

Owens-Illinois, Inc. Compensation and Talent Development Committee Charter

Function

The Compensation and Talent Development Committee (the “Committee”) is appointed by the Board of Directors to discharge the Board’s responsibilities relating to compensation of the Company’s executives and directors.

Membership

The Committee shall be composed of at least three directors, each of whom is determined by the Board to be “independent” under the listing standards of the New York Stock Exchange (“NYSE”). In addition, at least two Committee members shall be (a) “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934 and (b) “outside directors” as defined by Section 162(m) of the Internal Revenue Code. The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Chairman

Unless a Chairman is elected by the Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

Meetings

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the Chief Executive Officer (“CEO”) and any other corporate officers, as it deems appropriate. However, the Committee should meet regularly without such officers present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.

Purpose and Responsibilities

The Committee, to the extent it deems necessary or appropriate, will:

1. Establish and review the overall compensation philosophy of the Company.
2. Review and, if determined appropriate, adopt a Company clawback policy, and stock ownership guidelines; consult with management regarding labor relations and human resources strategies, approve compensation contracts with the Company's executive officers beyond the CEO, and coordinate with the Risk Oversight Committee on assessing whether the Company's current compensation policies encourage excessive risk-taking.
3. Review and approve the Company's goals and objectives relevant to compensation of the CEO and other executive officers, evaluate the performance of the CEO and other executive officers in light of those goals and objectives, and determine and approve the compensation level of the CEO and other executive officers based on this evaluation.
4. Consider the Company's performance, relative shareholder return and other relevant metrics, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years when determining the long-term incentive component of the CEO's compensation.
5. Make recommendations to the Board with respect to non-CEO compensation arrangements, incentive-compensation plans and equity-based plans.
6. Review and discuss, with management, the Compensation Discussion and Analysis ("CD&A") and determine whether to recommend to the Board of Directors that it be included in the Company's proxy statement.
7. Review and recommend to the Board, or approve, new executive compensation programs.
8. Review and recommend to the Board compensation of directors as well as director's and officer's indemnification and insurance matters.
9. Review and approve or make recommendations to the Board any contracts or other transactions with the CEO, including consulting arrangements, employment contracts, severance or termination arrangements.
10. Review and monitor employee pension, profit sharing and benefit plans with respect to the amount of benefits and perform other non-fiduciary settler functions.

Structure and Operation

The Committee may retain, oversee and terminate any compensation consultant, legal counsel or other adviser (“Advisor”) that the Committee believes in its sole discretion to be necessary or appropriate. The Committee may select or receive advice from any Advisor it prefers including ones that are not independent. Notwithstanding the foregoing, the Committee may select an Advisor only after taking into consideration all factors relevant to that person’s independence from management in accordance with the standards of the NYSE. The Committee shall have the sole authority to oversee and approve the Advisor’s fees and other retention terms. The Company will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Advisor retained by the Committee.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee

The Committee will make regular reports to the Board and will propose any necessary action to the Board. The Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Committee will annually evaluate the Committee’s own performance.