

TENNECO INC
Form S-3ASR
October 01, 2018
[Table of Contents](#)

As filed with the Securities and Exchange Commission on October 1, 2018

No. 333-

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

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TENNECO INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0515284
(I.R.S. Employer
Identification No.)

Edgar Filing: TENNECO INC - Form S-3ASR

500 North Field Drive

Lake Forest, Illinois 60045

(847) 482-5000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Brandon B. Smith

Senior Vice President, General Counsel

and Corporate Secretary

500 North Field Drive

Lake Forest, Illinois 60045

(847) 482-5000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Robert M. Hayward, P.C.

Kirkland & Ellis LLP

300 North LaSalle

Chicago, Illinois 60654

(312) 862-2000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

Edgar Filing: TENNECO INC - Form S-3ASR

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act:

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount	Proposed	Proposed	Amount of
Securities to be Registered	to be	Maximum	Maximum	Registration Fee
	Registered	Offering Price	Aggregate	

Edgar Filing: TENNECO INC - Form S-3ASR

Per Share(1) Offering Price(1)

Class A Voting Common Stock, par value \$0.01 per share	29,444,846 shares(2)	\$43.07(3)	\$1,268,189,517(3)	\$153,705(3)
---	----------------------	------------	--------------------	--------------

- (1) Calculated pursuant to Rule 457(a) under the Securities Act of 1933, as amended (the Securities Act).
- (2) We are registering 29,444,846 shares of our Class A Voting Common Stock (Class A Common Stock), including 23,793,669 shares of our Class A Common Stock issuable upon conversion of 23,793,669 shares of our Class B Non-Voting Common Stock (Class B Common Stock) held by the selling stockholders that may be offered pursuant to this registration statement. In accordance with Rule 416 promulgated under the Securities Act this registration statement shall be deemed to cover any additional securities to be offered or issued from stock splits, stock dividends or similar transactions with respect to the shares being registered.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act based on the average of the high and low prices of the Company's common stock on the New York Stock Exchange on September 26, 2018.

Table of Contents

EXPLANATORY NOTE

This Registration Statement registers 29,444,846 shares of our Class A Common Stock, including 23,793,669 shares of our Class A Common Stock issuable upon conversion of 23,793,669 shares of our Class B Common Stock held by the selling stockholders, to be offered for resale by the selling stockholders.

The selling stockholders acquired their shares of our Class A Common Stock and our Class B Common Stock (together, the Common Stock) in connection with our acquisition of Federal-Mogul LLC (Federal-Mogul), pursuant to the Membership Interest Purchase Agreement, dated as of April 10, 2018 (the Purchase Agreement), by and among Tenneco Inc. (Tenneco or the Company), Federal-Mogul, American Entertainment Properties Corp. (AEP and, together with certain affiliated entities, the Sellers) and Icahn Enterprises L.P. (IEP), pursuant to which the Company acquired Federal-Mogul and its subsidiaries from the Sellers. The Class B Common Stock will automatically convert to Class A Common Stock upon transfer, subject to certain exceptions.

This Registration Statement contains the form of prospectus to be used in connection with offers and sales of our Class A Common Stock by the selling stockholders. Additional selling stockholders may be named in future supplements to the prospectus.

Table of Contents

PROSPECTUS

Tenneco Inc.

29,444,846 Shares of Class A Common Stock

The selling stockholders identified in this prospectus are offering for resale up to 29,444,846 shares of our Class A Voting Common Stock, par value \$0.01 per share (Class A Common Stock), including 23,793,669 shares of our Class A Common Stock issuable upon conversion of 23,793,669 shares of our Class B Non-Voting Common Stock (Class B Common Stock and together with the Class A Common Stock, the Common Stock) held by the selling stockholders. The Class A Common Stock may be offered from time to time by the selling stockholders, at fixed or negotiated prices, through one or more methods or means as described in the section of this prospectus entitled Plan of Distribution. We will not receive any proceeds from the sale of Class A Common Stock by the selling stockholders, but we may incur certain expenses in connection with any offering.

Our registration of the shares of Class A Common Stock covered by this prospectus does not mean that the selling stockholders will offer or sell any of the shares. This prospectus describes the general manner in which our Class A Common Stock may be offered and sold by the selling stockholders. If necessary, the specific manner in which our Class A Common Stock may be offered and sold will be described in a supplement to this prospectus. Additional selling stockholders may be named in a supplement to this prospectus. Any statement contained in this prospectus is deemed modified or superseded by any inconsistent statement contained in any supplement to this prospectus. You should read this prospectus and any prospectus supplement, as well as the documents incorporated by reference into this prospectus and any applicable prospectus supplement, carefully before you invest.

Our Class A Common Stock is listed on the New York Stock Exchange under the trading symbol TEN . On September 28, 2018, the last reported sale price of our common stock on the New York Stock Exchange was \$42.14.

We have two classes of common stock outstanding, Class A Common Stock and Class B Common Stock. The rights of the holders of our Class A Common Stock and Class B Common Stock are the same, except with respect to voting and conversion. Holders of our Class A Common Stock are entitled to one vote per share, and holders of our Class B Common Stock are not entitled to vote except as required by applicable law. Upon any transfer (except for certain non-converting transfers described in our amended and restated certificate of incorporation) of shares of our Class B Common Stock, such shares will automatically convert into an equal number of shares of Class A Common Stock.

For a discussion of factors that you should consider before you invest in our Class A Common Stock, see Risk Factors on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Class A Common Stock offered by this prospectus or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 1, 2018.

Table of Contents

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	Page 1
<u>DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS</u>	2
<u>THE COMPANY</u>	3
<u>RISK FACTORS</u>	3
<u>USE OF PROCEEDS</u>	4
<u>DESCRIPTION OF COMMON STOCK</u>	5
<u>SELLING STOCKHOLDERS</u>	12
<u>PLAN OF DISTRIBUTION</u>	17
<u>LEGAL MATTERS</u>	19
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	19
<u>INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</u>	19
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	20

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission (the Commission or the SEC), as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act). Under this shelf registration process, the selling stockholders may sell, from time to time, the shares of our Class A Common Stock registered hereby in one or more offerings. If required in connection with an offering hereunder, we will provide a prospectus supplement containing specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement, together with additional information described under Documents Incorporated by Reference into this Prospectus and Where You Can Find More Information.

You should rely only on the information contained in or incorporated by reference into this prospectus. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer of our Class A Common Stock in any jurisdiction where the offer is not permitted. The information in this prospectus is accurate as of the date on the front cover. The information we have filed and will file with the SEC that is incorporated by reference into this prospectus is accurate as of the filing date of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates and may change again.

As used in this prospectus the terms the Company, Tenneco, we, us, and our may, depending upon the context, mean Tenneco Inc., our consolidated subsidiaries, or to all of them taken as a whole.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus, any prospectus supplement and the documents incorporated by reference herein and therein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, concerning, among other things, the prospects and developments of our company and business strategies for our operations, all of which are subject to risks and uncertainties. These forward-looking statements are included in various sections of this prospectus, any prospectus supplement and the documents incorporated by reference herein and therein. They are identified as forward-looking statements or by their use of terms (and variations thereof) such as will, may, can, anticipate, intend, continue, estimate, expect, plan, should, outlook, believe (and variations thereof) and phrases.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and our actual results may differ materially due to numerous important factors that are described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, portions of which (including Part I, Item 1. Business, and the following items from Part II of the Annual Report: Item 6. Selected Financial Data, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data) were recast in Tenneco's Current Report on Form 8-K filed with the SEC on September 28, 2018, and as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including any amendments to such reports, and the other documents incorporated by reference herein. See Documents Incorporated by Reference into this Prospectus and Where You Can Find More Information. Many of these risks, uncertainties and assumptions are beyond our control, and may cause our actual results and performance to differ materially from our expectations. Accordingly, you should not place undue reliance on any forward-looking statements contained or incorporated by reference in this prospectus, including those under Risk Factors in this prospectus, the applicable prospectus supplement and the documents incorporated by reference herein. Such forward-looking statements apply only as of

the date they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances that arise after the date the forward-looking statement is made.

Table of Contents

DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS

We file annual, quarterly and current reports and other information with the SEC. See [Where You Can Find More Information](#). The following documents are incorporated into this prospectus by reference:

Tenneco's Annual Report on Form 10-K for the year ended December 31, 2017, portions of which (including Part I, Item 1. Business, and the following items from Part II of the Annual Report: Item 6. Selected Financial Data, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data) were recast in Tenneco's Current Report on Form 8-K filed with the SEC on September 28, 2018;

The information incorporated by reference into Tenneco's Annual Report on Form 10-K for the year ended December 31, 2017 from Tenneco's definitive proxy statement on Schedule 14A filed with the SEC on April 4, 2018;

Tenneco's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018;

Tenneco's Current Reports on Form 8-K (other than portions thereof furnished under Item 2.02 or 7.01 of Form 8-K, including any exhibits included with such items) dated February 9, 2018, February 9, 2018, March 2, 2018, April 10, 2018, May 9, 2018, May 17, 2018, May 21, 2018, May 25, 2018, June 26, 2018, July 23, 2018, August 8, 2018, August 31, 2018, September 12, 2018, September 28, 2018, October 1, 2018 and October 1, 2018;

The description of Tenneco's Class A Common Stock, \$0.01 par value, contained in Amendment No. 3 to Tenneco's Registration Statement on Form 10/A (File No. 001-12387) filed with the SEC on October 1, 2018, including any amendments or reports filed for the purpose of updating the description; and

All documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act) (1) after the date of the filing of the registration statement of which this prospectus is a part and (2) until all of the Class A Common Stock to which this prospectus relates has been sold or the offering is otherwise terminated (in each case, other than those documents or the portions of those documents not deemed to be filed, including the portions of the documents that are furnished under Items 2.02 or 7.01 of Form 8-K, including any exhibits included with such items).

Any statement made in this prospectus, a prospectus supplement or a document incorporated by reference in this prospectus or a prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus and any applicable prospectus supplement to the extent that a statement contained in an amendment or subsequent amendment to this prospectus or an applicable prospectus supplement, in any subsequent applicable prospectus supplement or in any other subsequently filed document incorporated by reference herein or therein adds, updates or changes that statement. Any statement so affected will not be deemed, except as so affected, to constitute a part of this prospectus or any applicable prospectus supplement.

Edgar Filing: TENNECO INC - Form S-3ASR

We undertake to provide without charge to you, upon oral or written request, a copy of any or all of the documents that have been incorporated by reference in this prospectus, other than exhibits to such other documents (unless such exhibits are specifically incorporated by reference therein), by request directed to: Tenneco Inc., 500 North Field Drive, Lake Forest, Illinois, 60045, Attention: General Counsel, Phone: (847) 482-5000.

Table of Contents

THE COMPANY

We are one of the world's leading manufacturers of clean air and ride performance products and systems for light vehicle, commercial truck and off-highway applications. We also engineer, manufacture, market and distribute leading brand name products to a diversified and global aftermarket customer base. Both original equipment (OE) vehicle designers and manufacturers and the repair and replacement markets, or aftermarket are served, globally through leading brands, including Monroe®, Rancho®, Clevite® Elastomers, Axios, Kinetic® and Fric-Rot ride performance products and Walker®, XNOx®, Fonos, DynoMax® and Thrush® clean air products. We serve more than 80 different original equipment manufacturers and commercial truck and off-highway engine manufacturers, and our products are included on six of the top 10 car models produced for sale in Europe and nine of the top 10 light truck models produced for sale in North America for 2017. Our aftermarket customers are comprised of full-line and specialty warehouse distributors, retailers, jobbers, installer chains and car dealers. As of December 31, 2017, we operated 92 manufacturing facilities worldwide and employed approximately 32,000 people to service our customers' demands.

In the first quarter of 2018, we changed our reportable segments. The new reportable segments (Clean Air, Ride Performance and Aftermarket) align with how the Chief Operating Decision Maker allocates resources and assesses performance against our key growth strategies. Such reporting change is reflected for historical periods presented in Exhibits 99.1, 99.2, 99.3 and 99.4 to our Current Report on Form 8-K filed on September 28, 2018 to recast certain financial information and related disclosures included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, along with other revisions to retrospectively adopt certain new accounting standards in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated by reference into this prospectus.

On October 1, 2018, we completed the acquisition of Federal-Mogul LLC, a leading global supplier to original equipment manufacturers and the aftermarket.

We were incorporated in Delaware in 1996. In 2005, we changed our name from Tenneco Automotive Inc. to Tenneco Inc. Our principal executive offices are located at 500 North Field Drive, Lake Forest, Illinois 60045. Our telephone number is (847) 482-5000 and our website can be accessed at www.tenneco.com. Information contained on our website does not constitute part of this prospectus or any accompanying prospectus supplement.

RISK FACTORS

An investment in our Class A Common Stock involves a high degree of risk. Prior to making a decision about investing in our Class A Common Stock, you should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus and the applicable prospectus supplement, including the risk factors incorporated by reference from our most recent Annual Report on Form 10-K, portions of which (including Part I, Item 1. Business, and the following items from Part II of the Annual Report: Item 6. Selected Financial Data, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data) were recast in Tenneco's Current Report on Form 8-K filed with the SEC on September 28, 2018, as updated by our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including any amendments to such reports. The risks and uncertainties described herein and therein are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also occur. The occurrence of any of those risks and uncertainties may materially adversely affect our financial condition, results of operations, cash flows or business. In that case, the price or value of our Class A Common Stock could decline and you could lose all or part of your investment.

Table of Contents

USE OF PROCEEDS

We will not receive any proceeds from the sale of Class A Common Stock by the selling stockholders. All of the shares of our Class A Common Stock offered by the selling stockholders pursuant to this prospectus will be sold by the selling stockholders. We have agreed to pay certain expenses in connection with the registration of shares being offered by the selling stockholders.

Table of Contents

DESCRIPTION OF COMMON STOCK

The following description of our Common Stock is only a summary and is subject to the provisions of our amended and restated certificate of incorporation (the *Amended and Restated Certificate*) and by-laws, as amended on October 1, 2018 (the *By-Laws*), which are included as exhibits to our Registration Statement on Form S-3 of which this prospectus forms a part, and the applicable provisions of the General Corporation Law of the State of Delaware (the *DGCL*). This information may not be complete in all respects and is qualified entirely by reference to the provisions of the Amended and Restated Certificate, the By-Laws and the DGCL.

Our authorized capital stock consists of 250,000,000 shares, consisting of: 175,000,000 shares of Class A Voting Common Stock, par value \$0.01 per share (the *Class A Common Stock*); 25,000,000 shares of Class B Non-Voting Common Stock, par value \$0.01 per share (the *Class B Common Stock*) and together with the Class A Common Stock, the *Common Stock*); and 50,000,000 shares of preferred stock, par value \$0.01 per share.

Class A Common Stock and Class B Common Stock

The rights of the Class A Common Stock and the Class B Common Stock are the same, except with respect to voting and conversion.

Voting

Holders of Class A Common Stock are entitled to one vote for each share on any matter submitted to a vote of stockholders. Except as set forth below and except as otherwise required by law, the holders of outstanding shares of Class B Common Stock will not be entitled to any votes upon any matters presented to stockholders. Except as otherwise required by law or provided in any resolution adopted by the board of directors of the Company (the *Board*) with respect to any series of preferred stock, the holders of Class A Common Stock possess 100 percent of the voting power of the Company. Our Amended and Restated Certificate does not provide for cumulative voting in the election of directors.

Unless approved by a unanimous vote of the holders of the Class B Common Stock, the Company will not take any action that would (i) diminish, impair, limit, restrict or avoid, or seek to do any of the foregoing with respect to any of the rights, powers or privileges of the Class B Common Stock or the observances or performance of any of the terms of the Amended and Restated Certificate to be observed or performed by the Company, or (ii) permit, allow or agree to the diminishment, impairment, limitation, restriction or avoidance of, the observance or performance of any of the terms of the Amended and Restated Certificate to be observed or performed by the Company.

Dividends and Distributions

Subject to preferences that may apply to any outstanding shares of preferred stock that may be created by the Board, the holders of Class A Common Stock and Class B Common Stock will be entitled to share equally, on a per share basis, in any dividend or distribution of cash, property or shares of our capital stock that is paid or distributed by the Company.

Notwithstanding the foregoing, the Board may declare a dividend of any securities of the Company or of any other corporation, limited liability company or other legal entity (a *Share Distribution*) to the holders of Class A Common Stock and Class B Common Stock (i) on the basis of a ratable distribution of identical securities to holders of Class A Common Stock and Class B Common Stock or (ii) on the basis of a distribution of one class or series of securities to holders of Class A Common Stock and another class or series of securities to holders of Class B Common Stock,

provided that the securities so distributed do not differ in any respect other than (x) differences in their rights (other than voting rights and powers) consistent in all material respects with differences between Class A Common Stock and Class B Common Stock and (y) differences in their relative

Table of Contents

voting rights and powers, with holders of Class A Common Stock receiving the class or series of such securities having the higher relative voting rights or powers (without regard to whether such voting rights or powers differ to a greater or lesser extent than the corresponding differences in the voting rights or powers of Class A Common Stock and Class B Common Stock).

Liquidation Rights

Upon our liquidation, dissolution or winding up, holders of Class A Common Stock and Class B Common Stock will be entitled to share equally, on a per share basis, in all assets remaining after payment of any liabilities and the liquidation preferences and any accrued or declared but unpaid dividends, if any, with respect to any outstanding shares of preferred stock.

Conversion Rights

Holders of Class A Common Stock have no right to convert their Class A Common Stock into other securities.

Upon any transfer of shares of our Class B Common Stock, such shares will automatically convert into an equal number of shares of Class A Common Stock, except for certain non-converting transfers described in our Amended and Restated Certificate, including the following:

any transfer of shares of Class B Common Stock to a broker or other nominee, provided that the transferor, immediately following such transfer, retains (i) control over the disposition of such shares and (ii) the economic consequences of ownership of such shares;

any transfer of shares of Class B Common Stock to any affiliate of Icahn Enterprises L.P. (IEP), or any successor thereto; and

any transfer of all, but not less than all, of the Class A Common Stock and Class B Common Stock then held by IEP and its affiliates, to not more than three persons designated in the Shareholders Agreement (as defined below), acting as a consortium, pursuant to which the transferee(s) would assume and perform all of the obligations of the transferor under the Purchase Agreement, the Shareholders Agreement and the other transaction agreements.

In addition, if the Company does not consummate (or abandons) the proposed spin-off of its aftermarket and ride performance business by the date that is 18 months after the closing date of the acquisition of Federal-Mogul, each holder of Class B Common Stock may convert a number of such shares into an equal number of shares of Class A Common Stock, provided that such conversion would not result in such holder, AEP, Icahn Enterprises Holdings L.P., IEP and any of their affiliates owning, in the aggregate, more than 15 percent of the Class A Common Stock issued and outstanding immediately following such conversion.

Preemptive Rights

The holders of the Class A Common Stock have no preemptive rights with respect to future offerings of equity securities by the Company, except that, for so long as IEP and its affiliates own at least 10 percent of the outstanding Class A Common Stock and Class B Common Stock (measured as a single class), IEP and its affiliates have certain

preemptive rights by contract under the Shareholders Agreement.

If the Company proposes to issue equity securities of any kind, except in certain excluded issuances, the Company shall deliver to IEP and its affiliates a written notice, which notice shall state the material terms of the securities proposed to be issued (the "Proposed Securities"), the price and other terms of the proposed sale of such securities and the amount of such securities proposed to be issued (the "Notice"), at least five business days

Table of Contents

prior to the date of the proposed issuance, and offer to issue and sell to IEP and its affiliates, on such terms as the Proposed Securities are to be issued, a portion of the Proposed Securities equal to IEP's and its affiliates' pro rata beneficial ownership of the Class A Common Stock and Class B Common Stock (together with any other voting capital stock owned by the IEP Group, the Voting Stock) at such time as compared to the total number of shares of Class A Common Stock, Class B Common Stock and Voting Stock, considered together, outstanding immediately prior to the issuance of the Proposed Securities; provided that the Class A Common Stock, the Class B Common Stock, any Voting Stock and any non-voting equity securities shall be issued in relative proportions that preserve (but do not increase) the voting power that the IEP and its affiliates had immediately prior to the issuance of the Proposed Securities.

No Redemption Rights

There are no redemption or sinking fund provisions applicable to the Class A Common Stock or the Class B Common Stock.

Subject to Rights of Preferred Stock

The rights of the holders of Class A Common Stock and Class B Common Stock are subject to, and may be adversely affected by, the rights of holders of any shares of preferred stock that the Company may designate and issue in the future.

Antitakeover Effects of Certain Provisions

The Amended and Restated Certificate, By-Laws and DGCL contain certain provisions that could make the acquisition of the Company by means of a tender offer, a proxy contest or otherwise more difficult. The description set forth below is intended as a summary only and is qualified in its entirety by reference to the Amended and Restated Certificate and By-Laws, which are filed as exhibits to the Registration Statement on Form S-3 of which this prospectus forms a part.

Number of Directors, Removal; Filling Vacancies

The Amended and Restated Certificate provides that the business and affairs of the Company will be managed by or under the direction of the Board, consisting of not less than eight nor more than sixteen directors, the exact number thereof to be determined from time to time by affirmative vote of a majority of the entire Board. In addition, the Amended and Restated Certificate provides that any vacancy on the Board that results from an increase in the number of directors may be filled by a majority of the directors then in office, provided that a quorum is present, and any other vacancy occurring in the Board may be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

Notwithstanding the foregoing, the Amended and Restated Certificate provides that whenever the holders of any one or more series of preferred stock have the right, voting separately as a class or series, to elect directors, the election, removal, term of office, filling of vacancies and other features of such directorships will be governed by the terms of the Amended and Restated Certificate applicable to that preferred stock or the resolutions adopted by the Board applicable thereto.

Special Meeting

The By-Laws provide that special meetings of stockholders may be called by the Board, subject to the rights of any holders of preferred stock. Moreover, the business permitted to be conducted at any special meeting of stockholders is limited to the purposes specified in the notice of meeting given by the Company.

Table of Contents

Advance Notice Provisions for Stockholder Nominations, Stockholder Proposals and Proxy Access

The By-Laws establish an advance notice procedure for stockholders to make nominations of candidates for election of directors and to bring other business before an annual meeting of stockholders and to make nominations of candidates for election of directors at a special meeting of stockholders called for the purpose of electing one or more directors. The By-Laws also provide proxy access to certain qualifying stockholders to make nominations for candidates for election of directors.

Generally, for a stockholder notice to be timely in respect of (i) an annual meeting, such notice must be delivered to the principal executive offices of the Company, not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting, and (ii) a special meeting called for the purpose of electing one or more directors, such notice must be delivered to the principal executive offices of the Company not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such special meeting.

Under the proxy access By-Law provision, qualifying stockholders are allowed to include their director nominees in the Company's proxy materials under certain circumstances by giving adequate and timely notice to the Secretary of the Company. A stockholder or group of no more than 20 stockholders (meeting the Company's continuous ownership requirement of 3 percent or more of the Company's outstanding common stock held continuously for at least the previous three years) can nominate a candidate or candidates for election to the Board at an annual meeting, constituting up to two directors or 20 percent of the number of directors then serving on the Board (rounded down to the nearest whole number), whichever is greater, provided that the stockholder(s) and nominee(s) satisfy the requirements specified in the By-Laws. In order for such nominees to be included in the Company's proxy statement, stockholders and nominees must submit a notice of proxy access nomination together with certain related information required by the By-Laws. The By-Laws state that, to be timely, the notice and the related information must be delivered to the Company's principal executive offices not earlier than the close of business on the 150th day nor later than the close of business on the 120th day prior to the first anniversary of the date that the Company's proxy statement was first distributed to stockholders in connection with the preceding year's annual meeting.

Record Date Procedure for Stockholder Action by Written Consent

The By-Laws establish a procedure for the fixing of a record date in respect of corporate action proposed to be taken by the stockholders of the Company by written consent in lieu of a meeting. The By-Laws provide that any person seeking to have the stockholders authorize or take corporate action by written consent without a meeting shall, by written notice addressed to our Secretary and delivered to our company, request that a record date be fixed for such purpose. The By-Laws state the Board may fix a record date for such purpose which shall be no more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If the Board fails within 10 days after the Company receives such notice to fix a record date for such purpose, the By-Laws provide that the record date shall be the date after the expiration of such ten day time period on or the day on which the first written consent is delivered to us unless prior action by the Board is required under the DGCL, in which event the record date shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

The By-Laws also provide that the Secretary of the Company or, under certain circumstances, two inspectors designated by the Secretary, shall promptly conduct the ministerial review of the sufficiency of any written consents of stockholders duly delivered to the Company and of the validity of the action to be taken by stockholder consent as he or she deems necessary or appropriate, including, without limitation, whether the holders of a number of shares

having the requisite voting power to authorize or take the action specified in the written consent have given consent.

Table of Contents

Stockholder Meetings

The By-Laws provide that the Board and the chairman of a meeting may adopt rules and regulations for the conduct of stockholder meetings as they deem appropriate (including the establishment of an agenda, rules relating to presence at the meeting of persons other than stockholders, restrictions on entry at the meeting after commencement thereof and the imposition of time limitations for questions by participants at the meeting).

Preferred Stock

The Amended and Restated Certificate authorizes the Board to provide for series of preferred stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series.

The Company believes that the ability of the Board to issue one or more series of preferred stock provides it with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of the preferred stock, as well as shares of Common Stock, will be available for issuance without further action by our stockholders, unless action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. The New York Stock Exchange currently requires stockholder approval as a prerequisite to listing shares in several instances, including in some cases where the present or potential issuance of shares could result in a 20 percent increase in the number of share of Common Stock outstanding or in the amount of voting securities outstanding. If the approval of stockholders of the Company is not required for the issuance of shares of preferred stock or Common Stock, the Board may determine not to seek stockholder approval.

Although the Board has no intention at the present time of doing so, it could issue a series of preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. The Board will make any determination to issue such shares based on its judgment as to the best interests of the Company and its stockholders. The Board, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of the Board, including a tender offer or other transaction that some, or a majority, of the stockholders of the Company might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then current market price of such stock.

Business Combinations

The Amended and Restated Certificate prohibits any Business Combination (as defined in the Amended and Restated Certificate) with Interested Stockholders (as defined in the Amended and Restated Certificate) without the approval of the holders of at least 66 2/3 percent of the votes entitled to be cast by holders of all the then outstanding shares of stock entitled to vote on all matters submitted to stockholders of the Company generally (Voting Shares) not owned by an Interested Stockholder unless (i) the Business Combination is approved by a majority of the Continuing Directors (as defined in the Amended and Restated Certificate) or (ii) certain detailed requirements as to, among other things, the value and type of consideration to be paid to the stockholders of the Company, the maintenance of the dividend policy of the Company, the public disclosure of the Business Combination and the absence of any major change in the business or equity capital structure of the Company without the approval of a majority of the Continuing Directors, have been satisfied.

Edgar Filing: TENNECO INC - Form S-3ASR

The Amended and Restated Certificate generally defines an Interested Stockholder as any person (other than the Company or any subsidiary, any employee benefit plan of the Company or any subsidiary or any trustee or fiduciary with respect to any such plan or holding Voting Shares for the purpose of funding any such plan or funding other employee benefits for employees of us or any subsidiary when acting in such capacity) who

Table of Contents

(a) is or has announced or publicly disclosed a plan or intention to become the beneficial owner of Voting Shares representing five percent or more of the votes entitled to be cast by the holders of all then outstanding Voting Shares or (b) is an affiliate or associate of the Company and at any time within the two-year period immediately prior to the date in question was the beneficial owner of Voting Shares representing five percent or more of the votes entitled to be cast by the holders of all then outstanding Voting Shares.

The Amended and Restated Certificate defines a Continuing Director as any member of the Board, while such person is a member of the Board, who is not an affiliate or associate or representative of the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor thereto, while such successor is a member of the Board, who is not an affiliate or associate or representative of the Interested Stockholder and is recommended or elected to succeed the Continuing Director by a majority of Continuing Directors.

Amendment of Certain Provisions of the Certificate of Incorporation and By-Laws

Under the DGCL, the stockholders of a corporation have the right to adopt, amend or repeal the by-laws and, with the approval of the board of directors, the certificate of incorporation of a corporation. In addition, if the certificate of incorporation so provides, the by-laws may be adopted, amended or repealed by the board of directors. The Amended and Restated Certificate provides that the By-Laws may be amended by the Board or by the stockholders of the Company.

The Amended and Restated Certificate also provides that any proposal to amend or repeal, or adopt any provision inconsistent with, the provisions of the Amended and Restated Certificate regarding Business Combinations proposed by or on behalf of an Interested Stockholder or affiliate thereof requires (at a minimum) the affirmative vote of the holders of at least 66 2/3 percent of the votes entitled to be cast by holders of the outstanding Voting Shares, excluding Voting Shares beneficially owned by any Interested Stockholder, unless the proposal is unanimously recommended by the Board and each director qualifies as a Continuing Director. Approval by the Board, together with the affirmative vote of the holders of a majority in voting power of the outstanding Voting Shares, is required to amend all other provisions of the Amended and Restated Certificate.

The Business Combination supermajority voting requirement could have the effect of making more difficult any amendment by stockholders of the Business Combination provisions of the Amended and Restated Certificate described above, even if a majority of the stockholders of the Company believe that such amendment would be in their best interest.

Antitakeover Legislation

Section 203 of the DGCL provides that, subject to certain exceptions specified herein, a corporation shall not engage in any business combination with any interested stockholder for a three-year period following the time that such stockholder becomes an interested stockholder unless:

- (i) prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85 percent of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares); or

(iii) on or subsequent to such time the business combination is approved by the board of directors of the corporation and authorized at any annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least $66 \frac{2}{3}$ percent of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 of the DGCL generally defines an interested stockholder to include (x) any person that is the owner of 15 percent or more of the outstanding voting stock of the corporation, or is an affiliate or associate of

Table of Contents

the corporation and was the owner of 15 percent or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant date and (y) the affiliates and associates of any such person.

Section 203 of the DGCL generally defines a business combination to include (1) any merger or consolidation involving the corporation and the interested stockholders; (2) any merger, sale or other disposition of 10 percent or more of the assets of the corporation with or to an interested stockholder; (3) subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; (4) any transaction which would result in increasing the proportionate share of the stock of the corporation or its subsidiaries owned by the interested stockholder; and (5) the receipt by the interested stockholder of the benefit (except proportionately as a stockholder) of any loans, advances, guarantees, pledges, or other financial benefits.

Under certain circumstances, Section 203 of the DGCL makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period, although a certificate of incorporation or stockholder-adopted by-laws may exclude a corporation from the restrictions imposed thereunder. Neither the Amended and Restated Certificate nor the By-Laws exclude the Company from the restrictions imposed upon Section 203 of the DGCL. It is anticipated that the provisions of Section 203 of the DGCL may encourage companies interested in acquiring the Company to negotiate in advance with the Board since the stockholder approval requirement would be avoided if the Board approves, prior to the time the stockholder becomes an interested stockholder, either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock is EQ Shareowner Services. Its address is 1110 Centre Pointe Curve Suite 101, Mendota Heights, MN 55120.

Listing on The New York Stock Exchange

The Class A Common Stock is listed on the New York Stock Exchange under the symbol TEN.

Table of Contents

SELLING STOCKHOLDERS

This prospectus relates to the possible resale by the selling stockholders of shares of Class A Common Stock that they acquired in connection with our acquisition of Federal-Mogul pursuant to the Purchase Agreement. The selling stockholders may from time to time offer and sell pursuant to this prospectus any or all of the shares that the selling stockholders acquired under the Purchase Agreement.

The following table presents information regarding the selling stockholders and the shares that the selling stockholders may offer and sell from time to time under this prospectus. This table is prepared based on information supplied to us by the selling stockholders and reflects holdings as of October 1, 2018. As used in this prospectus, the term "selling stockholders" includes the selling stockholders identified below and any donees, pledgees, transferees or other successors in interest selling shares received after the date of this prospectus from a selling stockholder as a gift, pledge, or other non-sale related transfer.

Unless otherwise described below, to our knowledge, neither the selling stockholders nor any of their respective affiliates has held any position or office or otherwise had any material relationship with us or our affiliates during the three years prior to the date of this prospectus.

The information shown in the table with respect to the percentage of shares of Class A Common Stock beneficially owned before the offering is based on 57,082,592 shares of Class A Common Stock outstanding as of October 1, 2018 following the closing of the acquisition of Federal-Mogul (and does not assume the conversion of any shares of Class B Common Stock). The information shown in the table with respect to the percentage of shares of Class B Common Stock beneficially owned before the offering is based on 23,793,669 shares of Class B Common Stock outstanding as of October 1, 2018 following the closing of the acquisition of Federal-Mogul. Each share of Class B Common Stock will automatically convert into one share of Class A Common Stock upon any transfer, whether or not for value, except for certain non-converting transfers described in our Amended and Restated Certificate. Assuming the sale of all shares offered by the selling stockholders, 23,793,669 shares of Class B Common Stock will convert into 23,793,669 shares of Class A Common Stock at the time they are sold by the selling stockholders under this prospectus. The information shown in the table with respect to the percentage of outstanding common stock is based on 80,876,261 shares of Common Stock (consisting of 57,082,592 shares of Class A Common Stock and 23,793,669 shares of Class B Common Stock) outstanding as of October 1, 2018 following the closing of the acquisition of Federal-Mogul. The information shown in the table with respect to the percentage of outstanding common stock after the offering assumes that all shares of Class A Common Stock registered on behalf of the selling stockholders have been sold. The selling stockholders may also offer and sell less than the number of shares indicated.

Beneficial ownership has been determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power and investment power with respect to those securities. Unless otherwise indicated by footnote, each selling stockholder named in the table below has sole voting and investment power with respect to all shares of Class A Common Stock and Class B Common Stock shown as beneficially owned by it.

Number of Shares Beneficially Owned Prior to the Offering	Percentage of Shares Outstanding Prior to the Offering	Number of Shares Beneficially Owned	Percentage of Shares Outstanding After
--	---	--	---

Name of Selling Stockholder	After the Offering							
	Number of Shares Class A Common Stock being Registered for Resale, including Shares of Class A Common Stock Issuable upon Conversion of Shares of Class B Common Stock							
	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	of Class B Common Stock	Class A Common Stock	Class B Common Stock	Class B Common Stock
American Entertainment Properties Corp.(1)		3,075,663	%	12.9%	3,075,663		%	%
Icahn Enterprises Holdings L.P.(1)	5,651,177	20,718,006	9.9%	87.1%	26,369,183		%	%
Total	5,651,177	23,793,669	9.9%	100.0%	29,444,846		%	%

Table of Contents

(1) The principal business address of each of AEP and Icahn Enterprises Holdings L.P. (IEH) is White Plains Plaza, 445 Hamilton Avenue Suite 1210, White Plains, NY 10601. IEH is the sole member of Icahn Building LLC (Building), which is the sole stockholder of AEP. Beckton Corp. (Beckton) is the sole stockholder of Icahn Enterprises G.P. Inc. (Icahn Enterprises GP), which is the general partner of IEH. Carl C. Icahn is the sole stockholder of Beckton. As such, Mr. Icahn is in a position indirectly to determine the investment and voting decisions made by each of the selling stockholders. In addition, Mr. Icahn is the indirect holder of approximately 91.4% of the outstanding depositary units representing limited partnership interests in Icahn Enterprises L.P. (Icahn Enterprises). Icahn Enterprises GP is the general partner of Icahn Enterprises, which is the sole limited partner of IEH. AEP has sole voting power (as applicable) and sole dispositive power with regard to 3,075,663 shares of Class B Common Stock, and each of Building, Icahn Enterprises Holdings, Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power (as applicable) and shared dispositive power with regard to such shares of Class B Common Stock. IEH has sole voting power (as applicable) and sole dispositive power with regard to 5,651,177 shares of Class A Common Stock and 20,718,006 shares of Class B Common Stock, and each of Icahn Enterprises GP, Beckton and Mr. Icahn has shared voting power (as applicable) and shared dispositive power with regard to such shares of Class A Common Stock and Class B Common Stock.

Purchase Agreement

The selling stockholders acquired the shares of Class A Common Stock and Class B Common Stock on October 1, 2018, in connection with our acquisition of Federal-Mogul pursuant to the Purchase Agreement. Following the completion of the acquisition, Federal-Mogul was merged with and into Tenneco, with Tenneco continuing as the surviving company.

We paid \$800 million in cash and issued an aggregate of 5,651,177 shares of Class A Common Stock and 23,793,669 shares of Class B Common Stock as consideration for Federal-Mogul.

Shareholders Agreement

The Company, AEP, IEH and IEP are party to a shareholders agreement, dated as of October 1, 2018 (the Shareholders Agreement), which governs AEP's and IEP's ownership of Class A Common Stock and Class B Common Stock until the consummation of the separation of the combined business of Tenneco and Federal-Mogul into two separate businesses, representing Powertrain Technology and Aftermarket & Ride Performance, and distribution of the equity interests in one such business to the Company's stockholders (the Spin-Off).

Board Representation

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 Common Stock and Class B 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 our By-Laws and Corporate Governance Principles) at each annual meeting of Tenneco stockholders. If the Spin-Off has not occurred by April 1, 2020, 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.

On October 1, 2018, in connection with the completion of the acquisition of Federal-Mogul, Keith Cozza, the chief executive officer of IEP, was appointed to our board of directors.

Standstill Restrictions

The Shareholders Agreement contains a standstill covenant, which prohibits IEP and its affiliates from taking certain actions until the earlier of (i) April 1, 2020, if the Spin-Off has not occurred by such date (or in the case of clause (i) below, for one year after April 1, 2020), and (ii) the date that is one year after the date on which IEP and its affiliates cease to own at least 5% of the outstanding Class A Common Stock and Class B Common Stock, measured as a single class, such as: (i) acquiring, offer to acquire, or agreeing to acquire, directly or

Table of Contents

indirectly, any shares of Class A Common Stock, Class B Common Stock or other securities of Tenneco or its subsidiaries (provided that if the Spin-Off has not occurred by April 1, 2020, IEP may convert shares of Class B Common Stock into Class A Common Stock to the extent such conversion would not result in IEP and its affiliates owning more than 15% of the outstanding Class A Common Stock following such conversion), (ii) making, or in any way participating in, directly or indirectly, any solicitation of proxies to vote, or seeking to advise or influence any person or entity with respect to the voting of, any voting securities of Tenneco or its subsidiaries, (iii) making any public announcement with respect to, or submitting a proposal for, or offering of any merger, consolidation, business combination, tender or exchange offer, restructuring, recapitalization or other extraordinary transaction of or involving Tenneco or its subsidiaries or their securities or assets, (iv) forming, joining or in any way participating in a group (as defined in the Exchange Act) in connection with any voting securities of Tenneco or its subsidiaries, (v) acting, alone or in concert with others, to seek to control, or influence control of, the management, the board or policies of Tenneco, (vi) making a request for any stockholder list or other books and records of Tenneco, (vii) making or causing to be made any public statement that disparages, defames or slanders Tenneco or any of its current or former directors, officers or employees, (viii) taking any action that would reasonably be expected to cause or require of Tenneco to make a public announcement regarding any actions prohibited by this paragraph, (ix) contesting the validity or enforceability of the Shareholders Agreement, (x) instituting, soliciting, assisting or joining any litigation, arbitration or other proceedings against or involving Tenneco or any of its current or former directors or officers, other than an action to enforce the provisions of the Shareholders Agreement, the Purchase Agreement or any other agreements related to the transactions contemplated thereby, or (xi) having any discussions or enter into any arrangements, understandings or agreements in connection with any of the foregoing.

Voting

Until the expiration of the standstill described above, IEP and its affiliates have agreed to vote all shares of Class A Common Stock (i) in favor of each director nominated and recommended by our board of directors for election at each and every stockholder meeting of the Company, (ii) against any stockholder nominations for director that are not approved and recommended by our board of directors for election at any such meeting and (iii) in favor of the proposal for ratification of the appointment of the independent registered public accounting firm.

Transfer Restrictions

Subject to certain exceptions, until February 28, 2019, AEP and IEH will not, directly or indirectly, sell or otherwise transfer (including through loan, pledge, swap or hedging transactions), or make any short sale or otherwise dispose of, more than 10% of the shares of the outstanding Class A Common Stock and Class B Common Stock, measured as a single class. Notwithstanding the foregoing restrictions, IEP and its affiliates may transfer shares in certain circumstances, including affiliate transfers or transfers of all, but not less than all, of the shares of Tenneco common stock then held by IEP and its affiliates to not more than three persons from a specified list.

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 Common Stock and Class B 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 Common Stock issued and outstanding at the time of such transfer (subject to certain carve-outs for transfers to certain passive institutional investors).

Preemptive Rights

For so long as IEP and its affiliates own at least 10% of the outstanding Class A Common Stock and Class B Common Stock, measured as a single class, and Tenneco proposes to issue any equity securities (other than in an excluded

issuance), Tenneco will (i) give written notice to IEP and its affiliates no less than five business days

Table of Contents

prior to the closing of such issuance and (ii) offer to issue and sell to IEP and its affiliates, on such terms as the equity securities are issued, a portion of the equity securities equal to IEP's (and its affiliates), pro rata beneficial ownership of the Class A Common Stock and Class B Common Stock at such time as compared to the total number of shares of Class A Common Stock and Class B Common Stock, considered together, outstanding immediately prior to the issuance of the equity securities, subject to certain exceptions.

Registration Rights

Pursuant to the Shareholders Agreement, Tenneco agreed to file, concurrently with the closing of the acquisition of Federal-Mogul, a registration statement with the SEC relating to the offer and resale of the Common Stock to be received by AEP and IEH in connection with the acquisition, subject to the transfer restrictions described above. The registration statement of which this prospectus forms a part has been filed pursuant to such agreement.

If at any time Tenneco is ineligible to file a shelf registration statement, IEP and its affiliates may, up to a maximum of two times per 365-day period, request that Tenneco effect a registration of registrable securities (as defined in the Shareholders Agreement) held by IEP and its affiliates by delivering a written request to Tenneco specifying the number of registrable securities it wishes to register. Upon receipt of such a request, Tenneco will use its reasonable best efforts to register such registrable securities as expeditiously as possible, but in any event within 30 days of such request, and cause the registration statement to become effective in accordance with the intended method of distribution set forth in the written request.

With respect to any registration statement, whether filed or to be filed pursuant to the Shareholders Agreement, if Tenneco reasonably determines in good faith that maintaining the effectiveness of, filing an amendment or supplement to, or filing a registration statement would (i) materially impede, delay or interfere with any financing, acquisition, corporate reorganization or other significant transaction or (ii) require the disclosure of material non-public information, the disclosure of which could reasonably be expected to materially and adversely affect Tenneco, then Tenneco may, for the shortest period reasonably practicable, and in any event for not more than 45 calendar days, notify IEP and its affiliates that requested registration that such registration statement is unavailable for use. Tenneco may not impose such periods, in any 365-day period, lasting in excess of 90 days in the aggregate.

If Tenneco proposes to file a registration statement or a prospectus supplement to a shelf registration statement with respect to any offering for its own account and/or for the account of IEP and its affiliates, Tenneco will, as soon as practicable, but in any event not less than 15 days prior to the proposed date of filing such registration statement, give written notice of such proposed fil