Superior Proposal (as defined below), provided Tenneco complies with the provisions described under the section entitled No Solicitation by Tenneco; Recommendation Change and pays the termination fee;
- (iii) by either Tenneco or AEP if the transaction has not been consummated on or before the nine-month anniversary of the date of the Purchase Agreement (the termination date, however the termination date will be automatically extended to the fifteen-month anniversary of the date of the Purchase Agreement if the only conditions not satisfied relate to lack of antitrust clearances in the United States or European Union or a legal impediment imposed in the United States or European Union), subject to a four business day extension if the marketing period has not ended on the termination date;
- (iv) by either Tenneco or AEP if Tenneco fails to obtain the required Tenneco stockholder approvals at the Tenneco stockholder meeting;
- (v) by either Tenneco or AEP if there is in effect a law or a final, non-appealable order of any governmental entity in the United States or European Union enjoining or prohibiting the consummation of the transaction;
- (vi) by Tenneco, if Tenneco is not in material breach of any of its obligations under the Purchase Agreement and AEP or Federal-Mogul has breached in any material respect any of its representations or warranties or failed to perform in any material respect any of its covenants or other agreements contained in the Purchase Agreement, which breach or failure to perform would render certain closing conditions incapable of being satisfied prior to the termination date (subject to a 30 business day cure period); and
- (vii) by AEP, if it is not in material breach of any of its obligations under the Purchase Agreement and Tenneco has breached in any material respect any of its representations or warranties or failed to perform in any material respect any of its covenants or other agreements contained in the Purchase Agreement, which breach or failure to perform would render certain closing conditions incapable of being satisfied by the termination date (subject to a 30 business day cure period).

Termination Fee (See Page 109)

In the event that the Purchase Agreement is terminated in the following instances, Tenneco is required to pay to AEP a \$200 million termination fee:

- if the Purchase Agreement is terminated by Tenneco to accept a Superior Proposal;
- if the Purchase Agreement is terminated by either Tenneco or AEP because the transaction has not been consummated on or before the termination date, as may be extended as described in this proxy statement, provided that Tenneco will not be required to pay a termination fee if since the date of the Purchase Agreement, there has been a material adverse effect with respect to Federal-Mogul (subject to a 30 business day cure period);

Table of Contents

- if the Purchase Agreement is terminated by Tenneco or AEP because there is in effect a law or a final, non-appealable order of any governmental entity in the United States or European Union enjoining or prohibiting the consummation of the transaction;

 - if the Purchase Agreement is terminated by AEP, if AEP is not in material breach of any of its obligations under the Purchase Agreement, and if Tenneco has breached in any material respect any of its representations or warranties or failed to perform in any material respect any of its covenants or other agreements contained in the Purchase Agreement (subject to a 30 business day cure period); or

 - if (i) the Purchase Agreement is terminated by Tenneco or AEP (on behalf of itself and Federal-Mogul) because the required Tenneco stockholder approvals were not obtained, (ii) an acquisition proposal for at least 50% of Tenneco was made before the Tenneco stockholders' meeting and (iii) a definitive transaction agreement with respect to an acquisition proposal for at least 50% of Tenneco is entered into by Tenneco (or such an acquisition proposal is consummated) within 12 months of termination of the Purchase Agreement.
- Notwithstanding the foregoing, Tenneco will not be required to pay a termination fee if AEP is in material breach of the Purchase Agreement at the time of termination (subject to a 30 business day cure period). For purposes of this exception to pay the termination fee, a material breach of AEP's or Federal-Mogul's representations or warranties means a material breach that amounts to a loss of at least \$241 million.

Shareholders Agreement (See Page 111)

Pursuant to the Purchase Agreement, the parties have agreed that, upon the closing of the transaction, Tenneco, AEP and IEP will enter into a shareholders agreement in the form attached to this proxy statement as Annex B (the "Shareholders Agreement"), which form was agreed upon in connection with the Purchase Agreement. The Shareholders Agreement will govern AEP's and IEP's ownership of Class A Voting Common Stock and Class B Non-Voting Common Stock following the closing of the transaction until the consummation of the Spin-Off.

Prior to the earlier of the date the Spin-Off is consummated, and the date on which IEP and its affiliates cease to own beneficially at least 10% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, our board of directors will take all actions necessary to nominate for election the then-serving chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the requirements set forth in the By-Laws and Corporate Governance Principles) at each annual meeting of Tenneco stockholders. If the Spin-Off has not occurred by the date that is 18 months after the closing date, IEP must cause its designee to have resigned from our board of directors at least 30 days prior to taking certain specified actions with respect to Tenneco.

The Shareholders Agreement contains a standstill covenant, which prohibits IEP and its affiliates from taking certain actions until the earlier of the date that is (i) 18 months after the closing date of the transaction, if the Spin-Off has not occurred by such date, and (ii) one year after the date on which IEP and its affiliates cease to own at least 5% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class.

Subject to certain exceptions, for a period beginning on the date of the Shareholders Agreement and ending on the date that is 150 days following the closing of the transaction, AEP shall not, directly or indirectly, sell or otherwise transfer (including through loan, pledge, swap or hedging

Table of Contents

transactions), or make any short sale or otherwise dispose of, more than 10% of the shares of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, after the closing of the transaction.

Until the later of (i) the expiration of the standstill restrictions discussed above and (ii) the time when IEP and its affiliates cease to own at least 10% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, IEP and its affiliates will not transfer any shares (a) to certain specified types of investors and (b) in an amount equal to 5% or more of the Class A Voting Common Stock issued and outstanding at the time of such transfer (subject to certain carve-outs for transfers to certain passive institutional investors).

For so long as IEP and its affiliates own at least 10% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, and Tenneco proposes to issue any equity securities (other than in an excluded issuance), IEP and its affiliates will be granted certain preemptive rights. The Shareholders Agreement also includes registration rights for IEP.

Please see the section entitled The Shareholders Agreement beginning on page 111 for additional information with regard to the Shareholders Agreement.

Table of Contents

The Special Meeting

Time, Date and Location (See Page 54)

The special meeting will be held on _____, _____, 2018, at _____, Central Time, at our headquarters at 500 North Field Drive in Lake Forest, Illinois 60045, or at such other time and place to which the special meeting may be postponed or adjourned.

Purpose of the Special Meeting (See Page 54)

At the special meeting, Tenneco stockholders will consider and vote on the following proposals:

Proposal 1: To adopt the Amended and Restated Certificate of Incorporation;

Proposal 2: To approve the issuance and delivery of an aggregate of 29,444,846 shares of Common Stock, which we refer to as the Stock Consideration in this proxy statement, in connection with Tenneco's acquisition of Federal-Mogul. Subject to reduction if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction, the Stock Consideration issuable to AEP will consist of (i) a number of shares of Class A Voting Common Stock equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and (ii) the balance in shares of Class B Non-Voting Common Stock;

Proposal 3: To approve the Amended and Restated Long-Term Incentive Plan; and

Proposal 4: To approve a proposal to adjourn the special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

Record Date; Stock Entitled to Vote (See Page 55)

Only holders of record of our Common Stock at the close of business on _____, 2018 are entitled to receive notice of, and to vote at, the special meeting, or any postponements or adjournments thereof. On _____, 2018, there were _____ shares of Common Stock outstanding and entitled to vote at the special meeting.

Stockholders have one vote for each share of Common Stock they own on the record date, which can be cast in person or through the Internet or by telephone or by a properly executed and delivered proxy with respect to the special meeting.

Voting Requirements (See Page 55)

Proposal 1 Adoption of the Amended and Restated Certificate of Incorporation

Proposal 1 requires the affirmative vote of holders of at least a majority of our outstanding Common Stock as of the record date. As of the record date, there were _____ shares of Common Stock outstanding and therefore _____ votes are required for Proposal 1 to be adopted.

Abstentions and broker non-votes will have the same effect as a vote **AGAINST** Proposal 1. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting

Table of Contents

instructions to your bank, broker or other record holder, it will have the same effect as a vote **AGAINST** Proposal 1.

Proposal 2 Approval of the Issuance of the Stock Consideration

Proposal 2 requires the affirmative vote of a majority of the votes cast on the proposal at the special meeting.

Under the current rules and interpretive guidance of the NYSE, votes cast on Proposal 2 consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on Proposal 2 will have the same effect as a vote **AGAINST** the proposal. Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote will have no effect on the outcome of any vote to approve Proposal 2 because these failures to vote are not considered votes cast.

Proposal 3 Approval of the Amended and Restated Long-Term Incentive Plan

Proposal 3 requires the affirmative vote of a majority of the votes cast on the proposal at the special meeting.

Under the current rules and interpretive guidance of the NYSE, votes cast on Proposal 3 consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on Proposal 3 will have the same effect as a vote **AGAINST** the proposal. Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote will have no effect on the outcome of any vote to approve Proposal 3 because these failures to vote are not considered votes cast.

Proposal 4 Approval of the Adjournment of the Special Meeting

Proposal 4 requires the affirmative vote of a majority of those shares voting on the proposal.

Any stockholder represented in person or by proxy at the meeting and entitled to vote on Proposal 4 may elect to abstain from voting on this proposal. If so, such abstention will not be counted as a vote cast on the proposal and, therefore, will have no effect on the outcome of the vote on the proposal. Provided there is a quorum of stockholders present in person or by proxy, stockholders not attending the meeting, in person or by proxy, will also have no effect on the outcome of this proposal.

Recommendation of our Board of Directors

Our board of directors unanimously recommends that you vote your shares of Common Stock **FOR** each of the proposals.

Voting at the Special Meeting (See Page 56)

Shares held in your name as the holder of record may be voted in person at the special meeting. Shares can also be voted by proxy in three ways: (i) you can vote over the Internet by following

Table of Contents

the instructions on the proxy card; (ii) if you received your proxy materials by mail, you can vote by filling out the accompanying proxy card and returning it in the return envelope that we have enclosed for you; or (iii) you can vote by telephone by following the instructions on the proxy card.

If your shares are held in street-name through a bank, broker or other record holder, you must provide the holder of record with instructions on how to vote the shares, so please follow the voting instructions on the form that you receive from them.

Revocability of Proxies (See Page 58)

You can change your vote at any time before your proxy is voted at the special meeting. In addition to revocation in any other manner permitted by law, you can revoke your proxy in one of the following ways: (i) giving a written and signed revocation to our Corporate Secretary that is received by our Corporate Secretary prior to the special meeting, stating that you revoke your proxy; (ii) giving a duly executed proxy bearing a later date, provided that, to be effective, a later-dated proxy must be received by Tenneco no later than 11:59 p.m., Eastern Time on _____, 2018; or (iii) attending the special meeting and voting in person.

If your shares are held in street-name through a bank, broker or other record holder, you may submit new voting instructions by contacting your bank, broker or other record holder or, if you have obtained a legal proxy from your bank, broker or other record holder giving you the right to vote your shares, by attending the special meeting and voting in person.

Quorum Requirements and Effect of Abstentions and Broker Non-Votes (See Page 58)

The presence at the special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of Common Stock as of the record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the special meeting to vote in person, your shares of Common Stock will be considered part of the quorum.

Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other record holder holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Each proposal in this proxy statement is a non-routine matter under the NYSE rules. Accordingly, if you do not instruct your bank, broker or other record holder how to vote with respect to any of these items, your bank, broker or other record holder may not vote with respect to the applicable proposal and those votes will be counted as broker non-votes.

Abstentions and broker non-votes will have the same effect as a vote **AGAINST** Proposal 1. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting instructions to your bank, broker or other record holder, it will have the same effect as a vote **AGAINST** Proposal 1.

Under the current rules and interpretive guidance of the NYSE, votes cast on a proposal consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on a proposal at the special meeting will have the same effect as a vote **AGAINST** that proposal. Accordingly, abstentions from voting will be counted as votes **AGAINST** Proposal 2 and Proposal 3.

Table of Contents

Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote on a proposal will have no effect on the outcome of any vote to approve that proposal because these failures to vote are not considered votes cast. Accordingly, broker non-votes will not be counted as votes for or against Proposal 2 or Proposal 3.

Abstentions and broker non-votes will have no effect on Proposal 4. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting instructions to your bank, broker or other record holder, it will have no effect on the outcome of Proposal 4.

Table of Contents**SELECTED HISTORICAL AND PRO FORMA COMBINED FINANCIAL DATA****Selected Historical Financial Data of Tenneco**

The tables below present the selected historical consolidated financial data of Tenneco for the five years ended December 31, 2017 derived from its audited consolidated financial statements for those years. The summary of operations for the years ended December 31, 2017, 2016 and 2015, and the balance sheet data as of December 31, 2017 and 2016 have been derived from Tenneco's audited financial statements included in Tenneco's Annual Report on Form 10-K for the year ended December 31, 2017. The summary of operations data for the years ended December 31, 2014 and 2013, and the balance sheet data as of December 31, 2015, 2014 and 2013 have been derived from Tenneco's audited financial statements from those periods. The tables below also present the selected unaudited historical consolidated financial data of Tenneco for the three months ended March 31, 2018 and 2017 derived from Tenneco's unaudited consolidated financial statements from those periods, included in Tenneco's Quarterly Report on Form 10-Q for the three months ended March 31, 2018. Historical results are not necessarily indicative of the results to be expected in the future.

	Three Months Ended March 31,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(in millions, Except Share and Per Share Amounts)							
Statements of Income Data:							
Net sales and operating revenues	\$ 2,574	\$ 2,292	\$ 9,274	\$ 8,599	\$ 8,181	\$ 8,381	\$ 7,924
Earnings before interest expense, income taxes, and noncontrolling interests	117	121	417	516	508	489	422
Interest expense (net of interest capitalized)	20	15	73	92	67	91	80
Income tax expense	25	33	70	0	146	131	122
Net income	72	73	274	424	295	267	220
Less: Net income attributable to	14	14	67	68	54	42	38

noncontrolling interests														
Net income attributable to Tenneco Inc.														
	\$	58	\$	59	\$	207	\$	356	\$	241	\$	225	\$	182
Weighted average shares of common stock outstanding:														
Basic		51,211,643		53,856,352		52,796,184		55,939,135		59,678,309		60,734,022		60,474,492
Diluted		51,501,643		54,231,759		53,026,911		56,407,436		60,193,150		61,782,508		61,594,062
Basic earnings per share of common stock														
	\$	1.13	\$	1.10	\$	3.93	\$	6.36	\$	4.05	\$	3.70	\$	3.02
Diluted earnings per share of common stock														
	\$	1.13	\$	1.09	\$	3.91	\$	6.31	\$	4.01	\$	3.64	\$	2.96
Cash dividends declared														
	\$	0.25	\$	0.25	\$	1.00	\$		\$		\$		\$	
Balance Sheet Data:														
Total assets	\$	5,166	\$	4,642	\$	4,842	\$	4,346	\$	3,970	\$	3,996	\$	3,817
Total debt		1,484		1,519		1,441		1,384		1,210		1,115		1,089
Redeemable noncontrolling interests														
		50		48		42		40		41		34		20
Total Tenneco Inc. shareholders equity														
		765		637		696		573		425		495		432
Noncontrolling interests														
		60		54		46		47		39		40		39
Total equity														
		825		691		742		620		464		535		471

Table of Contents**Selected Historical Financial Data of Federal-Mogul**

The tables below present the selected historical consolidated financial data of Federal-Mogul for the five years ended December 31, 2017 derived from its audited consolidated financial statements for those years. The summary of operations for the years ended December 31, 2017, 2016 and 2015, and the balance sheet data as of December 31, 2017 and 2016 have been derived from Federal-Mogul's audited consolidated financial statements, which are incorporated by reference into this proxy statement. The summary of operations data for the years ended December 31, 2014 and 2013, and the balance sheet data as of December 31, 2015, 2014 and 2013 have been derived from Federal-Mogul's audited consolidated financial statements from those periods. The tables below also present the selected unaudited historical consolidated financial data of Federal-Mogul for the three months ended March 31, 2018 and 2017 derived from Federal-Mogul's unaudited consolidated financial statements from those periods, which are incorporated by reference into this proxy statement. The unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management of Federal-Mogul, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of those periods. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

You should read the information presented below together with "Information about Federal-Mogul Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements of Federal-Mogul and related notes incorporated by reference in this proxy statement.

	Three Months Ended		Year Ended				
	March 31,	2017	2017	2016	2015	2014	2013
	2018						
(in millions, except per share amounts)							
Consolidated Statement of Operations Data							
Net sales	\$ 2,099	\$ 1,975	\$ 7,879	\$ 7,434	\$ 7,419	\$ 7,317	\$ 6,786
Net income (loss) from continuing operations	29	52	361	90	(111)	(161)	101
Amounts attributable to Federal-Mogul:							
Net income (loss) from continuing operations	26	49	350	82	(117)	(168)	93
Income (loss) from discontinued operations, net of tax					7		(52)
Net income (loss)	\$ 26	\$ 49	\$ 350	\$ 82	\$ (110)	\$ (168)	\$ 41
Common Share Summary Attributable to Federal-Mogul							
Net income (loss) per common share – basic:							
Net income (loss) from continuing operations				\$ 0.49	\$ (0.71)	\$ (1.12)	\$ 0.75
Income (loss) from discontinued operations, net of tax					0.04		(0.42)

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Net income (loss)	\$ 0.49	\$ (0.67)	\$ (1.12)	\$ 0.33
Weighted average shares outstanding basic (in millions)	169.0	164.7	150.0	123.4

Table of Contents

	Three Months			Year Ended		
	Ended			December 31,		
	March 31,	2017	2016	2015	2014	2013
	(in millions, except per share amounts)					
Net income (loss) per common share diluted:						
Net income (loss) from continuing operations			\$ 0.49	\$ (0.71)	\$ (1.12)	\$ 0.75
Income (loss) from discontinued operations, net of tax				0.04		(0.42)
Net income (loss)			0.49	(0.67)	(1.12)	0.33
Weighted average shares outstanding diluted (in millions)			169.0	164.7	150.0	123.4
Dividends declared per common share			\$	\$	\$	\$

	As of			As of			
	March 31,		2017	December 31,		2014	2013
	2018	2017	2017	2016	2015	2014	2013
	(in millions)						
Consolidated Balance Sheet Data							
Total assets	\$ 7,731	\$ 7,280	\$ 7,514	\$ 7,076	\$ 7,228	\$ 7,067	\$ 7,182
Total liabilities	\$ 6,268	\$ 6,250	\$ 6,117	\$ 6,196	\$ 6,326	\$ 6,158	\$ 5,581
Total debt							
(including short-term debt and current portion of long-term debt)	\$ 3,167	\$ 3,015	\$ 3,130	\$ 3,025	\$ 3,052	\$ 2,690	\$ 2,599
Federal-Mogul member interest and shareholders equity	\$ 1,297	\$ 879	\$ 1,237	\$ 738	\$ 770	\$ 806	\$ 1,490

Table of Contents

Selected Unaudited Pro Forma Condensed Combined Financial Data of Tenneco

The selected unaudited pro forma condensed combined financial data as of and for the three months ended March 31, 2018 and for the year ended December 31, 2017 presents Tenneco's condensed combined balance sheet and condensed combined statement of income, after giving effect to the transaction.

The selected unaudited pro forma condensed combined financial data for the year ended December 31, 2017 has been prepared based upon (i) the historical unaudited consolidated financial statements of Tenneco for the year ended December 31, 2017 which are unaudited as they have been revised from previously issued audited financial statements to reflect the adoption of certain Accounting Standards Updates as further described in the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Data of Tenneco incorporated by reference in this proxy statement and (ii) the historical audited condensed consolidated financial statements of Federal-Mogul for the year ended December 31, 2017 incorporated by reference in this proxy statement. The selected unaudited pro forma condensed combined financial data as of and for the three months ended March 31, 2018 has been prepared based upon (i) the historical unaudited consolidated financial statements of Tenneco as of, and for the three months ended March 31, 2018 and (ii) the historical unaudited condensed consolidated financial statements of Federal-Mogul as of and for the three months ended March 31, 2018.

The selected unaudited pro forma condensed combined financial data assumes that the transaction will be accounted for using the acquisition method of accounting with Tenneco being designated as the accounting acquirer of Federal-Mogul and represents a current estimate of the combined financial information based on historical financial information of Tenneco and Federal-Mogul. The selected unaudited pro forma condensed combined financial data is adjusted for the acquisition of Federal-Mogul as if the transaction had been completed on March 31, 2018, in the case of the selected unaudited pro forma condensed combined balance sheet as of March 31, 2018, and on January 1, 2017, in the case of the selected unaudited pro forma condensed combined statement of income for the year ended December 31, 2017 and the three months ended March 31, 2018.

In addition, the selected unaudited pro forma condensed combined financial data includes adjustments, which are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes. The selected unaudited pro forma condensed combined financial data has been presented for informational purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the transaction been completed as of the dates indicated. Furthermore, the selected unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company.

Table of Contents

The information presented below should be read in conjunction with the historical consolidated financial statements of Tenneco, including related notes, filed by Tenneco with the U.S. Securities and Exchange Commission (SEC), the historical consolidated financial statements of Federal-Mogul, including related notes, incorporated by reference into this proxy statement, and with the Unaudited Pro Forma Condensed Combined Financial Statements of Tenneco, including the related notes, incorporated by reference in this proxy statement. For more information, see the section entitled "Where You Can Find More Information" beginning on page 186.

	March 31, 2018
	(in millions)
ASSETS	
Current assets:	
Cash, cash equivalents and restricted cash	\$ 611
Receivables, net	2,900
Inventories	2,659
Prepayments and other	591
Total current assets	6,761
Long-term receivables, net	10
Goodwill	480
Intangibles, net	903
Deferred income taxes	306
Investments in non-consolidated affiliates	312
Other	224
Property, plant, and equipment, net	4,863
Total assets	\$ 13,859
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Short-term debt (including current maturities of long-term debt)	\$ 297
Accounts payable	3,013
Accrued taxes	84
Accrued interest	34
Accrued liabilities	792
Other	325
Total current liabilities	4,545
Long-term debt	5,272
Deferred income taxes	124
Pension and postretirement benefits	1,300
Deferred credits and other liabilities	236
Commitments and contingencies	
Total liabilities	11,477
Redeemable noncontrolling interests	50
Shareholders' equity:	

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Common stock		1
Premium on common stock and other capital surplus		4,486
Accumulated other comprehensive loss		(519)
Accumulated deficit		(932)
Shares held as treasury stock, at cost		(930)
Total shareholders' equity		2,106
Noncontrolling interests		226
Total liabilities and shareholders' equity	\$	13,859

Table of Contents

	Three Months Ended March 31, 2018 (in millions, except for share and per share data)	Year Ended December 31, 2017
Revenues		
Net sales and operating revenues	\$ 4,673	\$ 17,153
Costs and expenses		
Cost of sales (exclusive of depreciation and amortization shown below)	3,920	14,233
Goodwill impairment charge		14
Engineering, research, and development	91	350
Selling, general, and administrative	288	1,217
Depreciation and amortization of other intangibles	137	534
	4,436	16,348
Other income (expense)		
Loss on sale of receivables	(8)	(20)
Equity earnings of nonconsolidated affiliates	20	68
Other expense	(9)	(22)
	3	26
Earnings before interest expense, income taxes and noncontrolling interests	240	831
Interest expense	73	256
Earnings before income taxes and noncontrolling interests	167	575
Income tax expense (benefit)	46	(100)
Net income	121	675
Less: net income attributable to noncontrolling interests	17	78
Net income attributable to Tenneco Inc.	\$ 104	\$ 597
Earnings per share		
Weighted average shares of common stock outstanding		
Basic	80,656,489	82,241,030
Diluted	80,946,489	82,471,757
Basic earnings per share of common stock	\$ 1.29	\$ 7.26
Diluted earnings per share of common stock	\$ 1.28	\$ 7.24

Table of Contents**Comparative Historical and Unaudited Pro Forma Per Share Data**

The following information reflects the historical net income from continuing operations, book value per common share and cash dividends per common share of Tenneco and the unaudited pro forma combined condensed net income from continuing operations, book value per common share and cash dividends per share of Tenneco Common Stock after giving effect to the proposed transaction.

The pro forma earnings per share of Tenneco Common Stock following the consummation of the transaction is computed by dividing the pro forma earnings by the pro forma weighted average number of shares outstanding. The historical book value per share is computed by dividing Total Tenneco Inc. shareholders equity by the number of shares of Common Stock outstanding at the end of the period. The pro forma book value per share of Tenneco following the consummation of the transaction is computed by dividing total pro forma shareholders equity by the pro forma number of shares of Common Stock outstanding at the end of the period. The pro forma per share data assumes 29,444,846 shares to be issued in connection with the transaction. The pro forma cash dividends declared per share assumes that Tenneco would continue to pay an annual dividend of \$1.00 per share. Accordingly, the pro forma cash dividends declared per share has not been adjusted downward by the additional shares of Common Stock that will be issued as part of the transaction.

The following information should be read in conjunction with the consolidated financial statements and related notes contained in Tenneco's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 as well as the financial information contained in the section entitled Selected Unaudited Pro Forma Condensed Combined Financial Data of Tenneco beginning on page 28. The unaudited pro forma information below is presented for informational purposes only and is not necessarily indicative of the future operating results or financial position that would have occurred if the transaction had been completed as of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. In addition, the unaudited pro forma information does not purport to indicate balance sheet data or results of operations as of any future date or for any future period.

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Tenneco Inc.		
Historical per share data:		
Net income per share:		
Basic:	\$ 1.13	\$ 3.93
Diluted:	\$ 1.13	\$ 3.91
Cash dividends declared per share:	\$ 0.25	\$ 1.00
Book value per share:	\$ 14.88	\$ 13.53

	Three Months Ended March 31, 2018	Year Ended December 31, 2017
Unaudited Pro Forma Combined		
Net income per share:		
Basic:	\$ 1.29	\$ 7.26

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Diluted:	\$	1.28	\$	7.24
Cash dividends declared per share:	\$	0.25	\$	1.00
Book value per share:	\$	26.04	\$	25.11

Table of Contents**Comparative Per Share Market Price and Dividend Information**

Our Common Stock is listed on the NYSE and CHX under the symbol TEN. The following are the high and low sale prices for our Common Stock during the periods indicated as reported by the NYSE, and the quarterly cash dividends per share declared. The high and low sales prices are based on intraday sales for the periods reported.

Quarter	Sale Prices per Share		Dividends per Share
	High	Low	
2018			
2nd (through June 22, 2018)	\$ 60.20	\$ 43.48	\$ 0.25
1st	65.59	50.73	0.25
2017			
4th	\$ 65.44	\$ 52.40	\$ 0.25
3rd	61.27	51.54	0.25
2nd	64.50	53.40	0.25
1st	70.96	60.27	0.25
2016			
4th	\$ 66.98	\$ 51.09	\$
3rd	58.97	44.68	
2nd	57.73	44.55	
1st	52.16	34.45	

As of _____, 2018, there were approximately _____ holders of record of our Common Stock, including banks, brokers and other record holders.

On February 1, 2017, Tenneco announced the reinstatement of a quarterly dividend program under which Tenneco expects to pay a quarterly dividend of \$0.25 per share on its Common Stock, representing a planned annual dividend of \$1.00 per share. The initial dividend was payable on March 23, 2017 to stockholders of record as of March 7, 2017. In 2017, Tenneco paid a dividend of \$0.25 per share each quarter, for an annual dividend of \$1.00 per share, or approximately \$53 million. Tenneco did not pay any dividends in fiscal years 2016 or 2015.

While Tenneco currently expects to pay comparable quarterly cash dividends in the future, its dividend program and the payment of future cash dividends are subject to continued capital availability, the judgment of our board of directors and our continued compliance with the provisions pertaining to the payment of dividends under our debt agreements.

Table of Contents

RISK FACTORS

*In addition to general investment risks and other information contained in or incorporated by reference into this proxy statement, including the matters described in the section entitled **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 50 and discussions under **Risk Factors** in Tenneco's Annual Report on Form 10-K for the year ended December 31, 2017, as updated by other reports filed with the SEC, including Tenneco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, you should carefully consider the following risk factors in deciding how to vote your shares. You should also consider the other documents incorporated by reference into this proxy statement, as described in the section entitled **Where You Can Find More Information** beginning on page 186. The fact that this additional information is being incorporated by reference into this proxy statement should not necessarily be viewed as an indication that such information is material to your decision on how to vote on the proposals.*

Risks Relating to the Transaction

There can be no assurance that we will successfully complete our acquisition of Federal-Mogul on the terms or timetable currently proposed or at all.

If the transaction is not completed, our business, financial condition and results of operations may be materially adversely affected and the market price of our Common Stock may decline significantly, particularly to the extent that the current market price reflects a market assumption that the transaction will be completed. If the completion of the transaction is delayed, including by the receipt of an acquisition proposal, our business, financial condition and results of operations may be materially adversely affected.

In addition, AEP and Federal-Mogul have the ability to terminate the Purchase Agreement in certain circumstances. If the Purchase Agreement is terminated, we would not realize the anticipated benefits of the transaction or the Spin-Off, but we would remain liable for significant transaction costs incurred, including legal, accounting and financial advisory fees. Accordingly, our business, financial condition and results of operations may be materially adversely affected. In addition, in certain circumstances, if the Purchase Agreement is terminated, we could be required to pay AEP a termination fee equal to \$200 million. See **The Purchase Agreement – Termination Fee; Effect of Termination.**

Any of the foregoing, or other risks arising in connection with the failure of, or delay in completing, the transaction, including the diversion of management's attention from pursuing other opportunities and the constraints in the Purchase Agreement on our ability to make significant changes to our ongoing business during the pendency of the transaction, could have a material adverse effect on our business, financial condition and results of operations.

The transaction is subject to certain customary closing conditions, including the adoption of the Amended and Restated Certificate of Incorporation and approval of the issuance of the Stock Consideration by our stockholders at the special meeting (or an adjournment or postponement thereof), that, if not satisfied, will result in the transaction not being completed, which may result in material adverse consequences to our business, financial condition and results of operations.

The completion of the transaction is subject to certain customary closing conditions, that, if not satisfied, will prevent the transaction from being completed, including among others: (i) (a) the

Table of Contents

adoption of the Amended and Restated Certificate of Incorporation and (b) the approval the issuance of the Stock Consideration by our stockholders at the special meeting of our stockholders; (ii) the absence of any outstanding order enacted, promulgated, issued, entered, amended or enforced by any governmental entity in the United States or European Union, or applicable law in the United States or European Union, enjoining or otherwise prohibiting the consummation of the transactions contemplated by the Purchase Agreement; (iii) the applicable waiting periods (and any extensions thereof) under the HSR Act will have expired or terminated, approval will have been obtained from the Directorate General for Competition of the European Commission and all approvals, consents and consultations required to consummate the transaction pursuant to any other antitrust law in the United States and European Union will have been obtained or any applicable waiting period thereunder will have terminated or expired; (iv) the filing of the Amended and Restated Certificate of Incorporation with the Secretary of State for the State of Delaware; and (v) the approval for the listing of the Class A Voting Common Stock (including shares of Class A Voting Common Stock issuable upon conversion of the Class B Non-Voting Common Stock to be issued to AEP as Stock Consideration) on the NYSE, subject to official notice of issuance. See The Purchase Agreement Conditions to Closing of the Transaction.

If the transaction is not completed, our business, financial condition and results of operations could be materially adversely affected by the loss of employees and customers, the costs incurred in pursuing the transaction, and potential reputational harm. There can be no assurance that the conditions to closing will be satisfied or waived, or that other events will not intervene to delay or prevent the completion of the transaction.

We must obtain governmental and regulatory approvals prior to completing the transaction, which, if delayed or not granted, may delay or jeopardize the transaction.

The completion of the transaction is conditioned on the expiration or termination of the applicable waiting period (or extension thereof) under the HSR Act and on the approval of the transaction by the Directorate General for Competition of the European Commission, pursuant to EUMR. See The Transaction Regulatory Approvals Required for the Transaction.

The governmental and regulatory agencies from which we are seeking these approvals have broad discretion in administering the applicable governing regulations. As a condition to their approval of the transactions contemplated by the Purchase Agreement, those agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of our business following the transaction. The required approvals may not be obtained or the required conditions to the transaction may not be satisfied, or, even if the required approvals are obtained and the conditions to the completion of the transaction are satisfied, the terms, conditions and timing of such approvals are uncertain.

There can be no assurance that the requisite governmental and regulatory approvals will be received in a timely fashion or at all. Any delay in completing the transaction, including a delay in receipt of the necessary governmental or regulatory approvals, may have a material adverse effect on our business, financial condition and results of operations, and such delay could cause us not to realize some or all of the benefits that we expect to achieve if the transaction were to be successfully completed within the expected time frame.

In addition, if we fail to obtain any necessary governmental or regulatory approval at or prior to the time the closing is required to occur pursuant to the Purchase Agreement, we may elect to consummate the transaction without such approval. As a result, we may not be able to acquire certain assets, businesses or entities of Federal-Mogul at the closing of the transaction, in which

Table of Contents

case AEP will hold such assets, businesses or entities separately for the benefit of Tenneco, until such time where such assets, businesses or entities can be transferred to Tenneco. This could have a material adverse effect on our business, financial condition and results of operations, and could cause us not to realize some or all of the benefits that we expect to achieve if the transaction were to be successfully completed within the expected time frame. In addition, we could be subject to fines, penalties, costs and other adverse action undertaken by applicable governmental and regulatory agencies.

We may fail to realize all of the anticipated benefits of the transaction or those benefits may take longer to realize than expected. We and, following the Spin-Off, each separate company may also encounter significant difficulties in integrating the business of Federal-Mogul.

The success of the transaction will depend, in part, on our ability (and the ability of each separate company) to realize the anticipated benefits of the transaction and Spin-Off and on our (and each separate company's) ability to integrate Federal-Mogul's business in an effective and efficient manner, which is a complex, costly and time-consuming process. The integration process may disrupt business and, if we are unable to successfully integrate Federal-Mogul's business, we (and each separate company) could fail to realize the anticipated benefits of the transaction and/or the Spin-Off. The failure to meet the challenges involved in the integration process and realize the anticipated benefits of the transaction and the Spin-Off could cause an interruption of, or a loss of momentum in, our operations and could have a material adverse effect on our (and each separate company's) business, financial condition and results of operations.

In addition, the integration of Federal-Mogul may result in material unanticipated challenges, expenses, liabilities, competitive responses and loss of customers and other business relationships. Additional integration challenges include:

- diversion of management's attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the transaction and the Spin-Off;
- difficulties in the integration of operations and systems;
- difficulties in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures;
- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in attracting and retaining key personnel;

- the impact of potential liabilities Tenneco may be inheriting from Federal-Mogul; and
- coordinating a geographically dispersed organization.

Many of these factors are outside of our control and could result in increased costs, decreases in the amount of anticipated revenues and diversion of management's time and energy, each of which could adversely affect our (and each separate company's) business, financial condition and results of operations.

In addition, even if the integration of Federal-Mogul's business is successful, we (and each separate company) may not realize all of the anticipated benefits of the transaction and Spin-Off, including the synergies, cost savings, or sales or growth opportunities. These benefits may not be

Table of Contents

achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration process. All of these factors could cause reductions in earnings per share, decrease or delay the expected accretive effect of the transaction and negatively impact the price of shares of our Common Stock (or each separate company's stock). As a result, it cannot be assured that the transaction and/or the Spin-Off will result in the realization of the anticipated benefits and potential synergies.

Our current stockholders will have reduced ownership and voting interests following the transaction and will exercise less influence over management.

Holders of our Common Stock currently possess all voting rights with respect to the election of our board of directors and on other matters affecting us. Upon the closing of the transaction, we will issue an amount of Class A Voting Common Stock to AEP equal to 9.9% of our Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction. Accordingly, our stockholders will experience an immediate dilution and have proportionally less voting power in the combined company following the transaction, and as a result, may have less influence on our management and policies. Additionally, upon the closing of the transaction, we will issue the balance of the Stock Consideration in shares of Class B Non-Voting Common Stock. As a result, our stockholders will have proportionately less ownership than they have now.

In addition, prior to the closing of the transaction, assuming the price of our Common Stock is above \$54.6785, we may elect, or if we do not elect, AEP may direct us in certain circumstances, to conduct a primary offering of Common Stock in order to raise funds to increase the Cash Consideration by the amount of certain of the proceeds of such offering. Such offering may include up to 7,315,490 shares of Common Stock that would otherwise have been issued to AEP in connection with the transaction. If such an offering is undertaken, the Cash Consideration will be increased by an amount equal to the number of shares sold in such offering multiplied by \$54.6785 and the Stock Consideration will be decreased by the number of shares sold in such offering. In other words, the total number of shares to be issued in connection with the acquisition of Federal-Mogul will not change if Tenneco undertakes such an offering. However, Tenneco stockholders existing immediately prior to the offering (and prior to the closing of the transaction), will have proportionally less voting power following the closing of the offering (and subsequently, following the closing of the transaction). However, Tenneco stockholders will not experience any incremental economic dilution as a result of such offering as the total number of shares of Common Stock to be issued in connection with the transaction will not be increased above 29,444,846. See *The Transaction - General Description of the Transaction* for additional information.

We are unable to predict the potential effects of the issuance of the Stock Consideration on the trading activity and market price of our common stock. We have granted certain registration rights to AEP for the resale of the shares issued in connection with the transaction. These registration rights would facilitate the resale of such shares into the public market, and any such resale would increase the number of shares of our Class A Voting Common Stock available for public trading. Sales of a substantial number of shares of our Class A Voting Common Stock in the public market, or the perception that such sales might occur, could have a material adverse effect on the price of our Class A Voting Common Stock.

If AEP transfers any shares of its Class B Non-Voting Common Stock to a third party, the shares of Class B Non-Voting Common Stock so transferred will automatically convert in shares of Class A Voting Common Stock and as a result, our current stockholders will experience further dilution and a proportionate reduction in voting power.

Table of Contents

The Purchase Agreement contains provisions that could discourage a potential third-party from considering or proposing a transaction with us.

The Purchase Agreement contains no solicitation provisions that, subject to limited exceptions, restrict our ability to solicit, initiate, induce or knowingly facilitate or encourage the submission or announcement of any proposal for the acquisition of our stock or assets. In addition, AEP generally has an opportunity to offer to modify the terms of the Purchase Agreement in response to any acquisition proposal before our board of directors may terminate the Purchase Agreement to accept a superior proposal. See The Purchase Agreement No Solicitation by Tenneco; Recommendation Change. The Purchase Agreement further provides that, upon termination of the Purchase Agreement under specified circumstances, we will be required to pay AEP a termination fee equal to \$200 million. See The Purchase Agreement Termination Fee; Effect of Termination.

These provisions could discourage a potential third-party that might have an interest in acquiring all or a significant portion of our stock or assets from considering or proposing such an acquisition or may result in a potential third-party proposing to pay a lower per share price to our stockholders than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

If the Purchase Agreement is terminated and we seek another business combination, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Purchase Agreement.

The market price of our Class A Voting Common Stock may be affected by factors different from those affecting the shares of our Common Stock prior to completion of the transaction.

Our historical business differs from that of Federal-Mogul. Accordingly, our results of operations and the market price of our Class A Voting Common Stock following the completion of the transaction may be affected by factors that differ from those that previously affected the independent results of operations of each of Tenneco and Federal-Mogul and the market price of our existing Common Stock.

We may not generate sufficient financing to fund the purchase price for the transaction.

We have entered into a debt commitment letter, pursuant to which JPMorgan Chase Bank, N.A. and Barclays Bank PLC have committed to provide an aggregate amount of \$4.9 billion of debt financing. The debt financing will consist of a \$1.7 billion Term Loan A, a \$1.7 billion Term Loan B and a \$1.5 billion revolving credit facility, which will finance the Cash Consideration portion of the purchase price and replace our existing senior credit facilities and certain senior facilities at Federal-Mogul.

There can be no assurance that the foregoing transactions, or any other financing transactions that we may pursue, will generate sufficient funds to finance the transaction. The obligations of the lenders under the debt commitment letter are subject to specified limited conditions, and we cannot assure you that these conditions will be met. The closing of the transaction is not conditioned on our ability to obtain sufficient financing to consummate the transaction.

Table of Contents

The planned Spin-Off following the transaction is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

Following the completion of the transaction, we intend to separate the combined company's businesses to create two separate, publicly traded companies in a spin-off transaction, which we refer to as the Spin-Off in this proxy statement. The Spin-Off is intended to be treated as a tax-free reorganization for U.S. federal income tax purposes. There can be no assurance that the Spin-Off will be completed at all or that the Spin-Off will be tax-free for U.S. federal income purposes. We expect that the process of completing the proposed Spin-Off will be time-consuming and involve significant costs and expenses, which may be significantly higher than what we currently anticipate and may not yield a benefit if the Spin-Off is not completed. Planning for the Spin-Off is in its early stages, and we may encounter unforeseen impediments to the completion of the Spin-Off that render the Spin-Off impossible or impracticable.

If the Spin-Off is not completed, our business, financial condition and results of operations may be materially adversely affected and the market price of our Common Stock may decline significantly, particularly to the extent that the current market price reflects a market assumption that the Spin-Off will be completed. If the completion of the Spin-Off is delayed, including by the receipt of an acquisition proposal, our business, financial condition and results of operations may be materially adversely affected.

The pendency of the transaction and subsequent Spin-Off could adversely affect our business, financial results and operations.

The announcement and pendency of the transaction and subsequent Spin-Off could cause disruptions and create uncertainty surrounding our business and affect our relationships with our customers, suppliers and employees.

As a result of the transaction and the Spin-Off, some customers, suppliers or strategic partners may terminate their business relationship with us or Federal-Mogul. Potential customers, suppliers or strategic partners may delay entering into, or decide not to enter into, a business relationship with us or Federal-Mogul because of the transaction and/or the Spin-Off. If customer or supplier relationships or strategic alliances are adversely affected by the transaction and/or the Spin-Off, our (and, after the Spin-Off, each separate company's) business, financial condition and results of operations following the transaction and/or the Spin-Off could be adversely affected.

We are dependent on the experience and industry knowledge of our officers and other key employees to execute our business plans. Our success in implementing and after the transaction and the Spin-Off depends in part upon the ability to retain key management personnel and other key employees. Current and prospective employees of Tenneco and Federal-Mogul may experience uncertainty about their roles with the combined company following the transaction or either separate company following the Spin-Off, or concerns regarding operations following the transaction and/or the Spin-Off, any of which may have an adverse effect on the ability to attract or retain key management and other key personnel. Accordingly, no assurance can be given that we (or, after the Spin-Off, each separate company) will be able to attract or retain key management personnel and other key employees until the transaction and the Spin-Off is completed or following the transaction and the Spin-Off to the extent that we have previously been able to attract or retain such employees.

In addition, we have diverted, and will continue to divert, significant management resources to complete the transaction and the Spin-Off, which could adversely impact our ability to manage

Table of Contents

existing operations or pursue alternative strategic transactions, which could adversely affect our business, financial condition and results of operations.

The Spin-Off may not achieve some or all of the anticipated benefits.

We may not realize some or all of the anticipated strategic, financial, operational or other benefits from the Spin-Off. As independent publicly-traded companies, the two companies will be smaller, less diversified companies with a narrower business focus. As a result, the two companies may be more vulnerable to changing market conditions, which could result in increased volatility in their cash flows, working capital and financing requirements and could have a material adverse effect on the respective business, financial condition and results of operations of each company. Further, there can be no assurance that the combined value of the common stock of the two companies will be equal to or greater than what the value of our common stock would have been had the Spin-Off not occurred.

If the transaction and the Spin-Off are completed, the combined company prior to the Spin-Off and each separate company following the Spin-Off may underperform relative to our expectations.

Following completion of the transaction and the Spin-Off, the combined company or each separate company may not be able to maintain the growth rate, levels of revenue, earnings or operating efficiency that we and Federal-Mogul have achieved or might achieve separately. The failure to do so could have a material adverse effect on our business, financial condition and results of operations or, following the Spin-Off, the business, financial condition and results of operations of each separate company.

We have incurred, and will continue to incur, significant transaction costs in connection with the transaction and the Spin-Off that could adversely affect our results of operations.

Whether or not we complete the transaction and the Spin-Off, we have incurred, and will continue to incur, significant costs in connection with the transaction and the Spin-Off and integrating the business and operations of Federal-Mogul with our business and operations. We also expect we will incur fees and expenses in connection with the related financing transactions, including the debt financing and any primary offering. We may also incur additional unanticipated costs in the separation processes. These could adversely affect our business, financial condition and results of operations, or the business, financial condition and results of operations of each company following the Spin-Off, in the period in which such expenses are recorded, or the cash flows, in the period in which any related costs are actually paid.

Furthermore, we and each company following the Spin-Off may incur material restructuring charges in connection with integration activities or the Spin-Off, which may adversely affect operating results for the period in which such expenses are recorded, or cash flows in the period in which any related costs are actually paid.

The fairness opinion we obtained from our financial advisor will not reflect changes in circumstances subsequent to the date of the fairness opinion.

Barclays, our financial advisor in connection with the transaction, has delivered to our board of directors its opinion dated as of April 9, 2018, that as of such date, and based upon and subject to the factors and assumptions set forth therein, the consideration to be paid to AEP pursuant to the Purchase Agreement was fair from a financial point of view to us. The opinion does not reflect

Table of Contents

changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of Tenneco or Federal-Mogul, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinion is based, may materially alter or affect the relative values of Tenneco or Federal-Mogul. The fairness opinion will not be updated to reflect changes in circumstances subsequent to the date of the fairness opinion.

The unaudited pro forma condensed combined financial statements incorporated by reference in this proxy statement (the pro forma financial statements) are presented for illustrative purposes only and may not be an indication of our financial condition or results of operations following the transaction.

The pro forma financial statements are presented for illustrative purposes only and may not be an indication of our financial condition or results of operations following the transaction for several reasons. For example, the pro forma financial statements have been derived from our historical financial statements and the historical financial statements of Federal-Mogul, and certain adjustments and assumptions have been made regarding the combined company after giving effect to the transaction. The information upon which these adjustments and assumptions have been made is preliminary, and such adjustments and assumptions are difficult to make with complete accuracy.

Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred in connection with the transaction. For example, the impact of any incremental costs incurred in integrating Federal-Mogul's business into our business is not reflected in the pro forma financial statements. As a result, our actual financial condition and results of operations following the transaction may differ significantly from these pro forma financial statements.

In addition, the assumptions used in preparing the pro forma financial statements may not prove to be accurate, and other factors may affect our financial condition or results of operations following the transaction. Any potential decline in our financial condition or results of operations may cause significant variations in the market value of the Common Stock following the transaction. See the section entitled "Selected Historical and Pro Forma Combined Financial Data" Selected Unaudited Pro Forma Condensed Combined Financial Data of Tenneco beginning on page 28.

Risks Relating to Federal-Mogul and Federal-Mogul's Business

Because Tenneco and Federal-Mogul operate similar businesses in similar industries, many of the risks relating to Tenneco and its business disclosed in Tenneco's filings with the SEC are applicable to Federal-Mogul and its business as well. This section should be read in conjunction with the risks relating to Tenneco and its business disclosed in Tenneco's filings with the SEC.

Federal-Mogul's operations in foreign countries expose it to risks related to economic and political conditions, currency fluctuations, import/export restrictions, regulatory and other risks.

As a global business operating in a time of increasing global economic and political instability, Federal-Mogul is exposed to global market risks, the consequences of which cannot always be anticipated or quantified. One example is the 2016 decision of voters in the United Kingdom to withdraw from the European Union (the "Brexit"), the details of which withdrawal have yet to be clarified. While any ultimate effects of Brexit on Federal-Mogul remain difficult to predict, because

Table of Contents

it currently conducts business in the United Kingdom and in Europe, the results of any eventual withdrawal could cause disruptions and create uncertainty for Federal-Mogul's businesses, including affecting its relationships with its customers and suppliers, and could also alter the relationship among currencies, including the value of the British Pound relative to the U.S. dollar. Such disruptions and uncertainties could adversely affect Federal-Mogul's financial condition, operating results and cash flows. Any ultimate effects of Brexit on Federal-Mogul will also depend on whether the U.K. negotiates to retain access to European Union markets either during a transitional period or more permanently. Continued uncertainty following the failed coup attempt in Turkey, a country in which Federal-Mogul has various ownership and economic interests, in 2016 is another example of a recent global political development for which any potential consequences for Federal-Mogul are uncertain. These and other developments may increase volatility in the results of Federal-Mogul's operations and may adversely affect its financial condition.

Federal-Mogul has manufacturing and distribution facilities in many countries. International operations are subject to certain risks including:

- exposure to local economic conditions;
- exposure to local political conditions (including the risk of seizure of assets by foreign governments);
- currency exchange rate fluctuations (including, but not limited to, material exchange rate fluctuations, such as devaluations) and currency controls;
- export and import restrictions;
- restrictions on ability to repatriate foreign earnings;
- labor unrest; and
- compliance with U.S. laws such as the Foreign Corrupt Practices Act, and local laws prohibiting inappropriate payments.

The likelihood of such occurrences and their potential effect on Federal-Mogul are unpredictable and vary from country-to-country.

Certain of Federal-Mogul's operating entities report their financial condition and results of operations in currencies other than the U.S. dollar (including, but not limited to, Brazilian real, British pound, Chinese yuan renminbi, Czech crown, euro, Indian rupee, Mexican peso, Polish zloty, Russian ruble, South Korean won, and Swedish krona). In reporting its consolidated statements of operations, Federal-Mogul translates the reported results of these entities into U.S. dollars at the applicable exchange rates. As a result, fluctuations in the U.S. dollar against these foreign currencies will affect the value at which the results of operations of these entities are included within Federal-Mogul's consolidated results of operations.

Federal-Mogul is exposed to a risk of gain or loss from changes in foreign exchange rates whenever Federal-Mogul, or one of its foreign subsidiaries, enters into a purchase or sales agreement in a currency other than its functional currency. While Federal-Mogul reduces such exposure by matching most revenues and costs within the same currency, changes in exchange rates could affect Federal-Mogul's financial condition or results of operations.

Changes in tax law or trade agreements and new or changed tariffs could have a material adverse effect on Federal-Mogul.

Changes in U.S. political, regulatory and economic conditions and/or changes in laws and policies governing U.S. tax laws, foreign trade (including trade agreements and tariffs), manufacturing, and development and investment in the territories and countries where Federal-Mogul or its customers operate could adversely affect its operating results and business.

Table of Contents

For example, on December 22, 2017, the U.S. President signed into law new legislation that significantly revises the Code. The newly enacted federal income tax law, among other things, contains significant changes to corporate taxation, including the reduction of the corporate income tax rate from a top marginal rate of 35% to a flat rate of 21%, a one-time transition tax on offshore earnings at reduced tax rates regardless of whether the earnings are repatriated, elimination of U.S. tax on foreign dividends (subject to certain important exceptions), new taxes on certain foreign earnings, a new minimum tax related to payments to foreign subsidiaries and affiliates, immediate deductions for certain new investments as opposed to deductions for depreciation expense over time, and the modification or repeal of many business deductions and credits. Notwithstanding the reduction in the corporate income tax rate, the overall impact of the new federal tax law is uncertain and Federal-Mogul's financial performance could be adversely affected. In addition, it is uncertain if and to what extent various states will conform to the new law and whether foreign countries will react by adopting tax legislation or take other actions that could adversely affect Federal-Mogul's business.

In addition, the United States, Mexico and Canada are currently re-negotiating the North American Free Trade Agreement (NAFTA), from which the U.S. government has advised it will withdraw if an agreement on revised terms is not reached. The U.S. government proposed changes to NAFTA that would require automotive products to contain significantly higher North American content, as well as specific U.S. domestic content, in order to obtain duty-free treatment under NAFTA. Canada offered counter-proposals, and the three countries are continuing discussions to achieve revised rules for automotive products. Federal-Mogul's manufacturing facilities in the United States and Mexico are dependent on duty-free trade within the NAFTA region. Federal-Mogul has significant imports into the United States, and the imposition of customs duties on these imports could negatively impact its financial performance. If such customs duties are implemented, Mexico and Canada may take retaliatory actions with respect to U.S. imports or U.S. investments in their countries. Any such potential actions could adversely affect Federal-Mogul's business, financial condition or results of operations.

Moreover, in March 2018, the current administration imposed a 25% tariff on steel imports and a 10% tariff on aluminum imports and announced additional tariffs on goods imported from China specifically, as well as certain other countries. There was a short exemption period from the steel and aluminum tariffs for Canada, Mexico and the European Union, which ended on June 1, 2018. As a result of the tariffs, Canada, Mexico and the European Union may take retaliatory actions with respect to U.S. imports in their countries, which could adversely affect Federal-Mogul's business, financial condition or results of operations. The imposition of the steel and aluminum tariffs, or any future imposition of tariffs or duties, is expected to have a pervasive impact on the metals market in which Federal-Mogul operates and could result in a decrease in imports and higher prices for those imports which are sold into the United States. If Federal-Mogul buys metals internationally, it may be unable to pass through the higher costs to its customers, which could adversely impact its financial condition and operating results. In addition, a decrease in imports could cause a disruption or shortage in the availability of the raw materials that Federal-Mogul buys, which could limit its ability to meet customer demand or purchase material at competitive prices. This could cause Federal-Mogul to lose sales, incur additional costs, or suffer harm to its reputation, all of which may adversely affect operating results.

Further, in May 2018, the current administration announced that it is considering potential tariffs to be imposed on imported automobiles and automotive parts. Certain of Federal-Mogul Motorparts' business depends on the importation of automotive parts from outside of the United States. If these or other similar tariffs are imposed, Federal-Mogul's business and results of operations could be materially adversely affected.

Table of Contents

Federal-Mogul conducts operations through joint ventures which may contain various contractual restrictions, which may require Federal-Mogul obtaining approval from its joint venture partners prior to taking certain actions.

Certain of Federal-Mogul's operations, including in emerging markets, are conducted through joint ventures and strategic alliances. With respect to these joint ventures, Federal-Mogul may share ownership and management responsibilities with one or more partners that may not share the same goals and objectives as Federal-Mogul. Operating a joint venture requires Federal-Mogul to operate the business pursuant to the terms of the agreement that was entered into with the joint venture partners, as well as to share information and decision making. Additional risks associated with joint ventures include one or more partners failing to satisfy their contractual obligations, conflicts arising between the joint venture partners, a change in the ownership of any of the joint venture partners and Federal-Mogul's limited ability to control compliance with applicable rules and regulations, including the Foreign Corrupt Practices Act and related rules and regulations. Additionally, Federal-Mogul's ability to sell its interest in a joint venture may be subject to contractual and other limitations. Accordingly, any such occurrences could adversely affect Federal-Mogul's financial condition, operating results and cash flows.

Impairment charges relating to Federal-Mogul's goodwill and long lived assets could adversely affect its financial performance.

Federal-Mogul has historically been, and may in the future be, required to recognize impairment charges for its goodwill and other long lived assets. In accordance with U.S. generally accepted accounting principles (GAAP), Federal-Mogul periodically assesses these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to Federal-Mogul's business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of these assets, changes in the structure of Federal-Mogul's business, divestitures, market capitalization declines, or increases in associated discount rates may impair its goodwill and other intangible assets. Any charges relating to such impairments may adversely affect Federal-Mogul's results of operations in the periods recognized.

Adverse conditions in the automotive market adversely affect demand for Federal-Mogul's products and exposes Federal-Mogul to the credit risks of its customers.

The revenues of Federal-Mogul's operations are closely tied to its sales to global original equipment manufacturers (OEM) and servicers (and together with OEM, OE) of automotive, light, medium and heavy-duty commercial vehicles, off-road, agricultural, marine, rail, aerospace, power generation and industrial equipment, production levels, and independent aftermarket parts replacement activity. The OE market is characterized by short-term volatility, with overall expected long-term growth in global vehicle sales and production. Automotive production in the local markets served by Federal-Mogul can be affected by macro-economic factors such as interest rates, fuel prices, consumer confidence, employment trends, regulatory and legislative oversight requirements and trade agreements. A variation in the level of automobile production would affect not only sales to OE customers but, depending on the reasons for the change, could affect demand from aftermarket customers. In addition, aftermarket demand is affected by various factors, including the size and composition of the vehicle population and vehicle usage. Federal-Mogul's results of operations and financial condition could be adversely affected if Federal-Mogul fails to respond in a timely and appropriate manner to changes in the demand for its products or if Federal-Mogul is not able to timely identify or address financial distress of its aftermarket customers.

Table of Contents

Accounts receivable potentially subject Federal-Mogul to concentrations of credit risk. Federal-Mogul's customer base includes virtually every significant global automotive manufacturer, numerous Tier 1 automotive suppliers, and a large number of distributors and installers of automotive aftermarket parts. Consolidation in the automotive aftermarket may lead to financial distress for financially weaker customers of Federal-Mogul which, coupled with payment terms that are typically longer than in the OE market, could have a negative effect on Federal-Mogul's financial results.

Consolidation, increased market power, and potential conflicts with Federal-Mogul's independent aftermarket customers could negatively affect Federal-Mogul's financial performance.

Federal-Mogul's independent aftermarket customers are continuing to consolidate and thereby gaining purchasing power and increasing their ability to demand extended payment terms and other pricing concessions. If these trends continue, the financial results of Federal-Mogul's motorparts business segment could be negatively affected. In addition, certain of Federal-Mogul's strategic initiatives, including Federal-Mogul's strategy of supporting its branded products and new distribution channels, and enhancing its distribution and category management capabilities, or Federal-Mogul's strategic affiliation with certain competitors, may not align with the interest of customers. As a result, aftermarket customers may reduce their business with Federal-Mogul based on perceived channel conflict.

Cybersecurity risks and other cyber incidents could result in disruption.

Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow. Federal-Mogul depends on information technology systems. In addition, Federal-Mogul collects, processes and retains certain sensitive and confidential customer information in the normal course of business. Despite the security measures in place and any additional measures that may be implemented in the future, Federal-Mogul's facilities and systems, and those of its third-party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, human errors, acts of vandalism or other events. Any disruption of Federal-Mogul's systems or security breach or event resulting in the misappropriation, loss or other unauthorized disclosure of confidential information, whether by Federal-Mogul directly or its third-party service providers, could damage its reputation, expose it to the risks of litigation and liability, disrupt its business or otherwise affect Federal-Mogul's results of operations.

The automotive industry is highly competitive and Federal-Mogul's success depends upon its ability to compete effectively in the market.

Federal-Mogul operates in an extremely competitive industry, driven by global vehicle production volumes and part replacement trends. Business is typically awarded to the supplier offering the most favorable combination of cost, quality, technology, and service. In addition, customers continue to require periodic price reductions that require Federal-Mogul to continually assess, redefine and improve its operations, products, and manufacturing capabilities to maintain and improve profitability, and Federal-Mogul's competitors' efforts to increase their market share could exert additional downward pressure on product pricing and margins. Further, the success of portions of Federal-Mogul's business requires it to develop and/or incorporate leading technologies, which are subject to rapid obsolescence. Federal-Mogul's ability to maintain access to these technologies, either through development, acquisitions or licensing, may adversely affect

Table of Contents

its ability to compete effectively in the highly competitive automotive market. There can be no assurance Federal-Mogul will be able to compete effectively in the automotive market.

Federal-Mogul's pension obligations and other postretirement benefits could adversely affect Federal-Mogul's operating margins and cash flows.

The automotive industry, like other industries, continues to be affected by the rising cost of providing pension and other postretirement benefits. In addition, Federal-Mogul sponsors certain defined benefit plans worldwide that are underfunded and will require cash payments. If the performance of the assets in the pension plans does not meet Federal-Mogul's expectations, or other actuarial assumptions are modified, Federal-Mogul's required contributions may be higher than it expects.

If Federal-Mogul loses any of its executive officers or key employees, its operations and ability to manage the day-to-day aspects of its business may be materially adversely affected.

Federal-Mogul's future performance substantially depends on its ability to retain and motivate executive officers and key employees, both individually and as a group. If Federal-Mogul loses any of its executive officers or key employees, which have many years of experience with Federal-Mogul and within the automotive industry and other manufacturing industries, or is unable to recruit qualified personnel, Federal-Mogul's ability to manage the day-to-day aspects of its business may be materially adversely affected. The loss of the services of one or more executive officers or key employees, who also have strong personal ties with customers and suppliers, could have a material adverse effect on Federal-Mogul's business, financial condition, and results of operations.

Federal-Mogul does not currently maintain key person life insurance.

Certain disruptions in supply of, and changes in the competitive environment for, raw materials could adversely affect Federal-Mogul's operating margins and cash flows.

Federal-Mogul purchases a broad range of materials, components and finished parts. Federal-Mogul also uses a significant amount of energy, both electricity and natural gas, in the production of its products. A significant disruption in the supply of these materials, supplies and energy or the failure of a supplier with whom Federal-Mogul has established a single source supply relationship could decrease production and shipping levels, materially increase operating costs and materially adversely affect profit margins. Shortages of materials or interruptions in transportation systems, labor strikes, work stoppages, or other interruptions to or difficulties in the employment of labor or transportation in the markets where Federal-Mogul purchases material, components, and supplies for the production of products or where the products are produced, distributed or sold, whether as a result of labor strife, war, further acts of terrorism or otherwise, in each case may adversely affect profitability.

In recent periods there have been significant fluctuations in the prices of aluminum, copper, lead, nickel, platinum, resins, steel, other base metals and energy which have had and may continue to have an unfavorable effect on Federal-Mogul's business. Any continued fluctuations in the price or availability of energy and materials may have an adverse effect on Federal-Mogul's results of operations or financial condition. To address increased costs associated with these market forces, a number of Federal-Mogul's suppliers have implemented surcharges on existing fixed price contracts. Without the surcharge, some suppliers claim they will be unable to provide adequate

Table of Contents

supply. Competitive and marketing pressures may limit Federal-Mogul's ability to pass some of the supply and material cost increases on to Federal-Mogul's customers and may prevent Federal-Mogul from doing so in the future. Furthermore, Federal-Mogul's customers are generally not obligated to accept price increases Federal-Mogul may desire to pass along to them. This inability to pass on price increases to customers when material prices increase rapidly or to significantly higher than historic levels could adversely affect Federal-Mogul's operating margins and cash flow, possibly resulting in lower operating income and profitability.

Federal-Mogul's hedging activities to address commodity price fluctuations may not be successful in offsetting future increases in those costs or may reduce or eliminate the benefits of any decreases in those costs.

In order to mitigate short-term variation in operating results due to the aforementioned commodity price fluctuations, Federal-Mogul hedges a portion of near-term exposure to certain raw materials used in production processes, primarily copper, nickel, tin, zinc, high-grade aluminum and aluminum alloy. The results of Federal-Mogul's hedging practice could be positive, neutral or negative in any period depending on price changes in the hedged exposures.

Federal-Mogul's hedging activities are not designed to mitigate long-term commodity price fluctuations and, therefore, will not protect from long-term commodity price increases. Federal-Mogul's future hedging positions may not correlate to actual raw materials costs, which would cause acceleration in the recognition of unrealized gains and losses on hedging positions in operating results.

Federal-Mogul is subject to a variety of environmental, health and safety laws and regulations, and the cost of complying or Federal-Mogul's failure to comply with such requirements may have a material adverse effect on its business, financial condition and results of operations.

Federal-Mogul is subject to a variety of federal, state, and local environmental laws and regulations relating to the release or discharge of materials into the environment, the management, use, processing, handling, storage, transport or disposal of hazardous waste materials, or otherwise relating to the protection of public and employee health, safety, and the environment. These laws and regulations expose Federal-Mogul to liability for the environmental condition of its current facilities, and also may expose Federal-Mogul to liability for the conduct of others or for Federal-Mogul's actions that were in compliance with all applicable laws at the time such actions were taken. These laws and regulations also may expose Federal-Mogul to liability for claims of personal injury or property damage related to alleged exposure to hazardous or toxic materials in foreign countries. Despite Federal-Mogul's intention to be in compliance with all such laws and regulations, Federal-Mogul cannot guarantee that it will at all times be in compliance with all such requirements. The cost of complying with these requirements may also increase substantially in future years. If Federal-Mogul violates or fails to comply with these requirements, it could be fined or otherwise sanctioned by regulators. These requirements are complex, change frequently, and may become more stringent over time, which could have a material adverse effect on Federal-Mogul's business.

Federal-Mogul's failure to maintain and comply with environmental permits Federal-Mogul is required to maintain could result in fines or penalties or other sanctions and have a material adverse effect on Federal-Mogul's operations or results. Future events, such as new environmental regulations or changes in or modified interpretations of existing laws and regulations or enforcement policies, newly discovered information or further investigation or

Table of Contents

evaluation of the potential health hazards of products or business activities, may give rise to additional compliance and other costs that could have a material adverse effect on Federal-Mogul's business, financial condition, and operations.

A significant labor dispute involving Federal-Mogul or one or more of its customers or suppliers or that could otherwise affect its operations could adversely affect Federal-Mogul's financial performance.

A substantial number of Federal-Mogul's employees and the employees of Federal-Mogul's largest customers and suppliers are members of industrial trade unions and are employed under the terms of various labor agreements. Most of Federal-Mogul's unionized manufacturing facilities have their own contracts with their own expiration dates. There can be no assurances that future negotiations with the unions will be resolved favorably or that Federal-Mogul will not experience a work stoppage or disruption that could adversely affect its financial condition, operating results and cash flows. A labor dispute involving Federal-Mogul, any of its customers or suppliers or any other suppliers to Federal-Mogul's customers or that otherwise affects Federal-Mogul's operations, or the inability by Federal-Mogul, any of its customers or suppliers or any other suppliers to Federal-Mogul's customers to negotiate, upon the expiration of a labor agreement, an extension of such agreement or a new agreement on satisfactory terms could adversely affect Federal-Mogul's financial condition, operating results and cash flows. In addition, if any of Federal-Mogul's significant customers experience a material work stoppage, the customer may halt or limit the purchase of Federal-Mogul's products. This could require Federal-Mogul to shut down or significantly reduce production at facilities relating to such products, which could adversely affect its business and harm its profitability.

Federal-Mogul is involved from time to time in legal proceedings and commercial or contractual disputes, which could have an adverse effect on Federal-Mogul's profitability and consolidated financial position.

Federal-Mogul is involved in legal proceedings and commercial or contractual disputes that, from time to time, are significant. These are typically claims that arise in the normal course of business including, without limitation, commercial or contractual disputes, including disputes with suppliers, intellectual property matters, personal injury claims, environmental issues, tax matters and employment matters. No assurances can be given that such proceedings and claims will not have a material adverse effect on Federal-Mogul's profitability and consolidated financial position.

If Federal-Mogul is unable to protect its intellectual property and prevent its improper use by third parties, Federal-Mogul's ability to compete in the market may be harmed.

Various patent, copyright, trade secret and trademark laws afford only limited protection and may not prevent Federal-Mogul's competitors from duplicating Federal-Mogul's products or gaining access to its proprietary information and technology. These means also may not permit Federal-Mogul to gain or maintain a competitive advantage.

Any of Federal-Mogul's patents may be challenged, invalidated, circumvented or rendered unenforceable. Federal-Mogul cannot guarantee it will be successful should one or more of its patents be challenged for any reason and countries outside the United States may diminish the protection of Federal-Mogul's patents. If Federal-Mogul's patent claims are rendered invalid or unenforceable, or narrowed in scope, the patent coverage afforded to Federal-Mogul's products could be impaired, which could significantly impede Federal-Mogul's ability to market its products, negatively affect its competitive position and materially adversely affect its business and results of operations.

Table of Contents

Federal-Mogul's pending or future patent applications may not result in an issued patent. Additionally, newly issued patents may not provide meaningful protection against competitors or against competitive technologies. Courts in the United States and in other countries may invalidate Federal-Mogul's patents or find them unenforceable. Competitors may also be able to design around Federal-Mogul's patents. Other parties may develop and obtain patent protection for more effective technologies, designs or methods. If these developments were to occur, it could have an adverse effect on Federal-Mogul's sales. If Federal-Mogul's intellectual property rights are not adequately protected, Federal-Mogul may not be able to commercialize its technologies, products or services and Federal-Mogul's competitors could commercialize Federal-Mogul's technologies, which could result in a decrease in Federal-Mogul's sales and market share and could materially adversely affect Federal-Mogul's business, financial condition and results of operations.

Federal-Mogul's products could infringe the intellectual property rights of others, which may lead to litigation that could itself be costly, could result in the payment of substantial damages or royalties, and could prevent Federal-Mogul from using technology that is essential to its products.

Federal-Mogul cannot guarantee its products, manufacturing processes or other methods do not infringe the patents or other intellectual property rights of third parties. Infringement and other intellectual property claims and proceedings brought against Federal-Mogul, whether successful or not, could result in substantial costs and harm Federal-Mogul's reputation. Such claims and proceedings can also distract and divert management and key personnel from other tasks important to the success of its business. In addition, intellectual property litigation or claims could force Federal-Mogul to do one or more of the following:

- cease selling or using of any products that incorporate the asserted intellectual property, which would adversely affect Federal-Mogul's revenue;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; and
- redesign or rename, in the case of trademark claims, products to avoid infringing the intellectual property rights of third parties, which may not be possible and could be costly and time-consuming if it is possible to do.

In the event of an adverse determination in an intellectual property suit or proceeding, or Federal-Mogul's failure to license essential technology, Federal-Mogul's sales could be harmed and its costs could increase, which could materially adversely affect Federal-Mogul's business, financial condition, and results of operations.

The agreements governing Federal-Mogul's debt contain various covenants that impose restrictions on Federal-Mogul that may affect its ability to operate its business.

In connection with the transaction, Federal-Mogul's 4.875% Senior Secured Notes due 2022, Floating Rate Senior Secured Notes due 2024 and 5.000% Senior Secured Notes due 2024 (collectively, the Notes) will remain outstanding. The indentures governing the Notes contain covenants that restrict Federal-Mogul's ability to, among other things:

- declare dividends or redeem or repurchase capital stock;
- prepay, redeem or purchase other debt;

Table of Contents

- incur liens;

- make loans, guarantees, acquisitions and investments;

- incur additional indebtedness;

- amend or otherwise alter debt and other material agreements;

- engage in mergers, acquisitions or asset sales;

- engage in transactions with affiliates; and

- enter into arrangements that would prohibit Federal-Mogul from granting liens or restrict its ability to pay dividends, make loans or transfer assets among its subsidiaries.

Federal-Mogul may be exposed to certain regulatory and financial risks related to climate change.

Climate change is continuing to receive ever increasing attention worldwide. Many scientists, legislators and others attribute climate change to increased levels of greenhouse gases, including carbon dioxide, which could lead to additional legislative and regulatory efforts to limit greenhouse gas emissions. The focus on emissions could increase costs associated with Federal-Mogul's operations, including costs for raw materials and transportation. Because the scope of future laws in this area is uncertain, Federal-Mogul cannot predict the potential effect of such laws on its future consolidated financial condition, results of operations, or cash flows.

Risks Relating to Tenneco and Tenneco's Business

Tenneco is, and will continue to be, subject to the risks described in the section entitled "Risk Factors" beginning on page 33 and in Tenneco's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as updated by other reports filed with the SEC, including Tenneco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. For additional information, see the section entitled "Where You Can Find More Information" beginning on page 186.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement and the documents that are incorporated into this proxy statement by reference may contain (or incorporate by reference) forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements are included in various sections of this proxy statement and concern, among other things, the proposed acquisition of Federal-Mogul and related separation transactions, including the expected timing of completion of the proposed acquisition and Spin-Off; the benefits of the proposed acquisition and Spin-Off; the combined and separate companies' respective plans, objectives and expectations; future financial and operating results; and other statements that are not historical facts. The words may, will, should, could, expect, anticipate, estimate, and similar expressions (and variations thereof), identify these forward-looking statements. These forward-looking statements are based upon our current expectations, and although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, these expectations may not prove to be correct.

Since forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed in the forward-looking statements. Important factors (many of which are outside of our control) that could cause actual results to differ materially from the expectations expressed in the forward-looking statements, include, but are not limited to:

- the risk that the transaction may not be completed in a timely manner or at all due to a failure to satisfy certain closing conditions;
- the risk that the parties may be unable to obtain the required governmental and regulatory approvals, or obtaining the required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could cause the parties to abandon the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Purchase Agreement;
- the outcome of any legal proceeding that may be instituted against Tenneco, Federal-Mogul and/or the other parties following the announcement of the transaction;
- the risk that the combined company may not complete the Spin-Off of its powertrain technology business and its aftermarket & ride performance business (or achieve some or all of the anticipated benefits of such a separation);
- the transaction may have an adverse impact on existing arrangements with Tenneco or Federal-Mogul, including those related to transition, manufacturing and supply services and tax matters;
-

the amount of the costs, fees, expenses and charges related to the transaction and Spin-Off may be greater than expected;

- the possibility that the transaction may result in Tenneco assuming unexpected liabilities;
- the ability to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners;
- the ability of Tenneco and Federal-Mogul to operate their respective businesses in light of the transaction and the covenants contained in the Purchase Agreement;
- the risk that the benefits of the transaction and Spin-Off, including synergies, may not be fully realized or may take longer to realize than expected;

Table of Contents

- the risk that the transaction may not advance the combined or separated companies' business strategy;
- the risk that the combined company may experience difficulty integrating or separating all employees or operations;
- the potential diversion of Tenneco's and Federal-Mogul's respective management team's attention resulting from the transaction; and
- the impact of issuing the Stock Consideration in connection with the transaction on the current Tenneco stockholders, including dilution of their ownership and voting interests.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, see the note regarding forward-looking statements and the risk factors in Tenneco's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC, as well as Tenneco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. For more information, see the section entitled "Where You Can Find More Information" beginning on page 186.

The areas of risk and uncertainty described above should be considered in connection with any written or oral forward-looking statements that may be made after the date of this proxy statement by Tenneco or anyone acting for Tenneco.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Unless otherwise indicated in this proxy statement, the forward-looking statements in this proxy statement are made as of the date of this report, and, except as required by law, Tenneco does not undertake any duty or responsibility, and disclaims any duty or responsibility, to publicly disclose revisions or updates to any forward-looking statements.

Table of Contents

**INFORMATION ABOUT THE COMPANIES AND
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Lake Forest, IL 60045

Telephone: (847) 482-5000

Tenneco designs, manufactures and sells clean air and ride performance systems and products for light vehicle, commercial truck, off-highway and other applications, and generated revenues of \$9.3 billion in 2017. Tenneco serves both original equipment manufacturers (OEMs) and replacement markets worldwide through leading brands, including Monroe[®], Rancho[®], Clevite[®] Elastomers, Axios[®], Kineti[®], and Fric-Rot[®] ride performance products and Walker[®], XNOx[®], Fonos[®], DynoMa[®] and Thrush[®] clean air products. As a parts supplier, we produce individual component parts for vehicles as well as groups of components that are combined as modules or systems within vehicles. These parts, modules and systems are sold globally to most leading OEMs, commercial truck and off-highway engine manufacturers, and aftermarket distribution channels.

Tenneco was incorporated in Delaware in 1996. In 2005, we changed our name from Tenneco Automotive Inc. to Tenneco Inc. Tenneco's Common Stock is traded on the NYSE and CHX under the symbol TEN.

Tenneco maintains a website at www.tenneco.com. By including the foregoing website address, Tenneco does not intend to and will not be deemed to incorporate by reference any material contained therein. See also "Where You Can Find More Information" beginning on page 186.

Federal-Mogul LLC

27300 West 11 Mile Road

Southfield, Michigan 48034

Telephone: (248) 354-7700

Federal-Mogul was founded in Detroit in 1899. Federal-Mogul is a global supplier of products and services to the world's manufacturers and servicers of vehicles and equipment in the automotive, light, medium and heavy-duty commercial, marine, rail, aerospace, power generation and industrial markets. Federal-Mogul's products and services enable improved fuel economy, reduced emissions and enhanced vehicle safety.

Federal-Mogul operates two independent business divisions, each with a chief executive officer reporting to Federal-Mogul's board of directors: F-M Motorparts and F-M Powertrain. F-M Motorparts sells and distributes a broad portfolio of products through more than 20 brands in the global vehicle aftermarket, while also serving original equipment vehicle manufacturers with products including braking, wipers and a range of chassis components.

Federal-Mogul's aftermarket brands include ANCO® wipers; Beck/Arnley® premium OE quality parts and fluids; BERU®* ignition systems; Champion® lighting, spark plugs, wipers and filters; Interfil® filters; AE®, Fel-Pro®, FP Diesel®, Goetze®, Glyco®, National®, Nüral®, Payen®, Sealed Power® and Speed-Pro® engine products; MOOG® chassis components; and Abex®, Ferodo®, Jurid® and Wagner® brake products and lighting. F-M Powertrain designs and manufactures original equipment powertrain components and systems protection products for automotive, heavy-duty, industrial and transport applications.

Table of Contents

Federal-Mogul maintains websites at www.federalmogul.com and www.fmmotorparts.com. By including the foregoing website addresses, Federal-Mogul does not intend to and will not be deemed to incorporate by reference any material contained therein.

* BERU is a registered trademark of BorgWarner Ludwigsburg GmbH.

American Entertainment Properties Corp.

767 Fifth Avenue. Suite 4700

New York, New York 10153

Telephone: (212) 702-4300

American Entertainment Properties Corp. is a wholly owned corporate subsidiary of IEP and Icahn Enterprises Holdings L.P., and is engaged in the following business segments: Automotive, Energy, Railcar, Metals, Gaming, Home Fashion and Real Estate.

Icahn Enterprises L.P.

767 Fifth Avenue. Suite 4700

New York, New York 10153

Telephone: (212) 702-4300

Icahn Enterprises L.P. is a master limited partnership and a diversified holding company engaged in 10 primary business segments: Investment, Automotive, Energy, Metals, Railcar, Gaming, Mining, Food Packaging, Real Estate and Home Fashion.

IEP's depository units are traded on the NASDAQ under the symbol IEP.

IEP maintains a website at www.ielp.com. By including the foregoing website address, IEP does not intend to and will not be deemed to incorporate by reference any material contained therein.

Table of Contents

THE SPECIAL MEETING

General Information

This proxy statement is being provided to Tenneco stockholders in connection with the solicitation of proxies by our board of directors for use at the special meeting, or postponements or adjournments of such special meeting. This proxy statement is being furnished to Tenneco stockholders on or about _____, 2018. This proxy statement provides Tenneco stockholders with information they need to be able to vote or instruct their vote to be cast at the special meeting.

Time, Date and Location

The special meeting will be held on _____, _____, 2018, at _____, Central Time, at our headquarters at 500 North Field Drive in Lake Forest, Illinois 60045, or at such other time and place to which the special meeting may be postponed or adjourned.

If you plan to attend the special meeting in person, below are directions to our headquarters:

From North:

Take 294 South

Exit Route 60 (Town Line Road) (left/east)

Left on Field Drive (2nd light)

Tenneco on Left Side

From O'Hare Airport and South:

Take 294 North

Exit Route 60 (Town Line Road) (right/east)

Left on Field Drive (1st light)

Tenneco on Left Side

From Downtown Chicago:

Kennedy Expressway, I-90, west

To Edens Expressway, I-94, toward Milwaukee

To 294 North

Exit Route 60 (Town Line Road) (right/east)

Left on Field Drive (1st light)

Tenneco on Left Side

References in this proxy statement to the special meeting also refer to any postponements, adjournments or changes in location to the meeting, to the extent applicable.

Purpose of the Special Meeting

At the special meeting, Tenneco stockholders will be asked to consider and vote on the following proposals:

Proposal 1: To adopt the Amended and Restated Certificate of Incorporation.

Proposal 2: To approve the issuance and delivery of an aggregate of 29,444,846 shares of Common Stock, which is referred to as the Stock Consideration, in connection with Tenneco's acquisition of Federal-Mogul. Subject to reduction if Tenneco undertakes

Table of Contents

a primary offering of Common Stock prior to the closing of the transaction, the Stock Consideration issuable to AEP will be comprised of: (i) a number of shares of Class A Voting Common Stock equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and (ii) the balance in shares of newly created Class B Non-Voting Common Stock.

Proposal 3: To approve the Amended and Restated Long-Term Incentive Plan.

Proposal 4: To approve a proposal to adjourn the special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the foregoing proposals.

Record Date; Stock Entitled to Vote

Only holders of record of our Common Stock at the close of business on _____, 2018 are entitled to receive notice of, and to vote at, the special meeting, or any postponements or adjournments thereof. On _____, 2018, there were _____ shares of Common Stock outstanding and entitled to vote at the special meeting.

Stockholders have one vote for each share of Common Stock they own on the record date, which can be cast in person or through the Internet or by telephone or by a properly executed and delivered proxy with respect to the special meeting.

On _____, 2018, our directors and executive officers and their affiliates owned and were entitled to vote _____ shares of Common Stock, or _____ % of the Common Stock outstanding on that date. We currently expect that our directors and executive officers will vote their shares in favor of each proposal, subject to no superior proposal emerging, although none of them has entered into any agreement obligating them to do so.

Voting Requirements

Proposal 1 Adoption of the Amended and Restated Certificate of Incorporation

Proposal 1 requires the affirmative vote of holders of at least a majority of our outstanding Common Stock as of the record date. As of the record date, there were _____ shares of Common Stock outstanding and therefore _____ votes are required for Proposal 1 to be adopted.

The Amended and Restated Certificate of Incorporation is required under the terms of the Purchase Agreement and is necessary to enable Tenneco to have enough shares of non-voting common stock to issue to AEP in connection with the transaction. Accordingly, if the Amended and Restated Certificate of Incorporation is not adopted by our stockholders at the special meeting, a condition to the closing of the transaction will not be satisfied and the transaction will not be consummated. If the Amended and Restated Certificate of Incorporation is adopted by our stockholders, Tenneco will have the ability to issue the remaining unissued shares of Class B Non-Voting Common Stock in the future.

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Abstentions and broker non-votes will have the same effect as a vote **AGAINST** Proposal 1. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting instructions to your bank, broker or other record holder, it will have the same effect as a vote **AGAINST** Proposal 1.

Our board of directors unanimously recommends that you vote your shares of Common Stock **FOR** Proposal 1.

Table of Contents

Proposal 2 Approval of the Issuance of the Stock Consideration

Proposal 2 requires the affirmative vote of a majority of the votes cast on the proposal at the special meeting.

Under the current rules and interpretive guidance of the NYSE, votes cast on Proposal 2 consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on Proposal 2 will have the same effect as a vote **AGAINST** the proposal. Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote will have no effect on the outcome of any vote to approve Proposal 2 because these failures to vote are not considered votes cast.

Our board of directors unanimously recommends that you vote your shares of Common Stock **FOR** Proposal 2.

Proposal 3 Approval of the Amended and Restated Long-Term Incentive Plan

Proposal 3 requires the affirmative vote of a majority of the votes cast on the proposal at the special meeting.

Under the current rules and interpretive guidance of the NYSE, votes cast on Proposal 3 consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on Proposal 3 will have the same effect as a vote **AGAINST** the proposal. Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote will have no effect on the outcome of any vote to approve Proposal 3 because these failures to vote are not considered votes cast.

Our board of directors unanimously recommends that you vote your shares of Common Stock **FOR** Proposal 3.

Proposal 4 Approval of the Adjournment of the Special Meeting

Proposal 4 requires the affirmative vote of a majority of those shares voting on the proposal.

Any stockholder represented in person or by proxy at the meeting and entitled to vote on Proposal 4 may elect to abstain from voting on this proposal. If so, such abstention will not be counted as a vote cast on the proposal and, therefore, will have no effect on the outcome of the vote on the proposal. Provided there is a quorum of stockholders present in person or by proxy, stockholders not attending the meeting, in person or by proxy, will also have no effect on the outcome of this proposal.

Our board of directors unanimously recommends that you vote your shares of Common Stock **FOR** Proposal 4.

Voting at the Special Meeting

Shares held in your name as the holder of record may be voted in person at the special meeting.

Shares held beneficially in street name may be voted in person at the special meeting only if you obtain a legal proxy from the bank, broker or other record holder that holds your shares of Common Stock giving you the right to vote the shares of Common Stock at the special meeting.

Table of Contents

Even if you plan to attend the special meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the special meeting.

There are three ways to vote by proxy:

- **By Internet** You can vote over the Internet by following the instructions on the proxy card;
- **By Mail** If you received your proxy materials by mail, you can vote by filling out the accompanying proxy card and returning it in the return envelope that we have enclosed for you; or
- **By Telephone** You can vote by telephone by following the instructions on the proxy card.

If you received a proxy card in the mail but choose to vote by Internet or by telephone, you do not need to return your proxy card.

If your shares are held in street-name through a bank, broker or other record holder, you must provide the holder of record with instructions on how to vote the shares, so please follow the voting instructions on the form that you receive from them. The availability of telephone and Internet voting will depend on the bank s, broker s or other record holder s voting process. Your bank, broker or other record holder may not be permitted to exercise voting discretion as to some of the matters to be acted upon. Therefore, please give voting instructions to your bank, broker or other record holder.

Unless you hold your shares through Tenneco s 401(k) plan, you may vote via the Internet or by phone until 11:59 p.m. Eastern Time, on _____, 2018, or Tenneco s agent must receive your paper proxy card on or before _____, 2018. If you hold your shares through Tenneco s 401(k) plan, you may vote via the Internet or by phone until 11:59 p.m., Eastern Time, on _____, 2018, or Tenneco s agent must receive your paper proxy card on or before _____, 2018.

All properly completed, unrevoked proxies that are timely received will be voted in accordance with the specifications made.

If a properly executed, unrevoked written proxy card does not specifically direct the voting of shares covered by the proxy, the proxy will be voted:

- **FOR** the adoption of the Amended and Restated Certificate of Incorporation;
- **FOR** the approval of the issuance of the Stock Consideration;
- **FOR** the approval of the Amended and Restated Long-Term Incentive Plan;

- **FOR** the approval of the adjournment of the special meeting; and
- in accordance with the judgment of the persons named in the proxy as to such other matters as may properly come before the special meeting.

Our board of directors is not aware of any other matters that may properly come before the special meeting. However, should any such matters come before the special meeting, it is the intention of the persons named in the enclosed form of proxy card to vote all proxies (unless otherwise directed by stockholders) in accordance with their judgment on such matters.

Table of Contents

Revocability of Proxies

You can change your vote at any time before your proxy is voted at the special meeting. In addition to revocation in any other manner permitted by law, you can revoke your proxy in one of the following ways:

- giving a written and signed revocation to our Corporate Secretary that is received by our Corporate Secretary prior to the special meeting, stating that you revoke your proxy;
- giving a duly executed proxy bearing a later date, provided that to be effective, a later-dated proxy must be received by Tenneco no later than 11:59 p.m., Eastern Time on _____, 2018; or
- attending the special meeting and voting in person.

Your attendance at the special meeting will not itself revoke your previously granted proxy unless you provide a written and signed revocation to the chair of the special meeting at the special meeting.

If your shares are held in street-name through a bank, broker or other record holder, you may submit new voting instructions by contacting your bank, broker or other record holder or, if you have obtained a legal proxy from your bank, broker or other record holder giving you the right to vote your shares, by attending the special meeting and voting in person.

Quorum Requirements and Effect of Abstentions and Broker Non-Votes

The presence at the special meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of Common Stock as of the record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the special meeting to vote in person, your shares of Common Stock will be considered part of the quorum.

Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other record holder holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Each proposal in this proxy statement is a non-routine matter under the NYSE rules. Accordingly, if you do not instruct your bank, broker or other record holder how to vote with respect to any of these items, your bank, broker or other record holder may not vote with respect to the applicable proposal and those votes will be counted as broker non-votes.

Abstentions and broker non-votes will have the same effect as a vote **AGAINST** Proposal 1. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting instructions to your bank, broker or other record holder, it will have the same effect as a vote **AGAINST** Proposal 1.

Under the current rules and interpretive guidance of the NYSE, votes cast on a proposal consist of votes for or against as well as elections to abstain from voting. As a result, a stockholder's election to abstain from voting on a proposal at the special meeting will have the same effect as a vote **AGAINST** that proposal. Accordingly, abstentions from voting will be counted as votes **AGAINST** Proposal 2 and Proposal 3.

Assuming a quorum is present, the failure of a stockholder who holds his or her shares in street name through a bank, broker or other record holder to give voting instructions to that bank, broker or other record holder or any other failure of a stockholder to vote on a proposal will have no effect on the outcome of any vote to approve that proposal because these failures to vote are

Table of Contents

not considered votes cast. Accordingly, broker non-votes will not be counted as votes for or against Proposal 2 or Proposal 3.

Abstentions and broker non-votes will have no effect on Proposal 4. If you fail to submit a proxy or attend the special meeting in person, or if you fail to issue voting instructions to your bank, broker or other record holder, it will have no effect on the outcome of Proposal 4.

Tabulation of Votes

Representatives of Broadridge Financial Solutions, Inc. will tabulate the votes and act as inspectors of election.

Delivery of Proxy Materials and Proxy Card

These proxy materials were first sent or made available to stockholders on or about _____, 2018.

Most stockholders hold their shares through a bank, broker or other record holder rather than directly in their own name. If your shares are held by a bank, broker or other record holder, you are considered the beneficial owner of these shares even though they are held in street-name, and these proxy materials should be forwarded to you by the bank, broker or other record holder together with a voting instruction card. As the beneficial owner, you have the right to direct your bank, broker or other record holder how to vote and you are invited to attend the special meeting. Since a beneficial owner is not the holder of record, you may not vote these shares in person at the special meeting unless you obtain a legal proxy from the bank, broker or other record holder that holds your shares, giving you the right to vote the shares at the meeting. Your bank, broker or other record holder will provide voting instructions for you to use in directing them how to vote your shares.

We and some brokers have adopted householding, a procedure under which stockholders who have the same address will receive a single set of proxy materials, unless one or more of these stockholders provides notice that they wish to continue receiving individual copies. Stockholders who participate in householding will continue to receive separate proxy cards. This procedure can result in significant savings to Tenneco by reducing printing and postage costs.

If you participate in householding and wish to receive a separate set of these proxy materials, or if you wish to receive separate copies of future Notices, annual reports and proxy statements, please call 1-800-579-1639 or write to: Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York 11717. We will deliver the requested documents to you promptly upon your request. Any stockholders of record who share the same address and currently receive multiple copies of proxy materials who wish to receive only one copy of these materials per household in the future may contact Broadridge Financial Solutions, Inc. at the address or telephone number listed above. If you hold your shares through a bank, broker or other record holder, please contact your bank, broker or other record holder to request information about householding.

Please follow the voting instructions provided by the bank, broker or other record holder. Banks, brokers and other record holders who hold shares on behalf of their beneficial owners may not give a proxy to Tenneco to vote those shares with respect to the proposals without specific voting instructions from such beneficial owners, as such the proposals to be voted upon at the special meeting, which are not considered a routine matters under the NYSE Rule 452 and banks, brokers and other record holders do not have discretionary voting power for such

non-routine

Table of Contents

matters. Any votes cast by street-name holders or brokers, banks or other nominees will be treated as though they were votes cast by the holder of record. You may not vote shares held in street-name by returning a proxy card directly to us or by voting in person at the special meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other record holder. Any votes cast pursuant to a legal proxy will be treated as though they were cast by the holder of record.

Special Meeting Admission

Attendance at the special meeting is limited to stockholders (or their proxies, attorneys or representatives) as of the close of business on business on _____, 2018. Guests may be admitted, but a guest has no right to speak or vote at the special meeting. Holders of record of our Common Stock at the close of business on _____, 2018, can vote in person at the special meeting.

Admission to the special meeting is on a first-come, first-served basis. Registration for the special meeting begins at _____ a.m., Central Time, on _____, _____, 2018, and you will be asked to present a valid picture identification and proof of ownership of Common Stock as of the record date.

If you hold your Common Stock in a brokerage account, you must bring a copy of a brokerage account statement reflecting your ownership as of the record date. If you plan to attend as the proxy or attorney of a stockholder, the stockholder must provide valid proof of your appointment no later than 11:59 p.m., Central Time, on _____, 2018 to our address set forth under the section entitled _____ Time, Date and Location beginning on page 54. If you plan to attend as a representative of a legal entity you must bring evidence of appointment to the special meeting. We reserve the right to refuse admittance to anyone without proper proof of ownership or without proper photo identification. Submitting your proxy now will not prevent you from voting your shares at the special meeting if you desire to do so, as your proxy is revocable at your option. The use of cameras at the special meeting is prohibited and they will not be allowed into the special meeting or any other related areas. We realize that many cellular phones have built-in digital cameras, and while these phones may be brought into the meeting room, they may not be used at any time.

Solicitation of Proxies

The cost of solicitation of proxies will be borne by us. Solicitation will be made by mail, and may be made by directors, officers and employees, personally or by telephone, email or fax. Proxy cards and materials also will be distributed to beneficial owners of stock through brokers, custodians, nominees and other like parties, and we expect to reimburse such parties for their charges and expenses.

We have also engaged Innisfree M&A Incorporated to assist us in the solicitation of proxies, at an estimated cost of approximately \$30,000, plus expense reimbursement.

Questions and Additional Information

Tenneco stockholders who have questions about the transaction, the issuance of the Stock Consideration, the Amended and Restated Certificate of Incorporation or the other matters to be voted on at the special meeting or who

desire additional copies of this proxy statement or additional proxy cards should contact Innisfree M&A Incorporated, Tenneco's proxy solicitor, by calling toll free at 888-750-5834. Banks, brokerage firms and other nominees may call collect at 212-750-5833.

Table of Contents

THE TRANSACTION

The following is a discussion of the transaction, the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation. While the following discussion is intended to cover the material terms, this is a summary only and may not contain all of the information that is important to you. The following discussion is qualified in its entirety by reference to the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation, which are attached to this proxy statement as Annex A, Annex B and Annex C, respectively, and are incorporated by reference herein. Tenneco stockholders are urged to read this entire proxy statement, including the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation, for a more complete understanding of the transaction.

General Description of Transaction

On April 10, 2018, Tenneco entered into the Purchase Agreement by and among Tenneco, Federal-Mogul, AEP and IEP, pursuant to which Tenneco has agreed to acquire Federal-Mogul. In order to complete the transaction, Tenneco will amend its certificate of incorporation to provide for a new class of non-voting common stock, which will be issued only to AEP at the closing of the transaction, and to reclassify the Common Stock as Class A Voting Common Stock. See Proposal 1 Adoption of the Amended and Restated Certificate of Incorporation of Tenneco Inc. Summary of the Terms of the Amended and Restated Certificate of Incorporation beginning on page 116.

As consideration for the acquisition of Federal-Mogul, Tenneco will (i) pay to AEP \$800 million in cash, subject to increase if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction as described below, which is referred to as the Cash Consideration in this proxy statement, and (ii) issue and deliver 29,444,846 shares of Common Stock, which is referred to as the Stock Consideration in this proxy statement. Subject to reduction if Tenneco undertakes a primary offering of Common Stock prior to the closing of the transaction, as described below, the Stock Consideration issuable to AEP will be comprised of: (a) a number of shares of Class A Voting Common Stock equal to 9.9% of the aggregate number of shares of Class A Voting Common Stock issued and outstanding as of immediately following the closing of the transaction, and (b) the balance in shares of newly created Class B Non-Voting Common Stock.

Until the date that is 10 business days prior to the anticipated closing date of the transaction, assuming the price of our Common Stock is above \$54.6785, Tenneco may elect to conduct a primary offering of Common Stock in order to raise funds to increase the Cash Consideration. Such offering may include up to 7,315,490 shares of Common Stock that would otherwise have been issued to AEP in connection with the transaction. Each share sold in such an offering will decrease the number of shares of Common Stock issuable to AEP by one share, so the total number of shares of Common Stock to be issued in connection with the acquisition of Federal-Mogul will not change if Tenneco undertakes such an offering. The Cash Consideration will be increased by an amount equal to the number of shares sold in such an offering multiplied by \$54.6785, with any excess proceeds to be retained by Tenneco. In certain circumstances, AEP may also elect to require Tenneco to conduct such an offering of Common Stock if Tenneco does not do so at least 10 business days prior to the anticipated closing date of the transaction.

Upon the closing of the transaction, the parties have agreed that Tenneco, AEP and IEP will enter into the Shareholders Agreement. In connection with the Shareholders Agreement, Tenneco has

Table of Contents

agreed to expand the size of its board of directors by one member and fill the resulting vacancy with the chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the requirements set forth in the By-Laws and Corporate Governance Principles). Our board of directors will take all actions necessary to nominate for election the then-serving chief executive officer of IEP (or another designee of IEP, if applicable, provided such designee is reasonably acceptable to Tenneco and meets the requirements set forth in the By-Laws and Corporate Governance Principles) at each annual meeting of Tenneco stockholders until the earlier of (i) the date on which AEP ceases to own at least 10% of our Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, or (ii) the date that is 18 months after the closing of the transaction if the Spin-Off has not occurred. See Board of Directors and Management Following the Transaction for additional details.

The Shareholders Agreement contains a standstill covenant, which prohibits IEP and its affiliates from taking certain actions until the earlier of (i) the date that is 18 months after the closing date of the transaction and (ii) the date that is one year after the date on which IEP and its affiliates cease to own at least 5% of our outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class.

Subject to certain exceptions, for a period beginning on the date of the Shareholders Agreement (i.e., the closing date of the transaction) and ending on the date that is 150 days following the date of the Shareholders Agreement, AEP (and any permitted transferee) shall not, directly or indirectly, sell, offer or agree to sell, or otherwise transfer, or loan or pledge, through swap or hedging transactions, or grant any option to purchase, make any short sale or otherwise dispose of, more than 10% of the shares of Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, they beneficially own immediately after closing of the transaction.

In addition, until the later of (i) the expiration of the standstill provision discussed above and (ii) the time when IEP and its affiliates cease to own at least 10% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, IEP and its affiliates shall not transfer any shares (a) to certain specified types of investors and (b) in an amount equal to 5% or more of the Class A Voting Common Stock outstanding at the time of such transfer (except for transfers to certain passive institutional investors).

The Shareholders Agreement provides that as long as IEP and its affiliates beneficially own at least 10% of the outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class, AEP will be granted certain preemptive rights. The Shareholders Agreement also includes registration rights for IEP and its affiliates. Please see the section entitled The Shareholders Agreement beginning on page 111 for additional information with regard to the Shareholders Agreement.

Following the closing of the transaction, Tenneco shall, subject to the fiduciary duties of our board of directors under applicable law, use its reasonable best efforts to pursue a reorganization of the combined business of Tenneco and Federal-Mogul into two separate businesses, representing Powertrain Technology and Aftermarket & Ride Performance, and distribute the equity interests representing one such business to Tenneco stockholders and consummate the Spin-Off within 18 months of the closing date of the transaction.

Background of the Transaction

Our board of directors regularly reviews with senior management Tenneco's strategic direction and the opportunities available to enhance its performance and prospects. These reviews include

Table of Contents

periodic internal discussions of projected financial performance and hypothetical acquisitions, dispositions and business combinations with third parties that would add stockholder value and further Tenneco's strategic objectives, as well as the potential benefits and risks of those hypothetical transactions.

During the period from late-August through mid-September 2017, Tenneco and XMS Capital Inc., IEP's, AEP's and Federal-Mogul's financial advisor (XMS Capital), held several high-level discussions in connection with Federal-Mogul's process to seek a buyer for its seals and gaskets business line. In connection with these discussions, on August 30, 2017, Tenneco Automotive Operating Company Inc., a wholly owned subsidiary of Tenneco (TAOC), and Federal-Mogul entered into a confidentiality agreement. In mid-September 2017, Tenneco indicated to XMS Capital that it would not pursue a transaction to acquire Federal-Mogul's seals and gaskets business line.

In mid-November, XMS Capital contacted Tenneco to determine whether Tenneco had an interest in Federal-Mogul's Motorparts division (Motorparts). In early December 2017, XMS Capital contacted Tenneco to discuss Federal-Mogul's process to seek a buyer for Motorparts. In connection with these discussions, on December 10, 2017, TAOC and Federal-Mogul entered into a confidentiality agreement in connection with Federal-Mogul's process to seek a buyer for Motorparts.

On December 13, 2017, Kenneth R. Trammell, then-Executive Vice President and Chief Financial Officer of Tenneco, and XMS Capital held an introductory telephonic meeting to discuss Tenneco's interest in acquiring Motorparts. During this meeting, Mr. Trammell communicated Tenneco's interest in exploring a combination of Tenneco's product lines and Federal-Mogul's businesses that could culminate in two separate companies focused on their respective markets. XMS Capital indicated that Tenneco should provide IEP with an indication of interest outlining Tenneco's proposed acquisition structures and valuations, but that Motorparts would continue to be the current focus of Federal-Mogul's sale process.

On December 14, 2017, members of Tenneco's senior management team, including Mr. Trammell, Jason M. Hollar, then-Senior Vice President, Finance (now, Executive Vice President, Chief Financial Officer) of Tenneco, and Elizabeth Williams, Senior Vice President, Strategy & Corporate Development of Tenneco, held a telephonic meeting with representatives of Barclays to discuss Motorparts, including its product offering, market position and geographic presence, and Barclays' preliminary financial analysis related to an acquisition of Motorparts at various prices.

During the week of December 18, 2017, Tenneco's senior management team, including Brian J. Kessler, Chief Executive Officer of Tenneco, and Messrs. Trammell and Hollar, met with representatives of Barclays to discuss Barclays' preliminary financial analysis related to an acquisition of Motorparts or Federal-Mogul as a whole at various prices and for various mixes of consideration. In addition, Tenneco and Barclays discussed transaction alternatives. As part of this discussion, Tenneco and Barclays discussed a potential strategic transaction involving Tenneco and Federal-Mogul, including an acquisition of Motorparts only versus Federal-Mogul as a whole.

On December 22, 2017, as directed by management of Tenneco, representatives of Barclays contacted XMS Capital to discuss a potential strategic transaction involving Tenneco and Federal-Mogul. During this call, Barclays stated that Tenneco was not interested in submitting a proposal to acquire only Motorparts at this time, but did have an interest in exploring a transaction involving all of Federal-Mogul. In addition, the parties also discussed a potential separation of the combined business following a potential acquisition of Federal-Mogul by Tenneco, as well as additional

Table of Contents

acquisitions the combined company could explore following such potential acquisition. XMS Capital stated that Federal-Mogul was already engaged in a process to sell only Motorparts, so it would not be feasible to simultaneously discuss a sale of Federal-Mogul as a whole, but that such a discussion could be interesting at a later time. Barclays invited further discussions with IEP regarding the purchase of Federal-Mogul as a whole should IEP wish to explore such a transaction.

On December 29, 2017, representatives of XMS Capital contacted Barclays to convey that IEP was now interested in discussing a sale of Federal-Mogul as a whole, and XMS Capital asked Tenneco to submit a proposal related to such an acquisition.

On January 5, 2018, representatives of Barclays and XMS Capital held multiple telephonic meetings. During these meetings, Barclays indicated that Tenneco would be unable to submit a formal proposal to acquire Federal-Mogul as a whole until after a scheduled meeting of the board of directors of Tenneco on February 7, 2018. XMS Capital indicated that IEP nevertheless would like to schedule an introductory telephonic meeting with Tenneco to discuss such a transaction, and a meeting was subsequently scheduled for January 12, 2018.

On January 12, 2018, representatives of Tenneco, including Messrs. Kessler, Trammell, Hollar and Ms. Williams, and of IEP, including Carl C. Icahn, Chairman of the Board of IEP, and Keith Cozza, Chief Executive Officer of IEP, together with representatives of Barclays and XMS Capital, held a telephonic meeting to discuss Tenneco's interest in Federal-Mogul as a whole, as well as IEP's timeline and valuation expectations.

On January 14, 2018, TAOC and IEP entered into a confidentiality agreement in connection with Tenneco's potential acquisition of Federal-Mogul as a whole, pursuant to which Tenneco was provided with information concerning Federal-Mogul.

On January 18, 2018, the board of directors of Tenneco held a telephonic meeting at which management of Tenneco was present. During the meeting, the board discussed with management the potential acquisition of Federal-Mogul as a whole, as well as potential transaction structures for such an acquisition, including the potential to separate the combined company into two independent, publicly traded companies simultaneously with, or following the completion of, the acquisition, which we refer to as the Spin-Off in this proxy statement. The board also discussed potential financial benefits of such an acquisition, including management's preliminary views on the valuation of Federal-Mogul as a whole, as well as the timeline for the potential acquisition. Following the discussion, the board expressed support for management continuing to explore a potential acquisition of Federal-Mogul as a whole.

On January 19, 2018, representatives of Tenneco and IEP, together with representatives of Barclays and XMS Capital, held a telephonic meeting to discuss the parties' preliminary views on valuation of Federal-Mogul as well as potential transaction structures. During the meeting, Tenneco reminded IEP that it would be unable to submit a proposal prior to the meeting of the board of directors of Tenneco scheduled for February 7, 2018.

Between January 20, 2018 and January 30, 2018, representatives of Barclays, as directed by Tenneco management, and XMS Capital held multiple telephonic meetings to discuss the potential acquisition of Federal-Mogul as a whole by Tenneco, including transaction structures, ownership of the combined company following the acquisition and of each separate company following the Spin-Off, as well as valuation-related matters.

On February 7, 2018, the board of directors of Tenneco held an in-person meeting at which management of Tenneco and representatives of Barclays were present. During the meeting, the board discussed the potential acquisition of Federal-Mogul, potential financial terms and

Table of Contents

transaction structures for such an acquisition and the Spin-Off, as well as the risks and benefits of such an acquisition. Barclays also provided its preliminary views as to the valuation of Federal-Mogul and an overview of the proposed transaction structure, including the right of Tenneco to conduct a public offering of common stock, the proceeds of which would reduce the stock consideration and increase the cash consideration payable to AEP without increasing the total number of shares to be issued in the transaction (the funding adjustment right), financing alternatives and the related Spin-Off transaction. Following discussion, the board authorized management to continue to pursue an acquisition of Federal-Mogul and to seek to negotiate acceptable financial terms for such acquisition and on other terms recommended to the board by management.

On February 9, 2018, following further discussion with, and as directed by, Tenneco management, Barclays sent a non-binding, written proposal to XMS Capital that reflected Tenneco's interest in pursuing an acquisition of Federal-Mogul as a whole at an equity value of \$2.32 billion, comprised of \$800 million to \$1.23 billion in cash and \$1.09 billion to \$1.52 billion in shares of Class A Common Stock and newly created Class B Common Stock, subject to Tenneco's funding adjustment right, plus the assumption of Federal-Mogul's outstanding indebtedness (the Indication of Interest). The Indication of Interest also outlined other key principles of the transaction, including pursuing the Spin-Off following the acquisition, the ability of IEP to designate one member of the board of directors of Tenneco following the closing of the transaction until the Spin-off (and two board members of the Powertrain Technologies company following the Spin-Off) and standstill and lock-up provisions.

Later on February 9, 2018, representatives of Barclays, as directed by Tenneco management, and XMS Capital held a telephonic meeting to discuss the terms of the proposed acquisition of Federal-Mogul and the Indication of Interest. During this meeting, XMS Capital relayed IEP's proposal for an increase in the purchase price and a termination fee equal to at least 5% of Federal-Mogul's enterprise value, or approximately \$265 million, if Tenneco failed to consummate the transaction. In addition, Barclays and XMS Capital discussed the terms of a potential lock-up in connection with the transaction.

On February 16, 2018, representatives of Tenneco and IEP, together with representatives of Barclays and XMS Capital, held a meeting to discuss the terms of the Indication of Interest. During this meeting, IEP reiterated its proposal for an increase in the purchase price and a termination fee equal to at least 5% of Federal-Mogul's enterprise value, or approximately \$265 million, if Tenneco failed to consummate the transaction. IEP asked Tenneco to submit a revised indication of interest on such terms. Tenneco, however, made a counterproposal for a termination fee of \$140 million, payable only under certain circumstances. The parties ultimately agreed on a termination fee of \$200 million as further described below.

On February 19, 2018, representatives of Barclays, as directed by Tenneco management, and XMS Capital held multiple telephonic meetings to discuss the terms of the proposed transaction, including valuation-related matters and the funding adjustment right, as well as the size of the termination fee.

On February 20, 2018, the board of directors of Tenneco held a special telephonic meeting at which management of Tenneco was present. The board received an overview of the meeting with IEP and XMS Capital on February 16, 2018 and discussed potential responses to the material transaction terms proposed by IEP, including an increase in the purchase price and a termination fee. Following discussion, the board authorized Tenneco management to submit a revised indication of interest increasing Tenneco's offer to acquire Federal-Mogul for an equity value of \$2.41 billion, comprised of \$800 million in cash and approximately \$1.61 billion in Class A Common Stock and Class B Common Stock, subject to Tenneco's right to exercise the funding

Table of Contents

adjustment right (or IEP's right to require Tenneco to exercise the funding adjustment right in certain circumstances), plus the assumption of Federal-Mogul's outstanding indebtedness (the Second Indication of Interest). The board also authorized Tenneco management to propose a \$200 million termination fee payable in order to accept a superior proposal for a third party to acquire Tenneco, as well as other terms relating to standstill and lockup provisions applicable to IEP.

On February 21, 2018, on behalf of Tenneco, Barclays submitted to XMS Capital the Second Indication of Interest reflecting the terms discussed by the Tenneco board of directors on February 20th. On the same day, representatives of Barclays and XMS Capital held multiple telephonic meetings to discuss the revised terms of the proposed acquisition of Federal-Mogul set forth in the Second Indication of Interest, including details of the funding adjustment right.

On February 22, 2018, representatives of Tenneco, Barclays and XMS Capital held a telephonic meeting to discuss the terms of the acquisition of Federal-Mogul as set out in the Second Indication of Interest. Later on February 22, 2018, representatives of Tenneco and IEP, together with representatives of Barclays and XMS Capital, held a follow-up telephonic meeting to discuss and negotiate the terms of the acquisition of Federal-Mogul as set out in the Second Indication of Interest as well as a timeline for negotiating and completing the acquisition of Federal-Mogul and the subsequent Spin-Off. Following these discussions, XMS Capital indicated that it thought there was a basis to proceed to further negotiations regarding an acquisition of Federal-Mogul, but that certain terms of the transaction required further negotiation following Tenneco's due diligence.

Also on February 22, 2018, Tenneco and IEP entered into an amended and restated confidentiality agreement providing for reciprocal confidentiality obligations, as well as an extended term. In addition, pursuant to the amended and restated confidentiality agreement, IEP also agreed that it would not receive any material non-public information regarding Tenneco unless the parties were to agree to a mutually acceptable standstill provision.

On February 25, 2018, Tenneco and its representatives were given access to Federal-Mogul's online electronic data room.

During the period from February 25, 2018 to April 9, 2018, Tenneco and its representatives and advisors reviewed the materials in Federal-Mogul's electronic data room and engaged in business and legal due diligence discussions with various representatives and advisors of Federal-Mogul. During this period, Federal-Mogul expanded and updated its electronic data room based on requests received from Tenneco and its representatives and advisors.

On March 2, 2018, Federal-Mogul representatives and advisors traveled to Chicago, Illinois to meet with Tenneco representatives and advisors to share additional information regarding Federal-Mogul's businesses and to continue to confirm the strategic and operational rationale for a combination of the two companies and the subsequent Spin-Off. During this meeting, members of Federal-Mogul's management team presented information concerning its internal management structure, business strategy, product portfolio and product pipeline, as well as financial information and financial guidance. Discussions took place regarding potential synergies that might result from the combination of the two companies, but no specific transaction terms were discussed. Representatives from Barclays and XMS Capital also were present at this meeting.

Over the following month, representatives of Tenneco, IEP, AEP and Federal-Mogul, together with Kirkland & Ellis LLP, Tenneco's outside legal counsel (Kirkland), and Winston & Strawn LLP, IEP's, AEP's and Federal-Mogul's outside legal counsel (Winston), negotiated the terms of the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation.

Table of Contents

On March 16, 2018, Kirkland delivered an initial draft of the Purchase Agreement to Winston.

On March 20, 2018, Tenneco and IEP, together with Kirkland, Winston, Barclays and XMS Capital, held a telephonic meeting to continue to discuss and negotiate the draft Purchase Agreement.

Later on March 20, 2018, Kirkland distributed an initial draft of the Shareholders Agreement to Winston.

On March 22, 2018, Messrs. Kessler and Icahn held a telephonic meeting to discuss certain terms of the draft Purchase Agreement. During this meeting, Mr. Icahn agreed to Tenneco's proposal for a \$200 million termination fee, but proposed that the \$200 million termination fee be payable in any circumstance in which the transaction does not close other than a failure to obtain the required Tenneco shareholder approval or a material breach of the agreement by the IEP parties and Mr. Kessler agreed to consider Mr. Icahn's proposal. Messrs. Kessler and Icahn also discussed the terms of the standstill provision applicable to IEP following execution of the Purchase Agreement.

On March 28, 2018, Winston delivered a revised draft of the Purchase Agreement and the Shareholders Agreement to Kirkland containing terms consistent with Mr. Icahn's positions discussed during the telephonic meeting on March 22nd with Mr. Kessler.

On March 30, 2018, a copy of the Second Indication of Interest was circulated to IEP's board of directors. From time to time between March 30, 2018 and April 9, 2018, IEP's board of directors held informal discussions concerning the terms and status of the transaction, the transaction documents and various other related issues.

On March 31, 2018, Messrs. Kessler and Icahn held a telephonic meeting to discuss and negotiate the terms of the draft Purchase Agreement and Shareholders Agreement.

Later on March 31, 2018, Tenneco and Federal-Mogul, together with representatives of Barclays and XMS Capital, held a telephonic meeting to discuss the terms of certain Federal-Mogul commercial contracts.

On April 2, 2018, the board of directors of Tenneco held an in-person meeting. During the meeting, the board received an update on the discussions with IEP, AEP and Federal-Mogul. Brandon B. Smith, Senior Vice President, General Counsel and Corporate Secretary of Tenneco, discussed with the board its duties with respect to its evaluation of the transaction, and reviewed with the board the then-current terms and conditions of the draft Purchase Agreement and draft Shareholders Agreement. Also at this meeting, representatives of Barclays reviewed with the board its preliminary financial analysis of the consideration proposed to be paid by Tenneco pursuant to the draft Purchase Agreement. The board discussed various IEP proposals from the various discussions that had occurred over the prior several days, including IEP's proposal that the \$200 million termination fee to be payable in more circumstances than Tenneco had proposed, such as reaching the termination date without a breach of the Purchase Agreement by the IEP parties or a failure to obtain antitrust clearances. The board also discussed certain items identified in the course of Tenneco's due diligence review. In addition, the board discussed possible modifications to the standstill provisions applicable to IEP if the Spin-Off was not consummated, but determined to require that such provisions survive a termination of the Purchase Agreement. Following discussion, the board authorized Tenneco management to continue to negotiate and finalize the Purchase Agreement and related documentation, subject to completion of due diligence and resolution of the key terms in a manner consistent with the board's discussion. Over the following week, Tenneco and its advisors completed their due diligence review of Federal-Mogul.

Table of Contents

On April 3, 2018, Kirkland delivered revised drafts of the Purchase Agreement and the Shareholders Agreement to Winston.

Also on April 3, 2018, representatives of Barclays, as directed by Tenneco management, and XMS Capital held a telephonic meeting to discuss the terms of the proposed transaction, including the purchase price, as well as the size of the funding adjustment right (i.e., the amount by which Tenneco may increase the cash portion of the consideration and decrease the stock portion of the consideration).

Later on April 3, 2018, representatives of Barclays and XMS Capital, together with Messrs. Icahn and Cozza, held a follow-up telephonic meeting to discuss the foregoing items and Messrs. Kessler and Icahn held a further telephonic meeting to discuss the terms of the transaction, including the purchase price, the circumstances in which the termination fee is payable and the size of the funding adjustment right.

Throughout April 3, 2018, Tenneco and IEP, together with Barclays, XMS Capital, Kirkland and Winston, held multiple telephonic meetings to discuss the terms of the draft Purchase Agreement, including the length and terms of the standstill as well as the voting arrangements and commitments of IEP and AEP following the consummation of the transaction. The parties also discussed the portion of Tenneco common stock received by IEP and AEP in the transaction that would be subject to lock-up and transfer restrictions.

Between April 4, 2018 and April 7, 2018, Kirkland and Winston exchanged revised drafts of the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation.

On April 5, 2018, Tenneco and Barclays finalized an agreement pursuant to which Barclays agreed to act as Tenneco's lead financial advisor in connection with Tenneco's potential acquisition of Federal-Mogul.

Also, on April 5, 2018, drafts of the Purchase Agreement and Shareholders Agreement were provided to IEP's board of directors.

On April 6, 2018, Tenneco and J.P. Morgan Securities LLC (J.P. Morgan) finalized an agreement pursuant to which J.P. Morgan agreed to act as a second financial advisor to Tenneco in connection with Tenneco's potential acquisition of Federal-Mogul.

On April 7, 2018, Tenneco, Federal-Mogul and IEP, together with Kirkland and Winston, held a telephonic meeting to discuss the draft Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation.

On April 8, 2018, Kirkland delivered revised drafts of the Purchase Agreement and the Shareholders Agreement to Winston.

Later on April 8, 2018, Tenneco, Federal-Mogul and IEP, together with Kirkland and Winston, held a telephonic meeting to further negotiate the draft Purchase Agreement and Shareholders Agreement.

Between April 8, 2018 and April 9, 2018, Kirkland and Winston finalized the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation.

On April 9, 2018, the board of directors of Tenneco held a telephonic meeting, during which it received an update on the outcome of negotiations with IEP, AEP and Federal-Mogul. Tenneco management reviewed with the board the final terms and conditions of the Purchase Agreement, the Shareholders Agreement and the Amended and Restated

Certificate of Incorporation. Representatives of Barclays provided the board with Barclays financial analysis of the consideration to be paid by Tenneco pursuant to the Purchase Agreement and delivered an oral

Table of Contents

opinion to the board, which was confirmed by delivery of a written opinion dated April 9, 2018, to the effect that, as of such date and based upon and subject to the qualifications, limitations, factors and assumptions set forth in the opinion, the consideration to be paid by Tenneco pursuant to the Purchase Agreement was fair, from a financial point of view, to Tenneco. Following discussion, the board unanimously determined that the proposed Purchase Agreement and the transactions contemplated thereby were advisable to and in the best interests of Tenneco and its stockholders and adopted resolutions approving the proposed Purchase Agreement and the transactions contemplated thereby (including the proposed Shareholders Agreement and Amended and Restated Certificate of Incorporation). The board authorized the appropriate officers of Tenneco to finalize, execute and deliver the Purchase Agreement and related documentation.

Also on April 9, 2018, the board of directors of IEP held a telephonic meeting during which IEP management reviewed with the board the final terms and conditions of the Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation. Following discussion, the IEP board unanimously determined that the proposed Purchase Agreement and the transactions contemplated thereby were advisable to and in the best interests of IEP and its stockholders and adopted resolutions approving the proposed Purchase Agreement and the transactions contemplated thereby (including the proposed Shareholders Agreement and Amended and Restated Certificate of Incorporation). The board authorized the appropriate officers of IEP to finalize, execute and deliver the Purchase Agreement and related documentation.

The Purchase Agreement, the Shareholders Agreement and the Amended and Restated Certificate of Incorporation were finalized and, early on April 10, 2018, the Purchase Agreement was executed and Tenneco issued a press release announcing the transaction.

Reasons for the Transaction; Recommendation of our Board of Directors

In reaching its decision to approve the Purchase Agreement and recommend that Tenneco stockholders adopt the Amended and Restated Certificate of Incorporation and approve the issuance of the Stock Consideration in connection with the transaction, our board of directors consulted with our management, as well as with our financial and legal advisors, and considered a number of factors, including, but not limited to, the following factors as generally supporting its determination and recommendation:

- the expected synergies of the transaction, including total annual run-rate earnings synergies of at least \$200 million and one-time working capital synergies of at least \$250 million expected within the first 24 months after the closing of the transaction;
- the fact that the transaction will create two strong businesses, which will include one of the world's leading multi-line aftermarket and original equipment suppliers and one of the largest global pure-play powertrain suppliers, with scale and strategic and financial flexibility to drive long-term value creation;
- the fact that the transaction positions us to complete the Spin-Off to separate the Powertrain Technology business and the Aftermarket & Ride Performance business, allowing each separate company to be managed according to its unique value proposition and enhancing each company's ability to serve its respective

customers;

- the fact that the transaction is expected to create new opportunities to drive growth with products that are complementary in nature to Tenneco's current product offering;

Table of Contents

- its understanding of Federal-Mogul's business, and the operations, financial condition, earnings and prospects of Federal-Mogul, taking into account the results of Tenneco's due diligence review of Federal-Mogul's business;
 - the fact that the transaction presents Tenneco with an opportunity to expand its global presence in important strategic geographies such as Asia-Pacific and specifically China, where we believe there is significant opportunity for growth;
 - the anticipated stockholder value accretion;
 - the financial presentation of Barclays, including the oral and written opinion of Barclays that, as of April 9, 2018, and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration to be paid by Tenneco pursuant to the Purchase Agreement is fair, from a financial point of view, to Tenneco;
 - the belief that the extensive arms-length negotiations and discussions with Federal-Mogul, AEP and IEP resulted in the most favorable terms to Tenneco and its stockholders to which Federal-Mogul, AEP and IEP were willing to agree;
 - the fact that Tenneco is permitted under the Purchase Agreement to elect to conduct a primary offering of Common Stock prior to the closing of the transaction in order to use the proceeds to increase the Cash Consideration and decrease the Stock Consideration;
 - the results of financial, legal, environmental and operational due diligence on Federal-Mogul performed by Tenneco's senior management and its financial and environmental advisors and legal counsel; and
 - the terms of the Purchase Agreement regarding the interim operating covenants of Federal-Mogul and the restrictions placed on Federal-Mogul during such period.
- Our board of directors weighed the foregoing advantages and benefits against a variety of potentially negative factors, including, but not limited to:
- the terms of the Purchase Agreement regarding the circumstances under which Tenneco may be obligated to pay a termination fee of \$200 million (see "The Purchase Agreement - Termination Fee; Effect of Termination" beginning on page 109 for additional information);
 - the need to receive multiple required governmental and regulatory approvals in order to complete the transaction;

- the fact that, following the completion of the transaction, Tenneco stockholders will have a reduced ownership and voting interest, as AEP will own 9.9% of the outstanding Class A Voting Common Stock and approximately 36.4% of the total outstanding Class A Voting Common Stock and Class B Non-Voting Common Stock, measured as a single class;

- the possibility that the anticipated benefits, savings and synergies of the transaction may not be fully or partially achieved, or may not be achievable within the expected timeframe;

- the possibility that the combined company may not complete the Spin-Off or achieve some or all of the anticipated benefits, savings and synergies of the Spin-Off;

- the challenges of integrating our businesses and Federal-Mogul's businesses, operations and workforces, and the risks associated with achieving the anticipated cost savings and other synergies expected to be generated in the transaction;

- the potential risk of diverting our management's focus and resources from other strategic opportunities and operational matters while working on the implementation of the transaction;

- the fact that certain provisions of the Purchase Agreement may have the effect of discouraging proposals for alternative transactions;

Table of Contents

- the substantial transaction expenses and other costs to be incurred in connection with the transaction, including the costs of integrating our businesses with Federal-Mogul's businesses and the Spin-Off;
 - the possibility that the transaction may result in Tenneco assuming unexpected liabilities;
 - the potential downward pressure on the market price of the Class A Voting Common Stock following the closing of the transaction if AEP seeks to sell shares of Tenneco common stock, as permitted by the Shareholders Agreement, including up to 10% of the total number of shares of Tenneco common stock outstanding immediately after the closing of the transaction;
 - the risk that the negotiated value assigned to Federal-Mogul's business might be different from the value that would be assigned by the public markets given that Federal-Mogul is a privately held company and, accordingly, there is no public market valuation for Federal-Mogul or its business;
 - the terms of the Purchase Agreement regarding the interim operating covenants of Tenneco and the potential restrictions placed on Tenneco during such period;
 - the need to obtain stockholder approval of the issuance of the Stock Consideration and the Amended and Restated Certificate of Incorporation to complete the transaction; and
 - the risks of the type and nature described under the section entitled "Risk Factors" beginning on page 33.
- The foregoing discussion of the information considered by our board of directors is not intended to be exhaustive, but includes the material factors that our board of directors considered in approving the Purchase Agreement and recommending that Tenneco stockholders adopt the Amended and Restated Certificate of Incorporation and approve the issuance of the Stock Consideration in connection with the transaction. In light of the variety of factors considered in connection with its evaluation of the transaction and the complexity of these factors, our board of directors did not attempt to quantify, rank or otherwise assign any specific or relative weights to the specific factors it considered in the course of reaching its decision. In addition, in considering the factors described above, individual directors may have assigned different weights to different factors.

The above explanation of the reasoning of our board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 50.

After due consideration, including asking questions of our senior management and financial and legal advisors, our board of directors concluded that the potentially negative factors associated with the transaction were outweighed by the potential benefits that it expected Tenneco and its stockholders to achieve. Accordingly, our board of directors unanimously approved the Purchase Agreement and the transactions contemplated therein, including the Amended and Restated Certificate of Incorporation and the issuance of the Stock Consideration, and has concluded that the transaction is advisable to and in the best interests of Tenneco and its stockholders.

Our board of directors recommends that our stockholders vote FOR the proposal to adopt the Amended and Restated Certificate of Incorporation and FOR the proposal to approve the issuance of the Stock Consideration.

Table of Contents

Opinion of Tenneco's Financial Advisor

Tenneco engaged Barclays to act as its financial advisor with respect to the transaction pursuant to an engagement letter dated March 30, 2018. Barclays delivered its opinion to our board of directors that, as of April 9, 2018 and based upon and subject to the qualifications, limitations, factors and assumptions set forth therein, the consideration to be paid by Tenneco in the transaction was fair, from a financial point of view, to Tenneco.

The full text of Barclays' written opinion, dated as of April 9, 2018, is attached as Annex E to this proxy statement. **Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Barclays in connection with the opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.**

Barclays' opinion, the issuance of which was approved by Barclays' Valuation and Fairness Opinion Committee, is addressed to the board of directors of Tenneco, addresses only the fairness, from a financial point of view, of the consideration to be paid by Tenneco in the transaction and does not constitute a recommendation to any stockholder of Tenneco as to how such stockholder should vote with respect to the transaction or any other matter. The terms of the transaction were determined through arm's-length negotiations between Tenneco, Federal-Mogul and IEP and were unanimously approved by Tenneco's board of directors. Barclays provided advice to Tenneco during these negotiations. Barclays did not recommend any specific form or amount of consideration to the board of directors of Tenneco or that any specific form or amount of consideration constituted the only appropriate consideration for the transaction. Barclays was not requested to address, and its opinion does not in any manner address, Tenneco's underlying business decision to proceed with or effect the transaction, the likelihood of completion of the transaction, or the relative merits of the transaction as compared to any other transaction in which Tenneco may engage. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the transaction, or any class of such persons, relative to the consideration to be paid by Tenneco in the transaction. No limitations were imposed by Tenneco's board of directors upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays, among other things, reviewed and analyzed:

- a draft of the Purchase Agreement, dated as of April 9, 2018, and the specific terms of the transaction;
- publicly available information concerning Tenneco and Federal-Mogul that Barclays believed to be relevant to its analysis, including Tenneco's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and Federal-Mogul's Annual Report on Form 10-K for the fiscal year ended December 31, 2016;
- financial and operating information with respect to the business, operations and prospects of Tenneco furnished to Barclays by Tenneco, including financial projections of Tenneco's Ride Performance Division and Clean Air Division prepared by management of Tenneco, which are referred to in this proxy statement as the

Tenneco Projections;

· financial and operating information with respect to the business, operations and prospects of Federal-Mogul furnished to Barclays by Tenneco, including (i) financial projections of F-M Motorparts and F-M Powertrain prepared by management of Federal-Mogul, which are referred

Table of Contents

to in this proxy statement as the Federal-Mogul Projections and (ii) financial projections of F-M Motorparts and F-M Powertrain prepared by management of Tenneco, which are referred to in this proxy statement as the Tenneco Federal-Mogul Projections;

- the trading history of shares of Federal-Mogul common stock from January 23, 2014 to January 23, 2017;
- a comparison of the historical financial results and present financial condition of Tenneco and Federal-Mogul with each other and with those of other companies that Barclays deemed relevant, as well as a comparison of the projected financial performance of Federal-Mogul based on the Tenneco Federal-Mogul Projections with the projected financial performance of those of other companies that Barclays deemed relevant based on published estimates of independent research analysts;
- a comparison of the financial terms of the transaction with the financial terms of certain other transactions that Barclays deemed relevant; and
- the pro forma impact of the transaction on the future financial performance of the combined company, including (i) certain financial and operating information with respect to the business, operations and prospects of Tenneco on a pro forma basis giving effect to the transaction furnished to Barclays by Tenneco, including financial projections of Tenneco on a pro forma basis giving effect to the transaction prepared by management of Tenneco, which are referred to in this proxy statement as the Pro Forma Projections and (ii) cost savings and operating synergies expected by the management of Tenneco to result from a combination of the businesses, which are referred to in this proxy statement as the Expected Synergies.

In addition, Barclays:

- had discussions with the managements of Tenneco and Federal-Mogul concerning Federal-Mogul's businesses, operations, assets, liabilities, financial condition and prospects;
- had discussions with the management of Tenneco concerning Tenneco's businesses, operations, assets, liabilities, financial condition and prospects, including the intent to pursue the Spin-Off; and
- undertook such other studies, analyses and investigations as Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and did not assume responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of the management of Tenneco that they were not aware of any facts or circumstances that would make such information inaccurate or misleading in any material respect. With respect to the Tenneco Projections, upon the advice and at the instruction of Tenneco, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Tenneco as to the future financial performance of Tenneco and that Tenneco would perform substantially in accordance with such projections. With respect to the Federal-Mogul Projections, upon the advice and at the instruction of Tenneco, Barclays assumed

that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Federal-Mogul as to the future financial performance of Federal-Mogul. With respect to the Tenneco Federal-Mogul Projections, upon the advice and at the instruction of Tenneco, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Tenneco as to the future financial performance of Federal-Mogul and that Federal-Mogul would perform substantially in accordance with such projections. With respect to the Pro Forma Projections, upon the advice and at the instruction of Tenneco, Barclays assumed that such projections were reasonably

Table of Contents

prepared on a basis reflecting the best currently available estimates and judgments of the management of Tenneco as to the future financial performance of Tenneco on a pro forma basis giving effect to the transaction, and that the pro forma company would perform substantially in accordance with such Pro Forma Projections. Furthermore, upon the advice and at the instruction of Tenneco, Barclays assumed that the amounts and timing of the Expected Synergies were reasonable and that the Expected Synergies would be realized substantially in accordance with such estimates. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or estimates or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Tenneco and did not make or obtain any evaluations or appraisals of the assets or liabilities of Tenneco or Federal-Mogul. Barclays' opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, April 9, 2018. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after April 9, 2018. Barclays expressed no opinion as to the prices at which shares of Common Stock would trade following the announcement or consummation of the transaction.

Barclays assumed that the executed Purchase Agreement would conform in all material respects to the last draft reviewed by Barclays. In addition, Barclays assumed the accuracy of the representations and warranties contained in the Purchase Agreement and all the agreements related thereto. Barclays also assumed, upon the advice of Tenneco, that all material governmental, regulatory and third party approvals, consents and releases for the transaction would be obtained within the constraints contemplated by the Purchase Agreement and that the transaction will be consummated in accordance with the terms of the Purchase Agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the transaction, nor did Barclays' opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understood Tenneco had obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the membership interests of Federal-Mogul but rather made its determination as to fairness, from a financial point of view, to Tenneco of the consideration to be paid by Tenneco in the transaction on the basis of various financial and comparative analyses.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses and made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

Summary of Material Financial Analyses

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to Tenneco's board of directors. The following summary is not a complete description of the analyses and reviews underlying its opinion, nor does the order of analyses described represent relative importance or weight given to those analyses. The preparation of a fairness

Table of Contents

opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

For the purposes of its analyses and reviews, Barclays made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Tenneco, Federal-Mogul, IEP or any other parties to the transaction. No company, business or transaction considered in Barclays' analyses and reviews is identical to Tenneco, Federal-Mogul or the proposed transaction, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions considered in Barclays' analyses and reviews. None of Tenneco, Federal-Mogul, IEP, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates or forecasts of future results contained in these analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of companies, businesses or securities do not purport to be appraisals or reflect the prices at which the companies, businesses or securities may actually be sold. Accordingly, the estimates used in, and the results derived from, Barclays' analyses and reviews are inherently subject to substantial uncertainty.

The summary of the financial analyses and reviews summarized below includes information presented in tabular format. In order to fully understand the financial analyses and reviews used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Barclays' analyses and reviews.

For purposes of Barclays' analyses and reviews, Barclays reviewed a number of financial and operating metrics, as applicable, including:

- Enterprise value generally, the value as of a specified date of the relevant company's equity market value plus the company's short and long-term debt, and subtracting its cash and cash equivalents.
- Adjusted enterprise value generally, the relevant company's enterprise value, adjusted for certain tax-effected underfunded pension and post-employment liabilities.
- EBITDA generally, the amount of the relevant company's earnings before interest, taxes, depreciation and amortization.
- EBITDAP generally, the amount of the relevant company's earnings before interest, taxes, depreciation, amortization and associated pension carrying costs calculated as the net periodic benefit costs less service costs.

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- Adjusted EBITDA generally, the relevant company's EBITDA, adjusted for certain non-recurring items, as well as certain quality of earnings adjustments made by the management of Tenneco.
- Adjusted EBITDAP generally, the relevant company's EBITDAP, adjusted for certain non-recurring items, as well as certain quality of earnings adjustments made by the management of Tenneco.

Table of Contents

- Operational EBITDA generally, the relevant company's EBITDA, adjusted for certain non-recurring items.
- After-tax unlevered free cash flow generally, the relevant company's adjusted EBITDAP, less capital expenditures, changes in working capital, restructuring charges, and net cash dividends received from nonconsolidated joint ventures.

Barclays performed each of the financial analyses and reviews below on a sum-of-the-parts basis. A sum-of-the-parts valuation analysis values a company on a segment-by-segment basis to determine an implied value for the enterprise as a whole. Barclays performed each of the financial analyses and reviews below on a sum-of-the-parts basis because Barclays believed that no single company or transaction was comparable to Federal-Mogul.

Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before April 6, 2018, the last trading date prior to the delivery of Barclays opinion, and is not necessarily indicative of current market conditions.

Sum-of-the-Parts Selected Public Trading Comparables Analysis

Barclays performed a sum-of-the-parts public trading comparables analysis of Federal-Mogul by valuing Federal-Mogul's primary operating segments, F-M Motorparts and F-M Powertrain, individually based on valuations of comparable companies and deriving from them a range of values for Federal-Mogul as a whole.

Barclays analyzed the respective standalone valuations of each Federal-Mogul segment by reviewing various financial multiples and ratios of selected publicly traded companies, which are referred to in this proxy statement as the Federal-Mogul segment comparable companies, that Barclays believed, based on its experience with companies in the motor vehicle parts and accessories and industrial products industry, and on its professional judgment, to be relevant for purposes of this analysis, considering such companies' operations, lines of business, markets, sizes and geographies, and applying such multiples to the applicable estimated operating metric for each of F-M Motorparts and F-M Powertrain as set forth in the Tenneco Federal-Mogul Projections.

With respect to F-M Motorparts, Barclays calculated and analyzed the ratio of adjusted enterprise value to projected adjusted EBITDAP for calendar year 2018 for three publicly traded automotive aftermarket suppliers, Dorman Products, Inc., Standard Motor Products, Inc. and Motorcar Parts of America, Inc., three publicly traded automotive aftermarket distributors, LKQ Corporation, O'Reilly Automotive, Inc. and Genuine Parts Company, and two publicly traded automotive aftermarket retailers, Advance Auto Parts, Inc. and AutoZone, Inc. The financial data of the selected public companies used by Barclays for this analysis were based on publicly available information, including research analysts' estimates. The following table summarizes the results of this review for such Federal-Mogul segment comparable companies:

	Adjusted Enterprise Value / 2018E Adjusted EBITDAP
Automotive Aftermarket Suppliers	
Dorman Products, Inc.	10.5x
Standard Motor Products, Inc.	9.8x
Motorcar Parts of America, Inc.	5.9x
Median	9.8x

Table of Contents

	Adjusted Enterprise Value / 2018E Adjusted EBITDAP
Automotive Aftermarket Distributors	
LKQ Corporation	12.0x
O Reilly Automotive, Inc.	11.4x
Genuine Parts Company	11.3x
Median	11.4x

	Adjusted Enterprise Value / 2018E Adjusted EBITDAP
Automotive Aftermarket Retailers	
Advance Auto Parts, Inc.	9.2x
AutoZone, Inc.	9.1x
Median	9.1x

Based on this analysis and Barclays' professional judgment, Barclays applied a range of adjusted EBITDAP to adjusted enterprise value multiples of 8.5x to 9.5x to F-M Motorparts' estimated adjusted EBITDAP of \$274 million for calendar year 2018 and calculated the average of the low ends and high ends of the resulting enterprise value ranges for such segment, as reflected in the table below.

With respect to F-M Powertrain, Barclays calculated and analyzed the ratio of adjusted enterprise value to projected adjusted EBITDAP for three publicly traded powertrain systems suppliers, Cummins Inc., Delphi Technologies PLC and BorgWarner Inc., four publicly traded driveline companies, Dana Incorporated, Meritor, Inc., American Axle & Manufacturing Holdings, Inc., and Linamar Corporation, and six publicly traded international driveline/powertrain companies, Carraro S.p.A., Continental AG, ElringKlinger AG, Valeo SA, DENSO Corporation and Schaeffler AG. The financial data of the selected public companies used by Barclays for this analysis were based on publicly available information, including research analysts' estimates. The following table summarizes the results of this review for such Federal-Mogul segment comparable companies:

	Adjusted Enterprise Value / 2018E Adjusted EBITDAP
Powertrain Systems Suppliers	
Cummins Inc.	8.3x
Delphi Technologies PLC	7.3x
BorgWarner Inc.	7.2x
Median	7.3x

	Adjusted Enterprise Value / 2018E Adjusted EBITDAP
Driveline Companies	
Dana Incorporated	6.2x

Meritor, Inc.	6.1x
American Axle & Manufacturing Holdings, Inc.	4.9x
Linamar Corporation	4.5x
Median	5.5x

Table of Contents

	Adjusted Enterprise Value / 2018E Adjusted EBITDAP
International Driveline/Powertrain Companies	
Carraro S.p.A.	7.2x
Continental AG	6.8x
ElringKlinger AG	6.6x
Valeo SA	6.3x
DENSO Corporation	6.2x
Schaeffler AG	5.2x
Median	6.4x

Based on this analysis and Barclays' professional judgment, Barclays applied a range of adjusted EBITDAP to adjusted enterprise value multiples of 5.3x to 6.3x to F-M Powertrain's estimated adjusted EBITDAP of \$541 million for calendar year 2018 and calculated the average of the low ends and high ends of the resulting enterprise value ranges for such segment, as reflected in the table below.

The following table summarizes the resulting ranges of adjusted enterprise values for each of the Federal-Mogul segments:

	EBITDAP Multiple Range	Estimated Adjusted EBITDAP 2018E (in millions)	Adjusted Enterprise Value (in billions)
F-M Motorparts	8.5x 9.5x	\$ 274	\$ 2.33 \$2.61
F-M Powertrain	5.3x 6.3x	\$ 541	\$ 2.84 \$3.38
Federal-Mogul	N/A	\$ 815	\$ 5.17 \$5.99

Barclays then added the low ends and high ends of the adjusted enterprise value ranges for the Federal-Mogul segments to calculate a consolidated adjusted enterprise value range for Federal-Mogul, and subtracted consolidated net debt, minority interest and tax-effected underfunded pension and other post-employment benefit liabilities to calculate a range of implied consolidated equity values for Federal-Mogul of \$1.26 to \$2.07 billion.

Sum-of-the-Parts Comparable Transactions Analysis

Barclays also performed a sum-of-the-parts comparable transactions analysis of Federal-Mogul by valuing Federal-Mogul's primary operating segments, F-M Motorparts and F-M Powertrain, individually based on valuations of comparable transactions and deriving from them a range of values for Federal-Mogul as a whole. Each of F-M Motorparts and F-M Powertrain was valued using the ratio of enterprise value to adjusted EBITDA of the target company in the selected comparable transactions for the last twelve months (which is referred to in this proxy statement as LTM) prior to the acquisition, and then deriving a range of values from these separate analyses for Federal-Mogul as a whole.

Barclays reviewed and compared the purchase prices and financial multiples paid in selected other transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose such transactions based on, among other things, the similarity of the applicable target companies in the transactions to Federal-Mogul with respect to the size, sales mix, growth, margins and other characteristics of their businesses. The

financial data of the selected public companies used by Barclays for this analysis were based on publicly available information, including research analysts' estimates.

Table of Contents

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Federal-Mogul, F-M Motorparts and F-M Powertrain, and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the proposed transaction. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the proposed transaction which would affect the acquisition values of the selected target companies and Federal-Mogul, F-M Motorparts and F-M Powertrain. The following table sets forth the transactions analyzed based on such characteristics and the results of such analysis:

Selected Motorparts Transactions:

Date Announced	Acquiror	Target	Enterprise Value/ LTM Adjusted EBITDA
02/10/14	Continental AG	Veyance Technologies, Inc.	6.9x
04/04/14	The Blackstone Group L.P.	Gates Industrial Corp plc	9.0x
04/28/14	CLARCOR Inc.	Stanadyne Corporation	8.2x
07/30/14	Crowne Group LLC	Trico Products Corporation	6.5x
09/10/14	Pamplona Capital Management	BBB Industries	8.5x
05/28/15	NGK Spark Plug Co., Ltd.	UCI Holdings Limited's Wells Vehicle Electronics unit	7.5x
08/17/15	The Mann+Hummel Group	Affinia Group	8.5x
04/28/15	Spectrum Brands Holdings, Inc.	Armored Autogroup	10.0x
		Parent, Inc.	
09/21/16	Goldman Sachs Group, Inc.	K&N Parent, Inc.	10.5x
02/24/16	KIK Custom Products Inc.	Prestone Products Corporation	6.1x
	Median		8.4x

Table of Contents**Selected Powertrain Transactions:**

Date Announced	Acquiror	Target	Enterprise Value/ LTM Adjusted EBITDA
10/5/12	American Securities LLC	HHI Group Holdings LLC	5.7x
12/19/12	American Securities LLC	MD Investors Corporation	5.5x
01/27/15	Bain Capital, L.P.	TI Automotive Ltd.	6.0x
09/26/14	Linamar Corporation	Carolina Forge Company & Seissenschmidt AG	5.5x
07/16/15	Magna International Inc.	GETRAG Group of Companies	8.8x
10/15/15	Linamar Corporation	Montupet S.A.	8.9x
07/13/15	BorgWarner Inc.	Remy International, Inc.	9.2x
08/11/15	Johnson Electric Holdings Limited	Stackpole International	10.6x
04/07/16	Freudenberg	Trelleborg Vibracoustic	7.2x
06/02/16	Valeo SA	FTE Automotive GmbH	9.3x
11/03/16	American Axle	Metaldyne Performance Group	6.4x
11/22/16	KKR & Co. L.P.	Calsonic Kansei Corporation	7.6x
05/02/17	Zhengzhou Coal	Bosch Starters	7.6x
03/09/18	Dana Incorporated	GKN plc	8.1x
	Median		7.6x

Based on its professional judgment and experience, for F-M Motorparts, Barclays selected a range of LTM adjusted EBITDAP to adjusted enterprise value multiples of 8.5x to 9.5x and applied such range to F-M Motorparts' calendar year 2017 adjusted EBITDAP of \$266 million as reflected in the Tenneco Federal-Mogul Projections and, for F-M Powertrain, Barclays selected a range of LTM adjusted EBITDAP to adjusted enterprise value multiples of 5.5x to 6.5x and applied such range to F-M Powertrain's calendar year 2017 adjusted EBITDAP of \$522 million.

The following table summarizes the resulting ranges of enterprise values for each of the Federal-Mogul segments:

	Adjusted EBITDAP Multiple Range	Adjusted EBITDAP 2017A (in millions)	Adjusted Enterprise Value (in billions)	
F-M Motorparts	8.5x 9.5x	\$266	\$2.26	\$2.53
F-M Powertrain	5.5x 6.5x	\$522	\$2.87	\$3.39
Federal-Mogul	N/A	\$788	\$5.13	\$5.92

Barclays then added the low ends and high ends of the adjusted enterprise value ranges for the Federal-Mogul segments to calculate a consolidated enterprise value range for Federal-Mogul, and subtracted consolidated net debt, minority interest and tax-effected underfunded pension and other post-employment benefit liabilities to calculate a range of implied consolidated equity values for Federal-Mogul of \$1.22 to \$2.01 billion.

Table of Contents**Sum-of-the-Parts Discounted Cash Flow Analysis**

Barclays also performed a sum-of-the-parts discounted cash flow analysis of Federal-Mogul to calculate the present value of the standalone unlevered, after-tax free cash flows that Federal-Mogul's business segments, F-M Motorparts and F-M Powertrain, were forecasted to generate from 2018 through calendar year 2030 based on (i) the Tenneco Federal-Mogul Projections, which provided forecasts for calendar years 2018 through 2022, (ii) certain extrapolations therefrom which were provided and approved for Barclays' use by Tenneco management, which provided forecasts for calendar years 2023 through 2030, and (iii) publicly available financial and stock market information. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated adjusted enterprise value of each of Federal-Mogul's business segments, F-M Motorparts and F-M Powertrain, using the discounted cash flow method, Barclays added (i) the present value of each segment's projected after-tax unlevered free cash flows for calendar years (A) 2018 through 2022, based on the Tenneco Federal-Mogul Projections and (B) 2023 through 2030, based on extrapolations provided and approved for Barclays' use by Tenneco management using a long term unlevered free cash flow growth rate of 2.4% for F-M Motorparts and 4.9% for F-M Powertrain to (ii) the terminal value of each segment, as of December 31, 2030, and discounted such amount to each segment's present value using a range of selected discount rates.

Barclays used an after-tax discount rate range of 9.0% to 10.0% for F-M Motorparts, and 9.5% to 10.5%, for F-M Powertrain. The after-tax discount rates were based on Barclays' analysis of the weighted average cost of capital for F-M Motorparts and F-M Powertrain as well as the weighted average cost of capital for the Federal-Mogul segment comparable companies.

The after-tax unlevered free cash flows were calculated by taking the tax-effected adjusted earnings before interest and associated pension carrying costs calculated as the net periodic benefit costs less service costs, and adding depreciation and amortization, subtracting capital expenditures, subtracting restructuring charges and adjusting for changes in working capital and net cash dividends received from non-consolidated joint ventures.

The residual value of each segment at the end of the forecast period, or terminal value, was estimated by selecting ranges of perpetuity growth rates from 0.9% to 1.9% for F-M Motorparts, and (2.5%) to (1.5%) for F-M Powertrain, derived from long term sub-sector growth rates based on third party estimates, and applying such ranges to the Tenneco Federal-Mogul Projections, as extrapolated by Barclays, for estimated after-tax unlevered terminal year free cash flows in calendar year 2030, respectively. The terminal year after-tax unlevered free cash flows were normalized by assuming that depreciation and amortization expense is equal to capital expenditures, capital expenditures were assumed to be equal to the maintenance capital expenditures requirements of each division given the assumed perpetual growth rates, normalized working capital requirements, and cash dividends from non-consolidated joint ventures is equal to equity earnings from non-consolidated joint ventures.

Table of Contents

The following summarizes the result of these calculations:

	Discount Rate Range		Perpetuity Growth Rate Range		Adjusted Enterprise Value (in billions)	
F-M Motorparts	9.0%	10.0%	0.9%	1.9%	\$2.11	\$2.55
F-M Powertrain	9.5%	10.5%	(2.5%)	(1.5%)	\$2.81	\$3.25
Federal-Mogul	N/A		N/A		\$4.92	\$5.80

Barclays then added the low ends and high ends of the adjusted enterprise value ranges for the Federal-Mogul segments to calculate a consolidated enterprise value range for Federal-Mogul, and subtracted consolidated net debt, minority interest and tax-effected underfunded pension and other post-employment benefit liabilities to calculate a range of implied consolidated equity values for Federal-Mogul of \$1.01 to \$1.89 billion.

Sum-of-the-Parts Discounted Cash Flow Analysis with Synergies

Barclays also performed a sum-of-the-parts discounted cash flow analysis of Federal-Mogul that gave effect to the assumptions made by Tenneco regarding the Expected Synergies that were anticipated by management of Tenneco to be achieved as a result of the transaction. Barclays calculated the sum-of-the-parts synergy discounted cash flow of each of Federal-Mogul's business segments, F-M Motorparts and F-M Powertrain, based on the Pro Forma Projections. In performing these analyses, Barclays used the same methodology and assumptions as described above under Sum-of-the-Parts Discounted Cash Flow Analysis.

The results of these analyses are summarized below:

	Discount Rate Range		Perpetuity Growth Rate Range		Adjusted Enterprise Value (in billions)	
F-M Motorparts	9.0%	10.0%	0.9%	1.9%	\$3.15	\$3.78
F-M Powertrain	9.5%	10.5%	(2.5%)	(1.5%)	\$3.45	\$3.97
Federal-Mogul	N/A		N/A		\$6.60	\$7.74

Barclays then added the low ends and high ends of the adjusted enterprise value ranges for the Federal-Mogul segments to calculate a consolidated enterprise value range for Federal-Mogul, and subtracted consolidated net debt, minority interest and tax-effected underfunded pension and other post-employment benefit liabilities to calculate a range of implied consolidated equity values for Federal-Mogul of \$2.68 to \$3.83 billion.

Other Factors

Barclays also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its opinion, but were references for informational purposes, including, among other things, an analysis of the terms of Federal-Mogul's take-private transaction in 2017 and the Historical Share Price Analysis described below.

Federal-Mogul Take Private Terms

To illustrate what the implied adjusted enterprise value for Federal-Mogul would be if, instead of the current consideration being offered, Tenneco offered the equity value offered for Federal-

Table of Contents

Mogul in its take-private transaction, which is referred to in this proxy statement as the Take Private Share Price, or \$10 per share reflecting \$1.69 billion in equity value, Barclays added Federal-Mogul's 2017 consolidated net debt and tax-effected underfunded pension and other post-employment benefit liabilities to the Take Private Equity Value to calculate an implied adjusted enterprise value for Federal-Mogul of \$5.59 billion.

By way of illustration, Barclays also applied the Operational EBITDA to enterprise value multiple of Federal-Mogul during its take-private transaction of 6.3x to Federal-Mogul's annualized 2017 Operational EBITDA of \$800 million and added tax-effected underfunded pension and other post-employment benefit liabilities to arrive at an implied adjusted enterprise value for Federal-Mogul of \$5.95 billion. Barclays then subtracted consolidated net debt, minority interest and tax-effected underfunded pension and other post-employment benefit liabilities to arrive at an implied consolidated equity value for Federal-Mogul of \$2.04 billion.

Historical Share Price Analysis

To illustrate the trend in the historical trading prices of Federal-Mogul common stock, Barclays considered historical data with regard to the trading prices of Federal-Mogul common stock for the three-year period from January 23, 2014 to January 23, 2017, the last day Federal-Mogul traded as a public company. Barclays noted that during the period from January 23, 2014 to January 23, 2017, the closing price of Federal-Mogul common stock ranged from \$3.90 to \$20.82.

General

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. Tenneco's board of directors selected Barclays because of its familiarity with Tenneco and its businesses and Barclays' qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as its substantial experience in transactions comparable to the transaction.

Barclays is acting as financial advisor to Tenneco in connection with the transaction. As compensation for its services in connection with the transaction, Tenneco has agreed to pay Barclays a transaction fee of \$20 million, \$2 million of which became payable upon the delivery of the Barclays opinion, and the remainder of which is contingent upon completion of the transaction. The opinion fee was not contingent upon the conclusion of Barclays' opinion or completion of the transaction. In addition, Tenneco has agreed to