OWENS ILLINOIS INC /DE/
Form DEF 14A
April 02, 2019
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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 under §240.14a 12

OWENS ILLINOIS, 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:

(2) Aggregate number of securities to which transaction applies:

(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):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF ANNUAL MEETING OF SHARE OWNERS

Thursday, May 16, 2019 9:00 a.m.	Plaza 2 O-I World Headquarters Perrysburg, Ohio 43551

To Our Share Owner:

You are cordially invited to attend the Annual Meeting (the “Annual Meeting”) of the share owners of Owens-Illinois, Inc. (the “Company”) for the purpose of considering and voting upon the following matters:

Proposal	Board Recommendation	For more information
1. The election of 12 directors, each to serve for a term of one year	FOR all of the nominees for election to the Board of Directors	Page 4
2. The ratification of the selection of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2019	FOR the ratification of the selection of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2019	Page 60
3. The approval of the Owens-Illinois, Inc. Amended and Restated 2017 Incentive Award Plan	FOR the approval of the Owens-Illinois, Inc. Amended and Restated 2017 Incentive Award Plan	Page 61
4. An advisory vote to approve named executive officer compensation	FOR the advisory vote to approve named executive officer compensation	Page 69

Mail Date:

The Company intends to commence distribution of this notice and the accompanying Proxy Statement and proxy card on or about April 2, 2019.

Record Date:

The Board fixed the close of business on March 18, 2019, as the record date for the determination of share owners owning the Company’s Common Stock, par value $.01 per share, entitled to notice of, and to vote at, the Annual Meeting.

Your Vote is Important:

Enclosed is a proxy card that provides you with a convenient means of voting on the matters to be considered at the meeting, whether or not you attend the meeting in person. All you need do is mark the proxy card to indicate your vote, sign and date the card, then return it in the enclosed envelope as soon as conveniently possible. If the shares are held of record in more than one name, all holders of record should sign the proxy card. If you are a share owner of record and you submit a proxy, but you do not provide voting instructions, your shares will be voted: for each of the Board nominees, for the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2019, for the approval of the Owens-Illinois, Inc. Amended and Restated 2017 Incentive Award Plan, and for the advisory vote to approve named executive officer compensation. As an alternative to

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returning the proxy card, you may use the Internet or telephone to submit your proxy as described in the enclosed Proxy Statement and on the proxy card.

We sincerely appreciate your interest in and support of Owens-Illinois, and we hope to see you at the Annual Meeting.

By order of the Board of Directors,

ANDRES A. LOPEZ
Chief Executive Officer

MARY BETH WILKINSON
Corporate Secretary

April 2, 2019

Perrysburg, Ohio

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PROXY STATEMENT FOR THE ANNUAL MEETING OF SHARE OWNERS To Be Held May 16, 2019

The Annual Meeting of the share owners of Owens-Illinois, Inc. (the "Company") will be held on Thursday, May 16, 2019, at 9:00 a.m. in Plaza 2 of the O-I World Headquarters, Perrysburg, Ohio. At the Annual Meeting, share owners will: (1) vote to elect 12 directors, each to serve a term of one year; (2) consider the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2019; (3) vote to approve the Owens-Illinois, Inc. Amended and Restated 2017 Incentive Award Plan; and (4) participate in an advisory vote to approve named executive officer compensation.

This Proxy Statement has been prepared in connection with the solicitation by the Company's Board of Directors (the "Board") of proxies for the Annual Meeting and provides information concerning the persons nominated by the Board for election as directors, and other information relevant to the Annual Meeting. The Company intends to commence distribution of this Proxy Statement and the accompanying proxy card on or about April 2, 2019.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHARE OWNERS TO BE HELD ON MAY 16, 2019

The Securities and Exchange Commission ("SEC") has adopted a "Notice and Access" rule that allows companies to deliver a Notice of Internet Availability of Proxy Materials ("Notice of Internet Availability") to share owners in lieu of a paper copy of the proxy statement and related materials and the Company's 2018 Annual Report to share owners. The Notice of Internet Availability provides instructions as to how share owners can access the proxy materials online, contains a listing of matters to be considered at the meeting, and sets forth instructions as to how shares can be voted. Shares must be voted either by telephone, on the Internet or by completing and returning a proxy card. Shares cannot be voted by marking, writing on and/or returning the Notice of Internet Availability. Any Notices of Internet Availability that are returned will not be counted as votes. Instructions for requesting a paper copy of the proxy materials are set forth on the Notice of Internet Availability.

The Notice of Annual Meeting and Proxy Statement, the Company's 2018 Annual Report to share owners and the Stakeholder Letter are available at www.proxyvote.com. You will need your assigned control number to vote your shares. Your control number can be found on your proxy card.

Who May Vote

You will be entitled to vote at the Annual Meeting if you are a share owner of record as of the close of business on March 18, 2019 (the "record date"). At the close of business on the record date, 155,221,763 shares of the Company's common stock, par value $.01 per share ("Common Stock"), were outstanding. Each share of Common Stock entitles the holder of record to one vote on all matters to be voted upon at the Annual Meeting. Shares of Common Stock held by the trustee under the Company's 401(k) plans must be voted by the trustee in accordance with written instructions from participants in such plan or, as to those shares for which no instructions are received, in a uniform manner as a single block in accordance with the instructions received with respect to the majority of shares for which instructions were received from participants. No other securities are entitled to be voted at the Annual Meeting.

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How to Vote

Shares of Common Stock can be voted at the Annual Meeting only if the share owner is present in person or represented by proxy. If shares are owned of record in the share owner's name, the share owner may cause these shares to be voted at the Annual Meeting in one of four ways.

Internet	Phone	Mail	In Person
Visit www.proxyvote.com. Be sure to have the control number found on the proxy card, follow the voting instructions and confirm that your votes have been accurately recorded.	Call the toll-free number (for residents of the U.S. and Canada) listed on the proxy card. You must enter the control number listed on the proxy card and follow the instructions.	Send your completed and signed proxy card promptly in the enclosed envelope or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.	Share owners can choose to vote in person by ballot at the Annual Meeting. At the meeting, the share owner will need to request a ballot to vote their shares.

Deadline

The deadline for submitting a proxy by internet or telephone is 11:59 p.m., Eastern Time, on May 15, 2019. If a proxy is submitted by internet or telephone, the share owner does not need to return the proxy card. If the share owner chooses to submit its proxy by mail, the deadline for Broadridge to receive and count a proxy by mail is 11:59 p.m., Eastern Time, on May 15, 2019.

Householding

To reduce costs and the environmental impact of the Company's Annual Meeting, a single copy of the Proxy Statement and 2018 Annual Report to Share Owners will be delivered to two or more share owners who share an address, unless contrary instructions have been received from an affected share owner, a practice commonly referred to as "householding." The Company will promptly deliver, upon written or oral request, individual copies of the proxy materials to any share owner at the shared address to which single copies of those documents were delivered. To make such a request, please contact Broadridge Householding Department by phone at 1-866-540-7095 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you are a share owner of record and would like to enroll in this householding service or would like to receive individual copies of future proxy materials, please contact Broadridge Householding Department by phone at 1-866-540-7095 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717. Share owners who hold their shares beneficially in street name should contact their bank, broker or other holder of record to request information about householding.

Further Instructions Regarding "How to Vote"

The telephonic and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow share owners to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded.

Share owners who hold their shares beneficially in street name through a nominee (such as a bank or broker) may be able to submit their proxy by telephone or the Internet as well as by mail. The share owner should follow the instructions received from the nominee to vote these shares. Share owners who hold their shares beneficially in street name can also choose to vote in person by ballot at the Annual Meeting, but must have a legal proxy with them executed by the nominee in order for their vote to count. At the meeting, the share owner will need to request a ballot to vote these shares.

The proxy card lists each person nominated by the Board for election as a director. Proxies duly executed and received in time for the meeting will be voted in accordance with share owners' instructions. If no instructions are given, proxies will be voted to (a) elect each of the 12 nominated directors of the Company for a term of one year to expire at the Annual Meeting in 2020; (b) ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2019; (c) approve the Owens-Illinois, Inc. Amended and Restated 2017 Incentive Award Plan; (d) approve the compensation of the Company's named executive officers; and (e) in the discretion of the proxy holders as to any other business that may properly come before the meeting.

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Revocability of Proxies

Any proxy solicited hereby may be revoked by the person or persons giving it at any time before it has been exercised at the Annual Meeting by (a) giving notice of revocation to the Company in writing or at the 2019 Annual Meeting; (b) submitting a later dated proxy; or (c) attending the Annual Meeting in person and voting at the meeting.

Vote Required to Approve Matters

There must be a quorum for the transaction of business at the meeting. A quorum is the presence at the meeting of a number of shares that are either present or represented by proxy, constituting a majority of the outstanding shares entitled to vote at the meeting. If you submit a properly executed proxy card or a telephonic or Internet proxy, or you are present at the meeting in person, even if you abstain from voting, your shares will be considered part of the quorum. Broker non votes (shares held by a broker or nominee that are represented at the meeting, but with respect to which the broker or nominee is not empowered to vote on a proposal) are included in determining the presence of a quorum.

Proposal One. Each director to be elected by the share owners of the Company shall be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares represented and entitled to vote thereon at a meeting of the share owners for the election of directors at which a quorum is present (an “Election Meeting”); provided, however, that if the Board determines that the number of nominees exceeds the number of directors to be elected at such meeting (a “Contested Election”), whether or not the election becomes an uncontested election after such determination, each of the directors to be elected at the Election Meeting shall be elected by the affirmative vote of a plurality of the votes cast by the shares represented and entitled to vote at such meeting with respect to the election of such director. For purposes of electing directors, a “majority of the votes cast” means that the number of votes cast “for” a candidate for director exceeds the number of votes cast “against” that director (with “abstentions” and “broker non votes” not counted as votes cast as either “for” or “against” such director’s election). In an election other than a Contested Election, share owners will be given the choice to cast votes “for” or “against” the election of directors or to “abstain” from such vote and shall not have the ability to cast any other vote with respect to such election of directors. In a Contested Election, share owners will be given the choice to cast “for” or “withhold” votes for the election of directors and shall not have the ability to cast any other vote with respect to such election of directors. The Board has established procedures under which any director who is not elected shall offer to tender his or her resignation to the Board.

Proposal Two. The affirmative vote of a majority of the stock having voting power present in person or represented by proxy and entitled to vote thereon is required to ratify the selection of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2019. Abstentions will have the same effect as votes “against” this proposal. “Broker non votes” are not expected for this proposal as NYSE rules allow brokers or nominees to exercise discretionary voting authority on this “routine” proposal.

Proposal Three. The affirmative vote of a majority of the stock having voting power present in person or represented by proxy and entitled to vote thereon is required for the approval of the Owens-Illinois, Inc. Amended and Restated 2017 Incentive Award Plan. Abstentions will have the same effect as votes “against” this proposal and “broker non votes” will not be counted in determining whether this proposal has been approved.

Proposal Four. The affirmative vote of a majority of the stock having voting power present in person or represented by proxy and entitled to vote thereon is required for the advisory vote to approve named executive officer compensation. Abstentions will have the same effect as votes “against” this proposal and “broker non votes” will not be counted in determining whether this proposal has been approved.

Other Matters

Management of the Company does not know of any matter that will be presented for action at the 2019 Annual Meeting other than as described in this Proxy Statement. However, if any other matter should properly be brought to a vote at the meeting, or any adjournment or postponement thereof, all shares covered by proxies solicited hereby will be voted with respect to such matter in accordance with the proxy holders' discretion.

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PROPOSAL 1: ELECTION OF DIRECTORS

General

The Board currently consists of 12 members whose terms expire at this year's Annual Meeting. The Board believes that refreshment is important to help ensure that Board composition is appropriately aligned with the Company's evolving business and strategic needs. The Nominating/Corporate Governance Committee has reviewed the composition of the Board for a balance of tenure, skills and diversity on the Board and pursuant to the Nominating/Corporate Governance Committee's Policies and Procedures Regarding the Identification and Evaluation of Candidates for Director (the "Policies and Procedures"), the qualifications, performance and circumstances of each incumbent director. After completing its review, the Nominating/Corporate Governance Committee recommended all incumbent directors for re election, except for John J. McMackin, Jr. Mr. McMackin's long-term service on the Board is ending at the conclusion of the Annual Meeting. In addition, the Nominating/Corporate Governance Committee, pursuant to the Policies and Procedures, considered Dennis K. Williams' deep understanding of the Company's technology in recommending the re-election of Mr. Williams, age 73. The Board approved the Nominating/Corporate Governance Committee's recommendations regarding the incumbent directors and also approved the Nominating/Corporate Governance Committee's recommendation that one new candidate, John H. Walker, stand for election to fill the vacancy.

Information on Nominees

The Board, at the recommendation of the Nominating/Corporate Governance Committee, has nominated 12 persons for election as directors to serve for a one year term expiring at the 2020 annual meeting of share owners and until their successors have been elected. The nominees of the Board are Gordon J. Hardie, Peter S. Hellman, John Humphrey, Anastasia D. Kelly, Andres A. Lopez, Alan J. Murray, Hari N. Nair, Hugh H. Roberts, Joseph D. Rupp, John H. Walker, Carol A. Williams and Dennis K. Williams. Except for Mr. Walker, each nominee is currently serving as a director of the Company and each nominee, including Mr. Walker, has consented to being named in this Proxy Statement and has agreed to serve if elected. If for any reason any nominee should be unavailable to serve, proxies solicited hereby may be voted for a substitute as well as for the other Board nominees. The Board, however, expects all of its nominees to be available to serve.

Following is information on the persons nominated for election to the Board at the 2019 Annual Meeting:

Nominees—To be elected for terms expiring at the 2020 Annual Meeting

Gordon J. Hardie, Age 55

Director since 2015	Mr. Hardie currently serves as President, Food & Ingredients at Bunge Limited, a global company that operates in agribusiness, sugar and bioenergy, food and ingredients, and fertilizer. Mr. Hardie previously served as Managing Director at Bunge (2011 2017) and currently serves as a member of the Executive Committee and has led the global Operational Excellence program for Bunge since 2013. Prior to joining Bunge, Mr. Hardie was a Managing Director at Morningside Partners, an M&A Advisory firm he established in 2009. Mr. Hardie previously held senior management positions at Goodman Fielder, including Managing Director (2004 2009), Sales and Marketing Director and Marketing Innovation Director (2002 2003). He was named Group General Manager, Marketing at SouthCorp Wines in 2000 and Vice President, Regional Markets, Asia Pacific at Foster's Brewing Group in 1999. Before immigrating to Australia in 1999, Mr. Hardie was Regional Director for the Americas and Asia Pacific Regions at Pernod Ricard Irish Distillers. Mr. Hardie holds a B.A. from the University College Cork and an M.B.A. from University College

Dublin's Smurfit Graduate Business School and has completed the Advanced Management Program and the AVIRA CEO Program at INSEAD. Since 2013, Mr. Hardie has served on the board of Zaklady Tluszcowe Kruszwica. Mr. Hardie also serves on the North American Advisory Board of the Smurfit Graduate Business School. Mr. Hardie's extensive business leadership skills, his global business experience, and broad food and spirits industry knowledge qualify him to serve on the Company's Board.

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Peter S. Hellman, Age 69

Director since 2007	Mr. Hellman retired in 2008 after a long career with large, multinational companies in both financial and operating executive positions. Mr. Hellman has over 40 years of financial analysis experience and has been involved with investor relations for over 35 years. He was an executive with Nordson Corporation from 2000 to 2008, where he served as President and Chief Financial and Administrative Officer from 2004 to 2008 and Executive Vice President and Chief Financial and Administrative Officer from 2000 to 2004. Nordson is a global leader in providing capital equipment to the packaging industry. Mr. Hellman also served as a director of Nordson from 2001 to 2008. Prior thereto, Mr. Hellman was with TRW Inc. for ten years and held various positions, the most recent of which was President and Chief Operating Officer. During his tenure as a financial executive, Mr. Hellman obtained significant reporting expertise and substantial experience in corporate transactions. Mr. Hellman also has extensive experience as a director of both public and private companies, and has been serving on public company boards for over 20 years. He is currently a director of Baxter International, Inc. (since 2005) and The Goodyear Tire and Rubber Company (since 2010). Mr. Hellman also serves on the board of the Cleveland Museum of Natural History and The Holden Arboretum. Through his significant board and management experience, Mr. Hellman has obtained extensive training in executive compensation matters and corporate governance practices. Mr. Hellman holds a B.A. from Hobart College and an M.B.A. in finance from Case Western Reserve University. Mr. Hellman's long career and financial and operating experience, business leadership skills, extensive board experience and knowledge of executive compensation and corporate governance matters qualify him to serve on the Company's Board.

John Humphrey, Age 53

Director since 2018	From 2011 to May 2017, Mr. Humphrey served as Executive Vice President and Chief Financial Officer of Roper Technologies, Inc., a Fortune 1000 company that designs and develops software and engineered products and solutions for healthcare, transportation, food, energy, water, education and other niche markets worldwide. He retired from Roper in December 2017. From 2006 to 2011, he served as Vice President and Chief Financial Officer of Roper. Prior to joining Roper, Mr. Humphrey served as Vice President and Chief Financial Officer of Honeywell Aerospace, the aviation segment of Honeywell International Inc., after serving in several financial positions with Honeywell International and its predecessor AlliedSignal Inc. Mr. Humphrey's earlier career included six years with Detroit Diesel Corporation, a manufacturer of heavy-duty engines, in a variety of engineering and manufacturing management positions. Mr. Humphrey is a member of the board of directors for EnPro Industries, Inc. and Gardner Denver Holdings, Inc. Mr. Humphrey holds a B.S. in industrial engineering from Purdue University and an M.B.A. from the University of Michigan. Mr. Humphrey's extensive executive experience leading a global business, financial reporting expertise and public company board service qualify him to serve on the Company's Board.

Anastasia D. Kelly, Age 69

Director since 2002

Ms. Kelly is Managing Partner (Americas) in the law firm of DLA Piper (Partner since 2010, Co Managing Partner since 2013 and Managing Partner since 2018). From 2006 to 2010, she was the Vice Chairman—Legal, Human Resources, Corporate Communication and Corporate Affairs of American International Group, Inc. (''AIG''), and through that senior management position she obtained experience handling corporate issues across the enterprise. Prior to joining AIG, Ms. Kelly was an executive and general counsel of several large, publicly traded companies, including MCI, where she was the Executive Vice President and General Counsel from 2003 to 2006, Sears, Roebuck and Co., where she was the Senior Vice President and General Counsel from 1999 to 2003, and Fannie Mae, where she was the Senior Vice President from 1996 to 1999 and General Counsel and Secretary from 1995 to 1999. Ms. Kelly is currently a director of Huntington Ingalls Industries, Inc. (since 2011) and sits on the board of numerous philanthropic organizations. Ms. Kelly holds a B.A., cum laude, from Trinity University in Washington, D.C. and a J.D., magna cum laude, from George Washington University Law School. Ms. Kelly's broad legal expertise and knowledge, extensive understanding of regulatory, compliance and securities issues involving public companies and financial institutions, significant experience in corporate governance issues and substantial business management skills qualify her to serve on the Company's Board.

Andres A. Lopez, Age 56

Director since 2016

Mr. Lopez has served as the President and Chief Executive Officer of Owens-Illinois since January 2016. He has been with the Company since 1986 and held several positions before becoming Chief Executive Officer, most recently serving as Chief Operating Officer (2015). He has also served as President of O-I Americas (2014 2015); President of O-I's Latin America operations (2009 2015); and Vice President of O-I's global manufacturing and engineering business unit (GMEC) (2006 2009). In 2004, he moved to the Company's headquarters in Ohio to serve as Vice President of Finance and Administration for the North America region, becoming Vice President of Manufacturing for North America in 2005. Mr. Lopez held a number of other manufacturing assignments before 2005. In 1996, he moved to Brazil, first serving as Plant Manager for the Rio de Janeiro plant, and then for the São Paulo plant. In 1999, he was named General Manager of O-I Peru. Mr. Lopez began his career at Owens-Illinois as an Engineer at one of the Colombian plants. Mr. Lopez currently serves as a board member of Avery Dennison (since 2017). He holds a B.S. in production engineering from EAFIT University in Medellin, Colombia, and has completed the Executive Program at Stanford University. He speaks English and Portuguese, in addition to his native Spanish. Mr. Lopez's long experience in manufacturing, leadership skills and global business experience with the Company over the past 30 years qualify him to serve on the Company's Board.

Alan J. Murray, Age 65

Director since

Mr. Murray retired as an executive in 2008 after serving as Managing Board Member for North America for HeidelbergCement AG, a German multinational building materials company. Mr. Murray took on this role after Heidelberg's 2007 acquisition of Hanson PLC, where Mr. Murray served as Chief Executive Officer.

2015 Previously, Mr. Murray served as Chief Executive Officer of Hanson Building Materials America, where he handled a business that was 50% of Hanson's overall operations. While at Hanson, Mr. Murray also served as Finance Director (1997 1998), Assistant Finance Director (1995 1997), Division Finance Director (1993 1995), and Divisional Financial Controller (1988 1993). Between 1978 and 1988, he held various financial roles at Chloride Group PLC and Burton Group PLC. Mr. Murray is a qualified Chartered Management Accountant and has a bachelor's degree in Economics and Marketing from Lancaster University in the United Kingdom. Mr. Murray currently serves on the public board of Ferguson PLC (formerly Wolseley PLC) since 2013 and was on the board of HeidelbergCement AG between 2010 and 2017. Mr. Murray's extensive business leadership skills, executive and board experience, global business and financial reporting expertise qualify him to serve on the Company's Board.

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Hari N. Nair, Age 59

Director since 2013	Mr. Nair serves as CEO of Anitar Investments LLC, a private investment company with holdings in the manufacturing and technology sectors. Previously, Mr. Nair served as the Chief Operating Officer of Tenneco Inc., a Fortune 500 company with revenues of $9 billion, from 2010 until his retirement in early 2015. He also was a member of the Tenneco Board of Directors from 2009 until his retirement. Prior to being appointed COO, Mr. Nair was President of Tenneco's International Group, where he was responsible for managing business operations and capitalizing on growth opportunities in Europe, South America and the Asia Pacific regions. Mr. Nair joined Tenneco in 1987 and assumed positions of increasing responsibility across various functions including strategic planning, business development, quality and operations. Mr. Nair's early career included financial and operations positions with General Motors Corporation and the American Water Company. Mr. Nair currently serves on the boards of Musashi Seimitsu Industry Co., Ltd. based in Japan, Delphi Technologies PLC based in London and as Chairman of Sintercom Limited based in India. Mr. Nair holds a B.S. in engineering from Bradley University, an M.B.A. from the University of Notre Dame, and completed the Advanced Management Program at Harvard Business School. Mr. Nair's extensive manufacturing experience leading large business operations, global business experience, strategic planning, executive leadership skills, and financial reporting expertise qualify him to serve on the Company's Board.

Hugh H. Roberts, Age 67

Director since 2007	Mr. Roberts retired in 2007 after working over 30 years with Kraft Foods Inc. where he obtained profit and loss management and analysis experience and global experience in sales, marketing and strategic planning. He was the President of Kraft Foods International Commercial from 2004 to 2007, President, Kraft Foods International Asia Pacific from 2001 to 2003 and, prior thereto, President, KFI Central & Eastern Europe Middle East & Africa Region from 1996 to 2001. While with Kraft, Mr. Roberts completed numerous training programs for executives and obtained substantial training in marketing, strategic analysis, corporate governance and executive compensation. Mr. Roberts holds a B.A., magna cum laude, from Harvard College and an M.B.A. from Harvard Business School. Mr. Robert's extensive business leadership skills, his management experience overseas in emerging markets and his substantial education and experience in management and corporate governance issues qualify him to serve on the Company's Board.

Joseph D. Rupp, Age 68

Director since 2017	Mr. Rupp was employed by Olin Corporation, a publicly-traded global manufacturer and distributor of chemical products and a leading U.S. manufacturer of ammunition located in Clayton, Missouri, from 1972 until his retirement in 2017. During his tenure at Olin, Mr. Rupp held positions of increasing responsibility, serving as President of Olin Brass, Corporate Vice President and Executive Vice President-Operations before being named President and CEO in 2002, a position he held until 2016. Mr. Rupp also served as Chairman of Olin's Board of Directors from 2005 until April 2017. Mr. Rupp serves as a director of Quanex Building Products, Dot Foods, Inc., Cass Information Systems and on the Board of Trustees, Missouri University of Science and Technology. Mr. Rupp holds a B.S. in metallurgical engineering from Missouri University of Science and Technology, formerly the University of Missouri-Rolla. Mr. Rupp's extensive business leadership skills, management expertise, executive experience leading a global manufacturer and significant public company board experience qualify him to serve on the Company's Board.

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John H. Walker, Age 61

Director Nominee

Mr. Walker has served as Non-Executive Chairman of Global Brass and Copper Holdings, Inc., a manufacturer and distributor of copper and copper-alloy sheet, strip, plate, foil, rod and fabricated components, since March 2014. Mr. Walker previously served as Executive Chairman of Global Brass and Copper from November 2013 to March 2014 and as Chief Executive Officer from 2007 to March 2014. Prior to joining Global Brass and Copper, Mr. Walker was President and Chief Executive Officer of The Boler Company, the parent company of Hendrickson International, a suspension manufacturer for heavy duty trucks and trailers, from 2003 to 2006. From 2001 to 2003, he served as Chief Executive Officer of Weirton Steel Corporation, a producer of flat rolled carbon steel, and from 2000 to 2001 as President and Chief Operating Officer. From 1997 to 2000, Mr. Walker was President of flat rolled products for Kaiser Aluminum Corporation, a producer of fabricated aluminum products. Mr. Walker has been a director of Nucor Corporation since 2008 (Lead Director since February 2017), and was a director of Delphi Corporation from 2005 to 2009 and United Continental Holdings, Inc. from 2002 to 2016. He holds a B.S. in engineering from Virginia Polytechnic Institute & State University and an M.S. in industrial administration from Carnegie Mellon University. Mr. Walker's extensive executive experience leading global businesses, strategic management skills, vast experience in metal-related manufacturing and fabricating industries and public company board service qualify him to serve on the Company's Board.

Carol A. Williams, Age 61

Director since 2014

Ms. Williams retired in early 2015 after serving as a special advisor to the Chief Executive Officer at Dow Chemical Company, a diversified chemical company. Prior to her special advisor role, she served as Dow's Executive Vice President of Manufacturing and Engineering, Supply Chain and Environmental, Health & Safety Operations. During Ms. Williams' 34 year history at Dow, she assumed increasingly more significant management positions in R&D before becoming operations leader and then Vice President for the chloralkali assets business. She was named Senior Vice President of Basic Chemicals in 2009 and President of Chemicals & Energy in 2010. Ms. Williams has served as a board member at Olin Corporation since October 2015. She previously served as a board member at Zep, Inc. from 2012 to 2015. She holds a B.S. in chemical engineering from Carnegie Mellon University where she was selected as an Alumnae of the year in 2009. Ms. Williams received the 2010/2011 Woman of the Year Award from the National Association of Professional Women and in 2014, received the Junior Achievement Laureate award of Mid-Michigan. Ms. Williams' extensive management expertise from manufacturing to purchasing to supply chain as well as her substantial experience in research and development qualify her to serve on the Company's Board.

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Dennis K. Williams, Age 73

Director since 2005	Mr. Williams retired in 2006 after long and extensive service as an executive. Before retiring, Mr. Williams was with IDEX Corporation, a publicly traded corporation that manufactures and markets proprietary engineered industrial products. He was Chairman of the Board at IDEX from 2000 to 2006 and President and Chief Executive Officer from 2000 to 2005. Prior to joining IDEX, Mr. Williams had over ten years of executive experience with General Electric Company (“GE”) and its subsidiaries. During his time with GE, Mr. Williams held multiple executive leadership positions with subsidiaries in Italy, Canada and the United States. His last position with GE was as the President and Chief Executive Officer of GE Power Systems Industrial Products from 1998 to 2000, and in that role Mr. Williams was responsible for a $4 billion global manufacturing and service business based in Florence, Italy. Mr. Williams has been a director of AMETEK, Inc. since 2006 and was a director of Actuant Corporation from 2006 to 2018. From 2001 to 2007, Mr. Williams was also a director of the Washington Group International, where he obtained valuable knowledge regarding restructuring and capital markets transactions by helping to guide Washington’s emergence from bankruptcy and subsequent sale. Through his board membership and various executive positions, Mr. Williams has acquired substantial training in corporate governance and developed valuable financial reporting expertise. Mr. Williams holds a B.S. in aeronautical engineering from the Georgia Institute of Technology and attended the Program for Management Development at Harvard Business School. Mr. Williams’ extensive experience in leading businesses in international markets, executive leadership skills, significant public company board experience, financial reporting expertise and corporate governance training qualify him to serve on the Company’s Board.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” THE NOMINEES IDENTIFIED ABOVE.

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GOVERNANCE INFORMATION

Board Leadership Structure

The Board decided that the roles of the Board Chair and CEO would be separated as of January 1, 2016. At the 2016 Annual Meeting, the Board selected Carol A. Williams, an independent member of the Board, to become its Independent Board Chair ("IBC") and the Company eliminated the role of Lead Director.

The primary responsibility of the IBC is to make the Board as effective as possible in fulfilling its oversight responsibility for the Company and to ensure that the Company derives the most benefit from the experience, education and skills of individual Board members.

In fulfilling this primary responsibility, the IBC will be expected to be a leader of his/her peers by taking personal responsibility for delivering excellence in the boardroom. This will mean helping shape meeting agendas, ensuring open communication, meaningful participation and constructive debate and focusing on appropriate follow-through regarding Board conclusions and recommendations.

The IBC will maintain regular communications with other Board members, with the frequency and depth of communications dependent on the issues that are the current focus of the Company. In addition, the IBC will act as a sounding board for the CEO, as well as other members of senior management. In separating the roles of CEO and IBC, the Board has expressly decided that it does not want the IBC to be perceived as "managing the Company" or as an "executive chair" in the eyes of management or the Company's investors.

As the leader of the Board, the IBC is expected to take the lead in connection with the Board's self-assessment process and the follow-through necessary to improve the Board's overall oversight of the Company. Moreover, the IBC will assume a leadership role in CEO succession planning.

Executive Sessions

The Company's non-employee directors meet in regularly scheduled executive sessions, both with the CEO and also without any members of management present. The purpose of these executive sessions is to promote open and candid discussion between the Board and the CEO and separately among the non-employee directors of the Board. The Board believes this approach effectively complements the Company's Board leadership structure. The non-employee directors met six times in executive session in 2018 without management present, and the independent directors met twice in executive session in 2018. As provided by the Guidelines, the IBC presided at these executive sessions.

Risk Oversight

The Board recognizes that an important part of its responsibilities is to evaluate the Company's exposure to risk and to monitor the steps management has taken to assess and control risk. The Board primarily oversees risks through committees of the Board, particularly through the Risk Oversight Committee and the Audit Committee, as discussed in the descriptions of the committees below. The committees report to the Board and matters of particular importance or concern, including any significant areas of risk faced by the Company, are discussed by the entire Board. In addition, the Board meets with the Company's regional presidents on a rotating basis to review risk exposure with respect to the Company's strategic plans and objectives in order to improve long-term organizational performance.

General Board Responsibilities

The Board has the ultimate authority for overseeing the management of the Company's business. The Board also identifies and evaluates candidates for, and ultimately appoints the Company's officers, delegates responsibilities for the conduct of the Company's operations to those officers, and monitors their and the Company's performance. Certain important functions of the Board are performed by committees comprised of members of the Board, as provided below.

Board Independence

The vast majority of the members of the Board are "independent" in accordance with the New York Stock Exchange listing standards. The Board has affirmatively determined that each of the following directors is an independent director of the Company under the listing standards of the New York Stock Exchange: Gordon J. Hardie, Peter S. Hellman, John Humphrey, Anastasia D. Kelly, Alan J. Murray, Hari N. Nair, Hugh H. Roberts, Joseph D. Rupp, Carol A. Williams and

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Dennis K. Williams. The Board has also affirmatively determined that the director nominee, John H. Walker, is independent. In making this determination, the Board has determined that none of these directors or nominees have any material relationships with the Company other than their roles as directors.

Board Member Stock Ownership

The Board has established stock ownership guidelines for its members. Each member of the Board is required to own shares of the Company's Common Stock having a value equal to five times the director's annual cash retainer. New directors have four years from the date of joining the Board to attain the required stock ownership. Until the stock ownership guidelines are met, directors are required to retain 100% of the "net profit shares" acquired from grants of restricted stock or exercises of stock options. Net profit shares are those shares remaining after payment of tax obligations.

Board Size

The Board currently consists of 12 members. Under the Company's Third Restated Certificate of Incorporation, the maximum size of the Board is 12 members.

Board Meeting Attendance

In 2018, the full Board met 11 times. All of the incumbent members of the Board attended more than 75% or more of the aggregate number of meetings of the Board and of committees of the Board of which such director was a member. Attendance at Board and committee meetings during 2018 averaged over 95% for directors as a group.

The Company does not have a policy with regard to Board members' attendance at Annual Meetings, although members of the Board are encouraged to attend. All members of the then-current Board attended the 2018 Annual Meeting.

Corporate Governance Guidelines

A copy of the Company's Corporate Governance Guidelines is available on the "Investors" section of the Company's website (www.o-i.com). A copy is also available in print to share owners upon request, addressed to the "Corporate Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999. The address of the Company's website provided above or elsewhere in the Proxy Statement is not intended to function as a hyperlink, and the contents of the Company's website are neither a part of this Proxy Statement nor incorporated by reference.

Board Nominees

The Nominating/Corporate Governance Committee is responsible for identifying individuals qualified to become members of the Board and recommending that the Board select the candidates for all directorships to be filled by the Board or by the share owners. The Nominating/Corporate Governance Committee is governed in this regard by its Policies and Procedures Regarding the Identification and Evaluation of Candidates for Director (the "Policies and Procedures"), copies of which are available on the "Investors" section of the Company's website (www.o-i.com) and in print, free of charge, to share owners upon request to the "Corporate Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999.

Pursuant to the Policies and Procedures, candidates for the Board must demonstrate strong leadership in their particular field, and have broad business experience and the ability to exercise sound business judgment. In addition, candidates must possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the share owners. Candidates must also be willing to devote sufficient time to carry out their duties and responsibilities effectively, and be committed to serve on the Board for an extended period of time.

The Policies and Procedures require the Nominating/Corporate Governance Committee to consider the contributions that a candidate can be expected to make to the collective functioning of the Board based on the totality of the candidate's background, skills, experience and expertise and the composition of the Board at the time. The Policies and Procedures also state the Nominating/Corporate Governance Committee's belief that diversity is an important attribute of a well-functioning Board and the Policies and Procedures, the Guidelines and the Nominating/Corporate Governance Committee's Charter each require the Nominating/Corporate Governance Committee to take into consideration the benefits of having Board members who reflect a diversity of age, gender, ethnicity and country of citizenship.

The Company maintains a skills matrix, and actively monitors the skills, experience and expertise of all its individual directors with an eye towards ensuring that the Board is balanced with respect to key skill sets. Given that the Company

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is a large global public manufacturing company, many of the Board's directors have skills and experience relating to similar organizations. The Board also has strong skills, experience and expertise in other areas, including finance and capital allocation, mergers and acquisitions, strategic planning and corporate governance. The Nominating/Corporate Governance Committee considers the skills, experience and expertise of Board members expected to retire or leave the Board in the near future when it identifies candidates for Board membership. The Nominating/Corporate Governance Committee also considers in its nomination processes the recommendations of current Board members regarding particular skills that could improve the ability of the Board to carry out its responsibilities.

Director Experience and Skills

The following chart represents the diverse range of experience and skills offered by the 12 nominees for director.

	Manufacturing Operations	Public Company Management	Global Business	Corporate Governance	Financial	Marketing/Sales	Risk Manage
Gordon J. Hardie	X	X	X			X	X
Peter S. Hellman	X	X	X	X	X	X	X
John Humphrey	X	X			X		X
Anastasia D. Kelly		X		X			X
Andres A. Lopez	X	X	X	X	X	X	X
Alan J. Murray	X	X	X	X	X	X	X
Hari N. Nair	X	X	X	X	X	X	X
Hugh H. Roberts		X	X			X	X
Joseph D. Rupp	X	X	X	X	X	X	X
John H. Walker	X	X	X	X	X		X
	X	X	X	X	X	X	X

Carol A. Williams							
Dennis K. Williams	X	X	X	X	X	X	X

The Nominating/Corporate Governance Committee will consider potential candidates for director who have been recommended by the Company's directors, the CEO, other members of senior management and share owners. Outside consultants may also be employed to help identify potential candidates. Mr. Walker was recommended to the Nominating/Corporate Governance Committee as a director candidate by a third-party search firm engaged by the Company under the direction of the Nominating/Corporate Governance Committee to assist in identifying potential director candidates. Pursuant to its Policies and Procedures, the Nominating/Corporate Governance Committee conducts all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates and considers questions of independence and possible conflicts of interest. Members of the Nominating/Corporate Governance Committee discuss and evaluate possible candidates in detail, and determine which individuals to consider in more depth. Once a candidate is identified whom the Nominating/Corporate Governance Committee wants to move toward nomination, one or more members of the Nominating/Corporate Governance Committee will enter into discussions with the candidate. The procedures for the nomination of director candidates by share owners are described under the heading "2020 Annual Meeting of Share Owners."

The performance of incumbent members of the Board is evaluated annually by the Nominating/Corporate Governance Committee. Incumbent directors who continue to satisfy the Nominating/Corporate Governance Committee's criteria for Board membership and whom the Nominating/Corporate Governance Committee believes continue to make important contributions to the Board generally will be renominated by the Board at the end of their term.

Code of Business Conduct and Ethics

The Company has a Global Code of Business Conduct and Ethics (the "Code") that is applicable to all directors, officers and employees of the Company, including the Chief Executive Officer and Chief Financial Officer. The Code is available on the "Investors" section of the Company's website (www.o-i.com) and in print, free of charge, to share owners upon

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request, addressed to the "Corporate Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999.

Communicating with the Board

Share owners and other interested parties may contact any member (or all members) of the Board (including, without limitation, the non-employee directors as a group), the IBC, any Board committee or any Chair of any such committee. To communicate with the Board, the IBC, any individual directors or any group or committee of directors, correspondence should be addressed to the "Board of Directors", the "IBC" or any such individual directors or group or committee of directors by either name or title. All such correspondence should be addressed to the "Corporate Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999. All communications so received will be opened by the Corporate Secretary for the sole purpose of determining whether the contents represent a message to the directors. Any contents that are not in the nature of advertising, promotions of a product or service or patently offensive material will be forwarded promptly to the addressees. In the case of communications to the Board, the IBC or any group or committee of directors, the Corporate Secretary will distribute the contents to each director who is a member of the group or committee to which the contents are addressed.

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BOARD AND COMMITTEE MEMBERSHIP

There are four standing committees of the Board: the Audit Committee, the Compensation and Talent Development Committee, the Nominating/Corporate Governance Committee and the Risk Oversight Committee. Subject to applicable provisions of the Company's By-Laws and Corporate Governance Guidelines, the Board appoints the members of each committee and rotates members periodically consistent with the experience and expertise of individual directors.

Current Committee Membership

Directors currently serving on committees of the Board and the number of meetings held in 2018 by the committees are identified below.

Name	Audit	Compensation and Talent Development	Nominating/ Corporate Governance	Risk Oversight
Independent Directors:				
Gordon J. Hardie				Chair
Peter S. Hellman	X	X		
John Humphrey(1)	X			
Anastasia D. Kelly			Chair	X
Alan J. Murray	Chair		X	
Hari N. Nair	X	Chair		
Hugh H. Roberts		X	X	
Joseph D. Rupp(2)		X	X	
Carol A. Williams			X	
Dennis K. Williams	X	X		
Non-Independent Directors:				
Andres A. Lopez				X
John J. McMackin, Jr.				X
Number of meetings in 2018	9	5	5	5

(1) On May 10, 2018, Mr. Humphrey began serving as a director of the Company. He also began serving as a member of the Audit Committee.

(2) On May 10, 2018, Mr. Rupp resigned from the Audit Committee and began serving as a member of the Compensation and Talent Development Committee.

Audit Committee

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee represents and assists the Board with the oversight of: (a) the integrity of the Company's financial statements and internal controls; (b) the Company's compliance with legal and regulatory requirements; (c) the independent registered public accounting firm's qualifications and independence; and (d) the performance of the Company's internal audit function and of the independent registered public accounting firm. The Audit Committee operates under a written charter adopted by the Board that sets forth the specific responsibilities of the Audit Committee. A copy of the Audit Committee Charter is available on the “Investors” section of the Company’s website (www.o-i.com) and in print, free of charge, to any share owner upon request addressed to the “Corporate Secretary” at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999.

All members of the Audit Committee meet the audit committee independence requirements of the New York Stock Exchange and also satisfy the independence standards applicable to audit committees pursuant to Rule 10A 3(b)(i) under the Exchange Act. The Board has determined that Mr. Murray, the Chair of the Audit Committee, and Messrs. Hellman and Humphrey are each qualified as an “audit committee financial expert” within the meaning of Securities and Exchange Commission (“SEC”) regulations and that all of the Audit Committee members meet the financial literacy requirements of the New York Stock Exchange. No member of the Audit Committee serves on the audit committee of more than three public companies.

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Compensation and Talent Development Committee

The Compensation and Talent Development Committee assists the Board with respect to compensation of the Company's directors, officers and employees. In carrying out such responsibilities, the Compensation and Talent Development Committee administers the Amended and Restated 1997 Equity Participation Plan, the Second Amended and Restated 2005 Incentive Award Plan, the 2017 Incentive Award Plan, the Company's annual bonus plans and certain other benefit plans of the Company and makes recommendations to the Board with respect to the compensation to be paid and benefits to be provided to directors, officers and employees of the Company. The Compensation and Talent Development Committee also oversees and reviews management succession planning and development for key executive positions other than the CEO, including ensuring the availability of qualified replacements and planning for contingencies such as the departure, death or disability of key executives so that the Company has in place an emergency succession plan that addresses both interim and longer-term leadership for the Company. The Compensation and Talent Development Committee makes recommendations to the Board with respect to the adequacy of the succession and development plans for key executive officer positions other than the CEO.

The Compensation and Talent Development Committee operates under a written charter adopted by the Board that sets forth the specific responsibilities of the Compensation and Talent Development Committee. A copy of the Compensation and Talent Development Committee Charter is available on the "Investors" section of the Company's website (www.o i.com) and in print, free of charge, to any share owner upon request addressed to the "Corporate Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999.

Each member of the Compensation and Talent Development Committee is an "independent director" under the New York Stock Exchange listing standards.

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee assists the Board by (a) identifying and evaluating individuals qualified to become directors; (b) selecting, or recommending that the Board select, the candidates for all directorships to be filled by the Board or by the share owners; (c) developing and recommending to the Board a set of corporate governance principles contained in the Company's Corporate Governance Guidelines and Global Code of Business Conduct and Ethics; (d) overseeing the evaluation of the Board and management of the Company; (e) taking a leadership role in shaping the corporate governance of the Company; (f) overseeing CEO succession planning and development; and (g) overseeing the Company's Ethics and Compliance function, in conjunction with other committees requested to address issues arising in this area.

The Nominating/Corporate Governance Committee operates under a written charter adopted by the Board that sets forth the specific responsibilities of the Nominating/Corporate Governance Committee. A copy of the Nominating/Corporate Governance Committee Charter is available on the "Investors" section of the Company's website (www.o-i.com) and in print, free of charge, to share owners upon request, addressed to the "Corporate Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999.

Each member of the Nominating/Corporate Governance Committee is an "independent director" under the New York Stock Exchange listing standards.

The Nominating/Corporate Governance Committee will accept recommendations from share owners for nominees for the Board. The procedures for submitting share owner recommendations are described under the heading "2020 Annual Meeting of Share Owners."

Risk Oversight Committee

The Risk Oversight Committee assists the Board in fulfilling its oversight responsibilities with respect to the Company's risk management processes. The Risk Oversight Committee: (a) provides oversight of management's policies and activities relating to the identification, evaluation, management and monitoring of the Company's significant enterprise risks, including the major strategic, operational, financial, regulatory, compliance, cyber security, reporting, reputational, governance and human resources and labor risks inherent in the business of the Company (the "Enterprise Risks"); (b) oversees compliance with legal and regulatory requirements with respect to the conduct of the Company's business, except for those specific compliance matters under the jurisdiction of other Committees of the Board, as determined by the Board; and (c) reports to the Board regarding the Enterprise Risks that have the potential to significantly impact the Company's ability to execute its strategic priorities and achieve its performance goals.

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The Risk Oversight Committee operates under a written charter adopted by the Board that sets forth the specific responsibilities of the Risk Oversight Committee. A copy of the Risk Oversight Committee Charter is available on the “Investors” section of the Company’s website (www.o-i.com) and in print, free of charge, to share owners upon request to the “Corporate Secretary” at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551 2999.

Under the terms of the Risk Oversight Committee Charter, the Risk Oversight Committee (a) reviews and submits for Board approval the Company’s Risk Management Philosophy, Risk Management Policy and Statement of Risk Appetite, as developed by management; (b) reviews management’s processes designed to identify, assess, manage, monitor and report the Company’s significant Enterprise Risks; (c) reviews, monitors and discusses with management the Company’s significant Enterprise Risks and opportunities including steps management is taking to assess and manage such risks and opportunities; (d) reviews the Company’s disclosure of Enterprise Risks in all filings with the SEC (including the Annual Report on Form 10-K); and (e) together with the Audit Committee, reviews, assesses and discusses with the general counsel, the Chief Financial Officer and the independent registered public accounting firm (i) any significant risks or exposures; (ii) the steps management has taken to minimize such risks or exposures; and (iii) the Company’s underlying policies with respect to risk assessment and risk management.

DIRECTOR COMPENSATION AND OTHER INFORMATION

Director Compensation

Prior to 2019, each non-employee director of the Company received an annual retainer of $67,500, paid quarterly. Effective January 1, 2019, the Board approved an increase in the amount of the annual retainer each non-employee director of the Company receives to $72,500. Each non-employee director also receives $2,000 for each Board meeting in which such director participates and for each committee meeting in which such director participates as a member (including as Chair).

The Independent Board Chair receives an annual retainer of $150,000. Prior to 2019, committee chairs received additional annual retainers as follows:

- Audit Committee Chair – $20,000
- Compensation and Talent Development Committee Chair – $15,000
- Nominating/Corporate Governance and Risk Oversight Committee Chairs – $10,000

Effective January 1, 2019, the amount of the annual retainer each committee chair receives was increased to:

- Audit Committee Chair – $25,000
- Compensation and Talent Development Committee Chair – $20,000
- Nominating/Corporate Governance and Risk Oversight Committee Chairs – $15,000

Each non-employee director also receives on the date immediately following the date of the Company's annual meeting of share owners at which directors are elected ("Date of Grant"), a grant of restricted stock units ("RSUs") with respect to a number of shares of Common Stock having a fair market value on the Date of Grant equal to $120,000, rounded up or down to nearest whole share of Common Stock, pursuant to the terms of the applicable Company equity incentive plan. The Board approved the increase of the annual equity award from $120,000 to $125,000 effective in 2019.

In October 2018, the Company's outside executive compensation consultant reviewed the competiveness of the current compensation programs and found them to be below the market median in the value of its equity awards, annual retainer and annual committee chair retainer. Therefore, the Board approved the increases noted above.

The RSUs vest in full on the date of the Company's next annual meeting of share owners at which directors are elected following the Date of Grant ("Normal Vesting Date") or earlier upon a director's termination of service due to death, disability or retirement (after reaching age 60). In addition, upon termination of service for reasons other than death, disability, retirement or removal for cause, the RSUs will vest pro rata on a daily basis based on the number of days of service from the Date of Grant to the Normal Vesting Date. All RSUs are immediately forfeited upon a non-employee director's removal for cause. All RSUs will fully vest upon a change in control. Vested RSUs are paid in shares of Common Stock, on a one for one basis, within 30-days after the Normal Vesting Date, or if earlier, termination of service.

In the event a new non-employee director joins the Board on any date other than the date of the annual meeting of share owners, in addition to the RSU grant described in the previous paragraph, such new non-employee director will also receive on the date immediately following the first annual meeting of share owners at which directors are elected during such director's tenure on the Board an additional grant of RSUs with respect to a number of shares of Common Stock having a fair market value on the date of such grant equal to a pro rata allocation of the dollar amount of the prior year's RSU grant based on the number of days of service in the period from the commencement of such director's service on the Board to the date of such grant, rounded up or down to the nearest whole share of Common Stock.

The Deferred Compensation Plan for Directors of Owens-Illinois, Inc. provides an opportunity for non-employee directors to defer payment of their directors' fees. Under the plan, a non-employee director may defer receipt of all or any portion of the cash portion of the compensation described above. Deferrals may be credited into a cash account or into a Company stock unit account. Funds held in a cash account accrue interest at a rate equal from time to time to the average annual yield on domestic corporate bonds of Moody's A-rated companies, plus one percent. Distributions from the plan are made in cash.

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Each director is reimbursed for expenses associated with meetings of the Board or its committees.

The total compensation earned by non-employee directors in 2018 is reflected in the following table:

DIRECTOR COMPENSATION IN 2018

Name	Fees Earned (1)	Stock Awards (2)	Total
Gary F. Colter(3)	$ 33,107	$ —	$ 33,107
Gordon J. Hardie	107,500	120,000	227,500
Peter S. Hellman	115,500	120,000	235,500
John Humphrey(4)	66,393	120,000	186,393
Anastasia D. Kelly	117,500	120,000	237,500
John J. McMackin, Jr.	99,500	120,000	219,500
Alan J. Murray	133,500	120,000	253,500
Hari N. Nair	132,500	120,000	252,500
Hugh H. Roberts	109,500	120,000	229,500
Joseph D. Rupp(5)	107,500	186,970	294,470
Carol A. Williams	249,500	120,000	369,500
Dennis K. Williams	117,500	120,000	237,500

(1) The cash amounts earned by each director are made up of the following amounts:

Name	Annual Retainer	Annual Committee Chair Retainer(6)	Board Meeting Fees	Committee Meeting Fees	Total
Gary F. Colter	$ 24,107	$ —	$ 5,000	$ 4,000	$ 33,107
Gordon J. Hardie	67,500	10,000	20,000	10,000	107,500
Peter S. Hellman	67,500	—	20,000	28,000	115,500
John Humphrey	43,393	—	15,000	8,000	66,393
Anastasia D. Kelly	67,500	10,000	20,000	20,000	117,500
John J. McMackin, Jr.	67,500	—	22,000	10,000	99,500
Alan J. Murray	67,500	20,000	18,000	28,000	133,500
Hari N. Nair	67,500	15,000	22,000	28,000	132,500
Hugh H. Roberts	67,500	—	22,000	20,000	109,500
Joseph D. Rupp	67,500	—	20,000	20,000	107,500
Carol A. Williams	67,500	150,000	22,000	10,000	249,500
Dennis K. Williams	67,500	—	22,000	28,000	117,500

(2) Amounts reflect the aggregate grant date fair value computed in accordance with Financial Accounting Standard Board ("FASB") ASC 718. Each of the current non-employee directors held 6,296 unvested restricted stock units as of December 31, 2018, with the exception of Mr. Rupp who held 9,810 unvested restricted stock units.

(3) Mr. Colter served as a Director through May 10, 2018.

(4) Mr. Humphrey became a Director on May 10, 2018.

(5) Mr. Rupp became a Director on October 2, 2017. Because he joined prior to the 2018 Annual Meeting of

Share Owners, he received an additional pro-rated equity award of 3,514 restricted stock units.

(6) Includes the IBC Retainer.

Related Person Transactions

Pursuant to written policies and procedures set forth in the Company's Corporate Governance Guidelines, the Company reviews relationships and transactions in which the Company and its directors and executive officers, or their immediate family members, are participants. The Board has delegated initial review of such transactions to the Nominating/Corporate Governance Committee. The Company's Corporate Governance Guidelines provide that the Nominating/Corporate Governance Committee will review and, if appropriate, recommend to the full Board the approval

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or ratification of related party transactions. Pursuant to the Guidelines, the Nominating/Corporate Governance Committee takes into account the following factors: the related person's connection to the Company and interest in the transaction, the approximate dollar value of the transaction, the importance of the transaction to the related person and the Company, whether the transaction would impair the judgment of the director or executive officer to act in the best interests of the Company, and any other appropriate information.

During 2018, the law firm of Williams & Jensen, PLLC, of which director McMackin is a principal, billed the Company approximately $833,000 for legal services in connection with various matters. Williams & Jensen, PLLC is an independently owned, Washington, D.C. law firm with particular expertise in the area of government affairs. Upon the review and recommendation of the Nominating/Corporate Governance Committee, the Board reviewed and approved the Company's 2018 engagement of Williams & Jensen, PLLC at the billing levels indicated above.

Compensation and Talent Development Committee Interlocks and Insider Participation

During 2018, the following directors served on the Compensation and Talent Development Committee of the Board: Gary F. Colter, Peter S. Hellman, Hari N. Nair (Chair), Hugh H. Roberts, Joseph D. Rupp and Dennis K. Williams. No member of the Compensation and Talent Development Committee is a current or former officer or employee of the Company or has any relationship with the Company requiring disclosure under Item 404 or Item 407(e)(4)(iii) of Regulation S K. In addition, no executive officer of the Company served on any board of directors or compensation committee of any other board for which any of the Company's directors served as an executive officer at any time during 2018.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

The Owens-Illinois Compensation and Talent Development Committee ("the Committee") is committed to working with the Board of Directors and management to design compensation plans that motivate the Company's executives and support business objectives that create share owner value. The Company's compensation plans for 2018 follow the same framework used in 2017. The Committee believes that the 2017 structure remains appropriate, supports the Company's business objectives and reflects share owners' interests, as demonstrated by the overwhelmingly strong support (97% approval) from share owners for the Company's advisory vote for Say on Pay received in 2017.

However, following a drop in share owner support for the Company's advisory vote for Say on Pay in 2018 (78% approval), the Company engaged in extensive share owner outreach. While the outreach discussions indicated support for the pay program and identified no fundamental issues, the Committee made two important changes to the Company's compensation plans for the 2019-2021 performance cycle to strengthen the program's ties to performance in general and share owners' interests in particular:

- introduced relative Total Shareholder Return (R-TSR) as a modifier to the performance stock unit payout and
- increased the portion of the target Long Term Incentive ("LTI") value delivered in the form of performance stock units from 50% to 60%.

The Foundation: The Strategic Plan for the Company

The strategic plan for the Company serves as the foundation for its pay program. Following a year when the Company continued to focus on stabilizing the business, the strategy concentrated on one team, one enterprise and one plan. The plan looks to expand the markets in which the Company competes by being recognized as the preferred glass supplier, as well as being the most cost-effective producer of glass. The Company is focusing its employees on understanding customer needs, managing costs of the total enterprise, improving flexibility, taking an integrated approach to problem solving, developing breakthrough innovation, and delivering on its commitments. The Company is doing this by emphasizing collaboration across the Company, leveraging its knowledge and expertise, increasing accountability, and aligning incentives with the right results. The Company believes successful execution along these lines will lead to enhanced value for share owners, customers, and employees.

Linking the Company's Incentives to Its Plan and Share Owner Interests

For the 2018 Short-Term Incentive ("STI") Plan, the Committee maintained the measures of Earnings Before Interest and Taxes ("EBIT") (weighted at 80%) to continue management's focus on profitability, the need to control costs and accountability for delivering financial results, and Free Cash Flow ("FCF") (weighted at 20%) critical for managing the Company's financial obligations, deleveraging its balance sheet, investing in its business, and returning value to share owners. Further, the Committee continued to base the Global Leadership Team's STI Awards on overall enterprise results, reinforcing the Company's strategy of one team, one enterprise and one plan.

For the 2018 LTI Plan, the Committee continued its balanced approach to delivering LTI by awarding 50% of target value in the form of performance stock units and 50% in the form of time-based restricted stock units. The Committee also continued its approach for measuring long-term results associated with the performance stock units, wherein awards are based on the Company's performance for a full three-year period as measured by cumulative Adjusted Net

Earnings Per Share ("EPS") and a three-year average Return on Invested Capital ("ROIC"), weighted equally, maintaining the program's ties to delivering sustained, long-term financial results.

The Committee continued to set reasonably demanding incentive goals for both the STI and LTI plans consistent with the Board's expectations of management and its commitments to share owners. As shown below, our incentive structure is highly motivational and creates share owner alignment.

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Incentive Plan Results: Reflect the Company's Performance

Key Performance Highlights

- Delivered EBIT (as defined on page 28) of $879M, a 10.98% increase over prior year, which fell between the target and maximum performance levels for this STI measure. 1

- Produced FCF (as defined on page 28) of $349M, a 28% increase over prior year, which exceeded the maximum performance level for this STI measure.1

- Increased EPS (as defined on page 33) by approximately 30% over the three year performance period 2016-20182, generating a maximum payout for this measure under the Company's LTI performance stock unit program.

- Achieved ROIC (as defined on page 33) of 10.72%, which significantly exceed the Company's weighted average cost of capital, generating a maximum payout for this measure under the Company's LTI performance stock unit program.

- Returned value to share owners, by initiating a share buyback program and instituting a quarterly dividend beginning in the first quarter of 2019.

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(1) The Committee elected to apply its discretion to reduce the STI payout from 148.6% to 80.0%, as management and the Committee believe this reduction results in a payout more aligned with the underlying operating performance of the Company for the year, while supporting management engagement and recognizing the actual achievement against the performance ranges.
(2) Adjusted to exclude the effect of share buybacks.

These results were reflected in the rewards earned for 2018 under the Company's incentive plans, which required management to meet challenging goals. When approving the STI payout, the Committee considered certain non-budgeted events, including a non-operational tax credit and non-recurring changes in working capital. Considering these factors, based on management's recommendation, the Committee elected to apply its discretion and approve an 80% STI payout. Management and the Committee believe this payout result is aligned with the underlying operating performance of the Company for the year, while supporting management engagement and recognizing the actual achievement against the performance ranges. The Company's actual performance against those goals supported a payout of 148.6% of target as FCF results exceeded our maximum performance objective which was partially offset by EBIT results that were between target and maximum goals.

The Company's executives earned performance stock units for the 2016-2018 period at maximum levels (200% of target), based on strong EPS, ROIC, and revenue performances. The Committee felt that the payout reflected the Company performance for the period, as the Company achieved or exceeded key targets established during the 2016 Investor Day for the 2016-2018 period. In addition, over the preceding three years, the Company increased EPS (as defined on page 33) by approximately 30%. These results were achieved despite significant headwinds, including the effect of unfavorable foreign exchange rates. Overall, these results represented a significant improvement from the inconsistent financial performance achieved prior to the 2016-2018 performance cycle.

These payout levels and the associated stock price movement are consistent with a historical trend of being closely aligned with the returns earned by its investors relative to those of the S&P 500 or its pay benchmarking companies as more clearly seen in the realizable pay and performance analysis covered beginning on page 24.

No Problematic Pay Practices

The Committee regularly monitors the Company's pay practices, which are consistent with good corporate governance and identified best practices. The Committee has established a clawback or recovery policy covering cash and equity incentives. Double triggers have been established for receiving any benefits associated with a change-in-control. The stock ownership guidelines are consistent with those of other large companies and are reinforced by stock holding requirements. The Committee also prohibits executives from hedging and pledging their positions in Owens-Illinois stock, a policy which was strengthened in 2018.

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2019 Say on Pay

The Company's 2019 Say on Pay proposal is found on page 69. The proposal received 78% support from share owners in 2018, down from overwhelmingly strong support (97% in 2017) from share owners in past years. In response to this decline in support, the Company conducted a share owner outreach initiative, wherein it reached out to its top 20 share owners and met with those that expressed interest. While the outreach discussions indicated strong support for the pay program and identified no fundamental issues, the Committee made two important changes to the Company's compensation plans for 2019 to strengthen the program's ties to performance in general and share owners' interests in particular:

§ introduced relative Total Shareholder Return (R-TSR) as a modifier to the performance stock unit payout and
§ increased the portion of the target LTI value delivered in the form of performance stock units from 50% to 60%.

In addition, the Board, at the recommendation of the Committee, amended its Insider Trading Policy in 2018 to prohibit the Company's directors, executive officers and other covered personnel from purchasing company securities on margin, pledging company securities as collateral for a loan, and borrowing against any account in which company securities are held. Prior to this revision, company securities could be pledged with pre-clearance from the Company's General Counsel and notice to the Committee. (None of our named executive officers ("NEOs") or directors had actually pledged shares.)

As a result, the Committee believes the Company's executive compensation program represents share owners' interests in a responsible and reasonable fashion and warrants your support at this year's Annual Meeting.

Compensation Principles

The Committee approves executive compensation programs that are designed to align executive pay with share owner interests and the annual and long term performance of the Company. The Company believes that its executive compensation program strikes the appropriate balance between using responsible, measured pay practices and providing rewards that effectively attract and retain executives while motivating them to create value for the share owners. Key elements of this pay strategy include:

Key Principles of Compensation

- Targeting total direct compensation (overall and by element) for the NEOs at market median pay levels, while also considering internal equity, and regularly evaluating pay versus market practices using comparator company and survey comparisons;
- Ensuring that a majority of target compensation for each NEO is in the form of annual and long-term incentives;
- Analyzing annually the relationship between executive pay and Company performance to ensure alignment; and
- Completing regular risk assessments, taking into consideration the Company's business model, incentive plan design (including mix of incentive vehicles, balance of performance measures, target setting methodology, caps on payouts, etc.) and policies designed to reduce risk (such as share ownership and retention guidelines, clawback policy, and anti hedging and prohibition of pledging policy), among other considerations, to evaluate if the Company's compensation program promotes excessive risk taking.

Say on Pay Vote and Share Owner Outreach

The Committee continues to believe that, overall, the Company's compensation programs are well aligned with both share owners' interests and the competitive market, and are designed to reward overall Company and individual performance. Nonetheless, the Committee and management regularly review compensation programs to ensure such alignment continues and make changes as appropriate or necessary.

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As the Company believes that an annual "Say on Pay" vote encourages beneficial dialogue on compensation and provides the most consistent and clear communication channel for share owner concerns about executive compensation, the Company will again hold an annual advisory vote in 2019 to approve executive compensation. The Committee will continue to consider the results from this year's and future advisory votes on executive compensation. The Company continues to actively engage major share owners and proxy advisory firms, ISS and Glass Lewis, regarding executive pay and its alignment with share owner interests, as well as the preferred frequency in which to conduct the "Say on Pay" vote.

Compensation and Governance Practices

The Company's executive compensation programs are designed to reflect appropriate governance practices aligned with the needs of the business. Below is a summary of compensation practices the Company has adopted to drive performance and to align with share owner interests, followed by a list of practices the Company does not subscribe to because the Company does not believe they would serve their share owners' long term interests.

What the Company Does/Has	What the Company Does Not Do/Have
Aligned Pay and Performance	Excessive Perquisites or Tax Gross ups for Perquisites: See "Other Benefits" for details
Appropriately Demanding Incentive Goals	
Incentive Metrics Aligned with Value Creation Strategy: higher earnings (EBIT and EPS), greater free cash flow, capital efficiency (ROIC) and stock price (equity awards)	Excise Tax Gross Ups upon Change in Control
Balanced Compensation Structure: fixed vs. variable; annual vs. long term; cash vs. stock; service vs. performance based awards	Payment of Dividends or Dividend Equivalents on Unvested LTI awards
Target Market Median Pay Levels based on pay data of Peers and Other Industrial Companies of Similar Size	Repricing of Underwater Stock Options
Compensation Recovery (Clawback) Policy	Single Trigger Change in Control Severance Payments
Stock Ownership and Retention Guidelines	Encourage Excessive Risk Taking
Double Trigger (a change in control and an involuntary termination) Requirement for Equity Vesting	Liberal Share Recycling
Anti-Hedging and Prohibition of Pledging Policy, as well as a Pre Clearance Policy regarding equity transactions	Multi-Year Employment Contracts
Annual Independent Risk Assessment of Compensation Programs	
Annual Review of Independence of Committee's Advisors	
Annual "Say on Pay" Vote	
Independent Compensation and Talent Development Committee	

Relative TSR modifier in the LTI performance stock unit program (beginning in 2019)

Majority (60%) of LTI delivered in performance based awards vs. service based equity (beginning in 2019)

Common Annual Grant Date each Year to Minimize Perception of Market Timing

Protective Noncompete, Nonsolicitation and Confidential Information Covenants Applicable to LTI Awards

One-year minimum vesting requirement for equity awards (with up to 5% of shares being exempt from this requirement)

Non-employee director award limit

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This Compensation Discussion and Analysis describes the material elements of the compensation of the Company's NEOs, the objectives and principles underlying executive compensation programs, the Company's recent compensation decisions, and the factors considered in making those decisions. The Company's NEOs for 2018 were:

Name	Position
Andres A. Lopez	President and Chief Executive Officer ("CEO")
Jan A. Bertsch	Senior Vice President and Chief Financial Officer ("CFO")
Miguel I. Alvarez	President, O-I Americas
Vitaliano Torno	President, O-I Europe
John C. Webb (1)	Senior Vice President and Chief Human Resources Officer
Sergio B. O. Galindo (2)	Former President, O-I North America

(1) Mr. Webb's employment with the Company ended on December 31, 2018.
(2) Mr. Galindo's employment with the Company ended on March 31, 2018.

Assessment of Realizable Pay and Performance

The Committee annually compares the NEOs' realizable pay and the Company's performance to the pay and performance of comparator companies in order to assess the alignment of the Company's pay and performance.

In assessing pay and performance, the Company's independent compensation advisors, Pay Governance, analyzed the Company's 2015-2017 realizable pay and performance relative to comparator companies. Unlike the results reported in the Summary Compensation Table reported on page 41, realizable pay looks at the pay an executive earned or could have earned for a period based on the actual financial performance against the Company's incentive goals and the stock price performance that drove those results (December 31, 2017 stock price). The Committee believes realizable pay is a better gauge for assessing pay and performance than the data found in the Summary Compensation Table, as the Summary Compensation Table definition of total pay includes a mix of some elements that are actual pay, such as salary and annual incentives, and other elements that are accounting estimates of future potential pay, such as performance stock units, restricted stock units and options. Further, annual changes in the discount rate for pension calculations are not part of the pay decisions made by the Committee and may significantly distort pay reported in the Summary Compensation Table and how it relates to the Company's performance.

In assessing realizable pay, the Committee reviewed the actual rewards earned by the CEO and CFO from 2015 to 2017: base salaries received by the executive, annual bonuses earned, vesting date value (as opposed to grant date or accounting value used in the Summary Compensation Table) of time based restricted awards granted during the period, any exercise gains realized on options granted during the period and the value of any long term performance awards made and earned in the three year period. In addition, realizable pay includes the value of any outstanding (unvested, unexercised or unearned) long term incentives awarded during the three year period based on the Company's stock price as of December 31, 2017. The same approach is used to calculate the realizable pay of the CEOs and CFOs at comparator companies. This enables the Committee to compare the Company's realizable pay levels with similar executives at comparator companies. As a result, realizable pay relies on information reported in comparator company proxies, the latest year for which pay is available being 2017.

In addition to assessing the Company's realizable pay levels relative to comparator companies, the Committee also examined the Company's annual and long term performance versus those companies. From a long term performance perspective, the analysis focused on TSR relative to those companies, which captures the principal goal of the Company's long term incentive plans—creating value for investors. As shown in the following two exhibits, the Company's pay program has produced realizable pay levels relative to peers that are directionally and reasonably aligned with the Company's TSR performance relative to those companies.

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(1) Excludes restricted stock award at hiring.

From an annual or short term performance perspective, the Company's performance across several perspectives of EBIT and cash flow performance (growth, percent of revenue and percent of invested capital) was evaluated relative to similar metrics for comparator companies for each year of the past five years. These results captured the key drivers of the Company's STI program, which support the Company's strategic objectives as well as its value creation efforts. The Company's rankings relative to comparator companies across these annual performance metrics were compared to rankings of the cash compensation (salary + actual bonus) earned by the Company's CEO and CFO during the period. As with the Company's realizable pay and TSR comparisons, the Company's annual cash compensation was appropriately aligned with its annual performance rankings relative to peers. When considering financial performance for each of the past five years, the Company's average peer ranking equaled the 40th percentile, comparable to the average cash compensation (salary & bonus) ranking of its CEO (44th percentile) and CFO (42nd percentile).

From these perspectives, the Company believes the pay program produced acceptable outcomes with officers' relative pay levels aligned with its relative annual and long term performance levels, supportive of share owners' interests.

Compensation Benchmarking

While realizable pay examines the alignment of the Company's performance and the pay actually realized or realizable by those results, the Committee also annually reviews the competitiveness of the target pay opportunities provided to the Company's senior leadership team (including the CEO and his key direct reports). This review encompasses all elements of target direct compensation: base salary, annual incentives and cash compensation (base salary + annual incentives), LTI and direct compensation (base salary + annual incentives + LTI). In addition, the review examines the mix of total pay (fixed to variable pay, short to long term compensation and cash to stock compensation) and LTI mix (stock awards versus options and service versus performance based awards). The objectives of this review are to ensure the opportunities associated with the Company's program are aligned with its pay philosophy, which targets market median and also considers internal equity between senior leadership team members.

Market Data

In determining compensation levels for the senior leadership team, the Committee reviews competitive market remuneration data including:

proxies of companies in the comparator group used to benchmark pay (shown below). Proxy data is only considered for the Company's CEO and CFO; and

surveys published by Aon Hewitt, Mercer and Willis Towers Watson, which provide data reflecting the incumbent's functional responsibilities and the appropriate revenue scope (corporate or region) of their operating unit, are used to assess the target compensation for other senior leaders.

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Comparator Group Companies

While there is no other company of comparable size to O-I that also focuses purely on glass container production, the group of comparator companies used to benchmark executive pay practices and pay levels for select officers is selected primarily from companies in the packaging and manufacturing sectors that resemble the Company in size, business profile, global presence, asset intensity, and other relevant factors. After a review of the comparator group companies in 2018, the Committee elected not to make any changes to the comparator group from that used in 2017.

		Dollars in Millions				% Revs.		
Company	Industry	Revs.(1)	Total Assets(1)	Mkt. Cap(2)	Enterp. Value(2,3)	Outside U.S.(4)		# of Emp.
WestRock Company	Paper Packaging	16,285	25,361	9,534	15,329	20	%	45,100
Ingersoll-Rand Plc	Industrial Machinery	15,668	17,915	22,411	25,514	36	%	49,000
The Goodyear Tire & Rubber Company	Tires and Rubber	15,475	16,872	4,756	10,580	57	%	64,000
Parker-Hannifin Corporation	Industrial Machinery	14,302	15,320	19,739	23,861	37	%	57,170
Tenneco Inc.	Auto Parts and Equipment	11,763	13,232	2,215	3,623	62	%	81,000
Ball Corporation	Metal and Glass Containers	11,635	16,554	15,596	21,776	50	%	17,500
Crown Holdings Inc.	Metal and Glass Containers	11,151	15,262	5,620	14,761	73	%	33,000
Dana Holding Corporation	Auto Parts and Equipment	8,143	5,918	1,972	3,797	56	%	30,900
Avery Dennison Corporation	Paper Packaging	7,159	5,178	7,789	9,413	77	%	30,000
Owens Corning	Building Products	7,057	9,771	4,808	8,387	34	%	20,000
Packaging Corporation of America	Paper Packaging	7,015	6,570	7,825	10,033	7	%	15,000
Graphic Packaging Holding Company	Paper Packaging	6,023	7,059	3,302	6,961	14	%	18,000
Sonoco Products Co.	Paper Packaging	5,391	4,583	5,303	6,461	35	%	23,000
Terex Corporation	Construction Machinery and Heavy Trucks	5,125	3,486	2,032	2,840	45	%	11,700
		4,733	5,050	5,467	8,832	49	%	15,500

Sealed Air Corporation	Paper Packaging						
Silgan Holdings Inc.	Metal and Glass Containers	4,449	4,579	2,613	5,361	25%	13,220
Bemis Company, Inc.	Paper Packaging	4,090	3,571	4,178	5,569	33%	15,694
Greif, Inc.	Metal and Glass Containers	3,874	3,195	1,940	2,890	50%	13,000
75th Percentile		11,731	15,306	7,816	13,716	54%	42,075
50th Percentile		7,108	6,814	5,055	8,609	41%	21,500
25th Percentile		5,191	4,700	2,785	5,413	33%	15,549
Owens-Illinois, Inc.	Metal and Glass Containers	6,877	9,699	2,736	8,065	71%	26,500
O-I Percentile Rank		40%	59%	25%	46%	93%	56%

(1) Fiscal 2018 financial data
(2) Data as of December 31, 2018
(3) Enterprise value defined as market capitalization plus total debt plus total preferred equity plus minority interest less cash and short-term investments
(4) Select companies' data represent revenues for sales outside North America

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Compensation Program Overview

Total Direct Compensation

Total direct compensation is the combination of base pay, annual incentive and long term incentives. Although the Company's pay philosophy targets market median, while also considering internal equity, an NEO's total direct compensation opportunity may be higher or lower than the market 50th percentile based on individual performance, experience, past leadership roles, potential future contributions and Company performance. In making compensation decisions, the Committee considers each of these factors and the NEO's total direct compensation to ensure overall alignment with the Company's compensation philosophy and principles.

It is the Company's philosophy that a significant portion of the target compensation opportunity provided to the NEOs be "variable" or "at risk"—based on Company performance and/or the price of the Company's stock. Based on compensation packages in effect on December 31, 2018, the CEO had 87% of his target total direct compensation "at risk" and the other NEOs had approximately 69% of their target total direct compensation "at risk." The Company has no prescribed pay mix that drives compensation decisions. The resulting pay mix is based on the Company's pay philosophy, market pay data used to establish individual executive's compensation and internal equity pay considerations.

The Committee strives to achieve alignment between executive pay and performance by establishing and adhering to a fair and performance oriented rewards philosophy/strategy, setting appropriate performance objectives, and regularly testing the relationship between pay and performance.

Base Pay

The base pay program is designed to ensure the Company's ability to attract and retain key executives. The Committee reviews NEO salaries and pay positioning at least once per year, and may adjust salaries based on several factors, including: current market conditions, Company performance, individual performance, previous experience, potential and the results of benchmarking against market data. Merit pay budgets are set annually based on external labor market trends, business performance, inflation and other pertinent factors. In 2018, the Company's merit budget was 3% for the United States and 1% for Switzerland. After considering the factors listed above, the Committee approved a base pay increase of 5% for Mr. Lopez (to reduce but not eliminate the differences between his salary and the median of the peer group), 3% for Ms. Bertsch and Messrs. Alvarez and Webb and 8% for Mr. Torno (to bring his salary closer to the market median), all effective April 1, 2018. Mr. Galindo was not employed with the Company at the time of the merit increase.

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Short-Term Incentive

The annual incentive is designed to promote the achievement of short term financial results and motivate individual performance.

Measures

The Committee annually reviews the performance measures for the STI each year to ensure they support the Company's ongoing business strategies and reflect the needs of the business as well as drive share owner value. For the 2018 STI, the Committee considered performance against the following measures to determine the awards under the 2017 Incentive Award Plan:

Measure	Weight		Definition
Financial Measures:			
EBIT	80	%	Consolidated earnings from continuing operations before net interest expense and provision for income taxes, excluding charges for asbestos related costs, restructuring, asset impairment and other items that management considers not representative of ongoing operations, and adjusted for changes in foreign currency exchange rates and to exclude the impact of acquisitions and divestitures that occur during the performance period.
FCF	20	%	Cash provided by continuing operating activities less cash payments for property, plant and equipment from continuing operations, adjusted for changes in foreign currency exchange rates and for payments made beyond the Company's annual statutory requirement for pensions that were not included in the Company's budget.

The Committee believes these measures improved the balance between accounting (EBIT) versus value-based metrics (FCF) and reward results within management's control versus those outside their ability to influence. These metrics also aligned with the Company's strategic objectives for 2018 and supported both short- and long-term share owner value creation based on discussions with its investors. In addition, by rewarding the senior leadership team, including Regional Presidents, based on enterprise performance, the senior leadership team is encouraged to leverage one region of the Company to compensate for pressures in another region, for the good of the Company.

While the Company is affected by broader macroeconomic trends, including currency and interest rate shifts, by measuring results on a constant currency basis, management is squarely focused on select key value drivers and delivering steady—and improving—performance on those metrics. The Company bases its incentive programs and sets core operating goals on metrics the executive team can influence and thus create increased long-term share owner value. This design drives motivation and retention despite cost headwinds and other external challenges that may be out of the executive team's control.

Each measure stands alone for payment, so results under one measure can result in payment (up to the established maximum for that metric) even if results under the other measure result in no award.

Determining Performance Targets and Measure Weights

The Committee reviews and approves the financial targets and measure weightings set for the metrics for each plan year after considering the overall Company budget (as approved by the Board of Directors), the state of the industry and other external economic factors for the Company overall. Performance is based on the Company's absolute performance.

When setting the targets for the measures, the Committee considers the assessment prepared by its independent executive compensation consultant, Pay Governance, of the difficulty of its financial goals from various perspectives, including the Company's historic payout results, as well as a comparison of proposed goals versus: previous goals, public guidance, analyst estimates for the Company and its peers, and historic performance of the Company and its peers. The assessment found the Company's goals for 2018 to be challenging, overall.

2018 Performance Results

For 2018, the STI awards for the NEOs were determined by the financial results of the enterprise.

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Based on the targets set and actual achievement against those targets, the Company's performance would have resulted in a payout of 148.6% of target opportunities. However, both the Committee and management believed those results were achieved, in part, because of certain non-budgeted events, including a non-operational tax credit and non-recurring changes in working capital. Based on management's recommendation, the Committee elected to apply its discretion under the STI plan to reduce the payout to 80% of target to reflect these non-budgeted events. Management and the Committee believe this reduction results in a payout that is more aligned with the underlying operating performance of the Company for the year, while continuing to support management engagement and recognizing the actual achievement against the performance ranges.

The performance targets, results, and payouts for the enterprise are as follows (dollars in millions):

Measures:

		Performance Range					
Weight	Measure	Threshold 30%	Target 100%	Maximum 200%	Actual Results	Payout (as % of Target Award)	Weighted Payout (as % of Target Award)
80%	EBIT	$ 740	$ 871	$ 895	$ 879 (1)	135.7%	108.6%
20%	FCF	$ 238	$ 280	$ 310	$ 349 (1)	200.0%	40.0%
					Calculated Payout:		148.6%
					Approved Payout:		80.0%

(1) See Appendix A for a calculation of this measure.

Individual Award Determination

In determining individual payouts, the Committee considers the Company's performance relative to the EBIT and FCF performance targets as well as the individual performance of each NEO. Per the plan's design, payouts based on the Company's achievement of financial performance goals can be adjusted by +/-20% based on each NEO's performance against personal objectives. For the 2018 STI awards, the Committee, with input from the Board of Directors (also the CEO in the case of the other NEO's), did not adjust any of the STI awards for the NEOs based on individual performance.

Individual Target Opportunities and 2018 STI Payouts

Target awards for each NEO are expressed as a percentage of annual earnings based on market competitiveness and considering the Company's overall median pay philosophy. Achievement of threshold financial performance against the performance measures would imply funding of 30% of the target opportunity, while maximum performance would yield a payout of 200% of the target.

Target bonuses are sufficient to produce median cash compensation (salary + annual incentives) if earned, with maximum bonuses capable of producing top quartile pay if maximum performance goals are achieved. If no bonus is paid, pay for the Company's NEOs would rank in the market's bottom quartile on a cash compensation basis.

The individual target opportunities and payouts based on 2018 performance were as follows:

Individual

Annual Earnings		Target %		Target			Approved Payout			Performance Factor			Actual Payout		Actual Payout (% of annual earnings)	
$	987,500	150	%	$	1,481,250	X	80.0	%	X	100	%	=	$	1,185,000	120.0	%
$	685,000	80	%	$	548,000	X	80.0	%	X	100	%	=	$	438,400	64.0	%
$	486,250	65	%	$	316,063	X	80.0	%	X	100	%	=	$	252,850	52.0	%
CHF	550,000	65	%	CHF	357,500	X	80.0	%	X	100	%	=	CHF	286,000	52.0	%
		75	%													
		65	%													

(1) Messrs. Webb and Galindo were not eligible for an STI payout for 2018.

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Payout History

The Company has a history of setting reasonably demanding goals. Over the past five years, STI payouts for the enterprise have ranged from 63% to 145% of target, with an average payout of 96%. Furthermore, the pay and performance analyses of the actual cash compensation earned by the Company's CEO and CFO versus that of their peers has been aligned with the Company's annual financial performance.

Long Term Incentives

Long term incentive compensation is delivered solely in the form of equity. This component of the executive compensation package rewards each NEO's contributions to the Company, provides motivation to achieve the Company goals, builds stock ownership to strengthen the alignment with share owners' interests, drives share owner value over time and is an important retention tool.

Equity Grant Practices

The Committee has established a formal process to govern equity grants. The same process is used for all employees receiving equity grants, including the NEOs. Each December, the Committee is asked to determine the overall pool (dollar value) of equity available for awards during the upcoming year's grant cycle. In making a proposal to the Committee, the Company reviews the prior year grants, current competitive market data, annual share usage and total potential dilution data, as well as each executive officer's overall compensation package in relation to the market.

Once the overall amount of equity available is determined, the CEO makes individual award recommendations for each senior executive. These recommendations are presented to the Committee for review and approval. The Committee works with the executive compensation consultant to determine the grant value for the CEO using the same general criteria.

The Committee set March 7 of each year as the common grant date for annual equity awards. This date falls outside of the quarterly blackout periods prescribed under the Addendum to Insider Trading Policy applicable to all NEOs. In addition, a common grant date for annual grants minimizes the perception of market timing. The Committee retains the discretion to make equity grants off-cycle for situations such as promotions and market compensation adjustments.

LTI Mix

Beginning in 2017, the Committee eliminated stock options from the LTI program, which reduced share usage as well as dilution of share owners' interests. In turn, the Committee adopted a balanced approach to delivering LTI by awarding 50% of target value in the form of performance stock units and 50% in time-based restricted stock units. In 2016, the LTI vehicle mix was 50% performance stock units, 25% restricted stock units, and 25% stock options. Beginning in 2019, the LTI vehicle mix was changed to 60% performance stock units and 40% restricted stock units.

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To determine the number of performance stock units and restricted stock units to grant, 50% of the total LTI award value is divided by the Common Stock price on the date of grant. For example, assuming an overall LTI award with a value of $100,000 and a stock price of $20.00, the number of performance stock units and restricted stock units granted would be calculated as follows:

$$\$100{,}000 \times 50\% = \frac{\$50{,}000}{\$20.00} = 2{,}500 \text{ units}$$

If the performance goals are met at the end of the performance period, performance stock units are paid out in an equivalent number of shares.

Restricted stock units vest 25% on each of the four anniversaries following the grant date.

Also, the value of the shares received from vested performance stock units and restricted stock units is tied to the Company's stock price, which provides share owner alignment. The Committee believes the LTI mix provides a balanced incentive program that also limits compensation plan risk.

Performance stock units have a strong pay for performance orientation and are a large enough portion of overall potential compensation to have a meaningful impact on the NEO's total realized compensation depending on Company performance and total share owner return. The use and overall weighting of performance stock units focus executives on fundamental long term financial goals in addition to stock price performance. Restricted stock units are intended to foster long term retention of the Company's NEOs, while still providing alignment of compensation with share owners. This combination of long term incentive awards, along with the Company stock ownership and retention guidelines (described below), promotes alignment with share owner interests.

Individual Award Opportunities

Each year, the Committee determines an overall equity award, expressed as a dollar amount, based on median market data for each NEO. Individual awards may vary based on performance, leadership, potential, time in the role, internal equity and other relevant factors. When making grant decisions, the Committee focuses on the dollar value of the award for each NEO, and also considers the overall dilutive impact of shares granted to the entire employee population.

Based on the market data, individual and Company performance (including relative share owner return and other relevant metrics) and executive retention concerns, the Committee approved the NEOs receiving equity grants with the following fair market values that approximate market median values and can produce target total direct compensation (salary + target annual incentives + target LTI award value) that also approximates market median:

Name	Grant Value
Andres A. Lopez (1)	$ 5,000,000
Jan A. Bertsch (2)	$ 1,300,000
Miguel I. Alvarez (3)	$ 500,000
Vitaliano Torno (4)	$ 429,000
John C. Webb (5)	$ 1,200,000
Sergio B.O. Galindo (6)	N/A

(1) The grant value for Mr. Lopez increased from $4,660,500 in 2017 to $5,000,000 in 2018 to more closely align the value with the LTI market value for his role and to recognize his performance in the role.
(2) The grant value for Ms. Bertsch remained the same as the prior year as it continued to be aligned with the LTI market value for her role.
(3) The grant value for Mr. Alvarez increased from $425,000 in 2017 to $500,000 in 2018 to more closely align the value with the LTI market value for his role and to recognize his performance in the role.
(4) The grant value for Mr. Torno increased from $400,000 in 2017 to $429,000 in 2018 to more closely align the value with the LTI market value for his role and to recognize his performance in the role.

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(5) The grant value for Mr. Webb reflected the LTI market value for his role.

(6) Mr. Galindo did not receive an LTI award for 2018.

The amount ultimately earned under this plan for restricted stock units will be a result of the performance of the Company's stock. The amount earned for performance stock units will be a result of the performance of the Company's stock as well as the Company's performance against pre established three year financial goals.

Performance Stock Units

Performance stock units reward financial performance of the Company over a three year cycle. The vesting of performance stock units is entirely based on the financial performance of the Company as a whole (total or consolidated O I results), as this increases the focus on long term results that drive share owner value. Grants made in 2016 had a performance cycle of January 1, 2016—December 31, 2018; 2017 grants have a performance cycle of January 1, 2017—December 31, 2019; and 2018 grants have a performance cycle of January 1, 2018—December 31, 2020.

Beginning with grants made in 2017, the Committee changed its approach for measuring long-term results associated with the performance stock units. Prior to 2017, performance stock units were based on performance results in the last year of the performance period. Starting in 2017, awards are based on the Company's performance for the full three year period as measured by cumulative EPS and average ROIC. The Committee believes these changes will enhance the program's ties to delivering sustained, long-term financial results.

Aside from certain exceptions, performance stock units do not vest until the end of the related performance period, subject to achievement of the pre established goals. The performance criteria for each three year performance cycle are approved by the Committee at the grant date.

The performance stock units granted in 2017 and 2018 measure the Company's performance over the three year period based on the measures shown in the following table. The Committee elected to eliminate Organic Revenue Growth (previously weighted 10%) as a metric for performance stock units beginning in 2017 and incorporated growth into the performance goals established for EBIT under the STI plan and EPS under the performance stock unit program.

Measure	Weight		Definition
Three-Year Average Return on Invested Capital ("ROIC")	50	%	EBIT (1), multiplied by one minus the Company's tax rate (excluding items that management considers not representative of ongoing operations), divided by the sum of total debt and total share owners' equity. For the three-year performance period, the Committee elected to hold constant the pension/retiree medical portion of Accumulated Other Comprehensive Income ("AOCI").
Cumulative Adjusted Net Earnings per Share ("EPS") for the Three-Years	50	%	Diluted earnings per share from continuing operations attributable to the Company before items that are not representative of ongoing operations also excluding the impact of acquisitions and divestitures and non-service pension costs.

(1) EBIT not adjusted for foreign exchange.

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The performance stock units granted in 2016 measure the Company's performance over the three year period based on performance in the final year of the period for the measures shown in the following table.

Measure	Weight		Definition
Return on Invested Capital ("ROIC") in Year 3 of the Period	45	%	EBIT (1), multiplied by one minus the Company's tax rate (excluding items that management considers not representative of ongoing operations), divided by the sum of total debt and total share owners' equity. For the three year performance period, the Committee elected to hold constant Accumulated Other Comprehensive Income ("AOCI", which includes effects of currency and pension asset/liability changes).
Adjusted Net Earnings per Share ("EPS") in Year 3 of the Period	45	%	Diluted earnings per share from continuing operations attributable to the Company before items that are not representative of ongoing operations also excluding the impact of acquisitions and divestitures and non-service pension costs.
Organic Revenue Growth in Year 3 of the Period	10	%	Consolidated net sales adjusted to exclude the impact of acquisitions and divestitures as well as the impact of changes in foreign currency exchange rates.

(1) EBIT not adjusted for foreign exchange.

The Committee excludes certain items from determining the Company's performance relative to its performance stock unit metrics: changes in AOCI, non service pension costs, impact of acquisition/divestitures and changes in foreign currency exchange rates for organic revenue growth only. The exclusion of these items provides a more reasonable assessment of the Company's performance and management's success in meeting the Committee's objectives.

For grants made in 2016, the threshold, target and maximum values for the performance criteria were determined considering the Company's true cost of capital and historical performance. For grants made in 2017 and 2018, the threshold, target and maximum values for the performance criteria were determined considering the Company's expected growth rates. When setting the targets, the Committee's independent compensation advisor conducts a difficulty assessment from various perspectives, including the Company's historic payout results, as well as a comparison of proposed goals versus: previous goals, public guidance, analyst estimates, historic performance, peer historic performance and analyst estimates for peers.

No award is earned if performance against each of the measures is below the threshold performance level relative to the targets established by the Committee for the three year period. If performance for a given measure meets or exceeds the threshold level, NEOs can earn from 30% to 200% of target for the measure. The Committee reviews audited financial results prior to determining the amount of any award earned under this plan, and there is no discretion applied to individual payout amounts.

Performance Stock Unit 2016—18 cycle results

For the 2016 2018 performance cycle, EPS, ROIC, and Organic Revenue Growth performance exceeded the maximum payout level. The total performance stock unit payout was 200%.

Performance Range	Payout	Weighted Payout (as % of

	Weight	Threshold 30%	Target 100%	Maximum 200%	Actual Results		(as % of Target Award)	Target Award)
ROIC	45 %	7.60 %	9.90 %	10.30 %	10.72 %	(1)	200 %	90 %
EPS	45 %	$ 2.15	$ 2.17	$ 2.21	$ 2.71	(1)	200 %	90 %
Organic Revenue Growth	10 %	$ 6,742	$ 6,839	$ 6,888	$ 6,903	(1)	200 %	20 %
Total Payout (as % of Target Award)								200 %

(1) See Appendix A for a calculation of these measures.

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Performance Stock Unit Payout History

Since the Company's Performance Stock Units are truly performance based, the target levels established at the beginning of each performance period represent goals that are challenging to achieve and incentivize improvement over prior years. For EPS and Revenue measures, threshold performance is set considering prior period's actual performance level, so payout is impacted if performance declines. For ROIC, threshold performance is set at the prior period's weighted average cost of capital (WACC), so no payout is generated unless the Company is creating value for share owners. Over the past five years, Performance Stock Unit payouts have ranged from 29% to 200% of target, based on the actual performance levels achieved. The payout average over the past five years was 96%.

Double Trigger Change in Control Vesting for Equity Awards

The Company requires a "double trigger," or both a change in control and an involuntary termination in order for equity awards to vest under the Company's broad based equity plan.

Stock Ownership and Share Retention Guidelines

The Company has stock ownership and retention guidelines for all of the NEOs, with the objective of better aligning executives' interests with those of share owners.

The guidelines are as follows:

- CEO—5 times base salary
- Senior Business / Function Leaders—2.5 times base salary
- Other Key Leaders (as designated by CEO)—1.5 times base salary

The guidelines state that the targeted level of ownership must be achieved within five years of the time the individual becomes subject to the guidelines. Under these guidelines, shares owned outright, outstanding restricted stock/units, performance stock units (at target) and 401(k) holdings all count as shares owned. In addition, the Committee has share retention guidelines. These guidelines state that until the stock ownership guidelines are met, NEOs are required to retain 75% of the "net profit shares" acquired from option exercises, or vested restricted stock units or performance stock units. Net profit shares are those shares remaining after payment of tax obligations and, if applicable, option exercise costs.

The Committee reviews ownership levels for executive officers on an annual basis. Failure to comply with the stock ownership and retention guidelines may result in delays in promotions and/or future compensation increases.

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Ownership achievement against guidelines is measured on June 30 each calendar year, based on a 200 day moving average of the stock price. For the 2018 review, all of the NEOs met or significantly exceeded their ownership guidelines, as shown below:

	Expected Ownership Level (as a multiple of salary)	Actual Ownership Level June 30, 2018 (as a multiple of salary)
Andres A. Lopez	5.0 × salary	15.4 × salary
Jan A. Bertsch	2.5 × salary	11.3 × salary
Miguel I. Alvarez	2.5 × salary	3.5 × salary
Vitaliano Torno	2.5 × salary	3.2 × salary
John C. Webb	2.5 × salary	2.5 × salary
Sergio B.O. Galindo(1)		

(1) Mr. Galindo was not employed with the Company at the time of the review.

Anti Hedging and Pledging Policies

The Company’s Addendum to Insider Trading Policy prohibits the Company’s directors, executive officers and other covered personnel from hedging their ownership of Company stock, including trading in publicly traded options, puts, calls, or other derivative instruments related to Company stock or debt. The Board, upon recommendation from the Committee, amended its Insider Trading Policy in 2018 to prohibit the Company's directors, executive officers and other covered personnel from purchasing company securities on margin, pledging company securities as collateral for a loan, and borrowing against any account in which company securities are held. Prior to this revision, company securities could be pledged with pre-clearance from the Company's General Counsel and notice to the Committee. (None of the NEOs or directors had actually pledged shares.)

Compensation Recovery (Clawback) Policy

The Company’s Compensation Recovery Policy allows the Company to recoup cash and equity incentive compensation that was granted, received, vested or accrued during the prior three year period and based on inaccurate financial performance resulting in a restatement of results, regardless of fault. This policy applies to any current or former officer of the Company or any of its subsidiaries who report or reported to the CEO.

Risk Assessment

The Committee conducts an annual assessment of the Company’s executive compensation practices and the relationship between its executive compensation program design and organizational risk. Relative to last year, the Company made no changes to its executive incentive plans in 2018. As a result, the assessment of the risk taking associated with the Company’s executive incentive plans has not changed from last year (which found there were no material risks with the Company’s program), and the risk assessment concluded that the Company employed no executive compensation practices in relation to organizational risk that would cause significant share owner concern.

The Company also conducted an enterprise risk assessment of its compensation programs and policies from legal, human resources, auditing and risk management perspectives, the results of which were reviewed and discussed with the Committee. Based on both of these assessments, the Company concluded that its compensation programs and practices are not reasonably likely to have a future material adverse effect on the Company. In reaching this conclusion, the Company took into account several items that mitigate the Company's level of risk exposure.

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Risk Mitigation Measures

- The Company's business model and related incentive plans are generally consistent across all of its regions; none contributes more than half of the Company's revenues or operating profits;
- The Company's pay mix is generally consistent with peer practices;
- There is a direct cap on payouts (200% of target for STI and performance stock units) and the Committee has the ability to adjust performance goals and bonus payouts to help limit risk;
- The Company's incentive plans incorporate multiple performance measures that balance growth, profitability, cash generation and capital efficiency;
- Target setting considers internal budgeting and external market factors;
- Multiple LTI equity vehicles, stock ownership guidelines and share retention requirements align the interests of NEOs and share owners;
- The compensation recovery (clawback) policy that allows the Company to recoup cash and equity incentive compensation that was earned based on inaccurate financial performance resulting in a restatement of results, regardless of fault;
- The Company has double trigger change in control vesting for equity awards;
- An anti-hedging and prohibition of pledging policy helps prevent material adverse risk; and
- The Committee regularly reviews executive stock ownership, plane usage and other governance policies that promote share owner interests.

Regulatory Considerations

The Company's incentive compensation programs have been designed and administered in a manner generally intended to preserve federal income tax deductions. However, the Committee considers the tax and accounting consequences of utilizing various forms of compensation and retains the discretion to pay compensation that is not tax deductible or could have adverse accounting consequences for the Company.

Executive Severance Policy

All NEOs are eligible for severance under the Company's Executive Severance Policy ("the Policy") in the event that the executive is terminated without cause at any time, or if during the 24-month period following a change in control (as determined under the 2005 Incentive Award Plan) he or she terminates for "good reason" (as defined in the Policy).

Upon a qualifying termination under the Policy, an eligible executive will receive a lump sum severance benefit equal to two times his or her base salary and target bonus, plus continued health benefits at the active employee cost for 24 months. If the provision of health benefits, however, would cause a negative tax consequence for the Company under the Affordable Care Act, then the Company will pay the executive the value of the health benefits in cash. Executives will also be entitled to standard outplacement benefits offered by the Company from time to time.

If the severance benefits, along with any other payments occurring in connection with a change in control, were to cause the executive to be subject to the excise tax provisions of Sections 4999 of the Internal Revenue Code, then the amount of the severance benefits will either be reduced, such that the excise tax would not be applicable, or the executive will be entitled to retain his or her full severance benefits (with the executive responsible for paying any tax obligations), whichever results in the better after tax position to the executive.

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In exchange for being eligible for the severance benefits under the Policy, an executive must enter into a restrictive covenant agreeing not to compete with the Company or solicit the Company's employees for a period of three years following termination of employment for any reason, as well as not to disclose confidential information or disparage the Company. An executive must sign a release of claims before receiving any severance under the Policy. If the executive is a party to an agreement providing severance benefits, he or she will receive benefits under either the Policy or such other agreement, whichever provides the greater benefit, but may not receive severance under both.

Health and Welfare and Retirement Benefits

The Company maintains a comprehensive health and welfare benefits plan for all its U.S. based employees. The benefits offered to U.S. executive officers under this plan are essentially the same as those offered to all U.S. based salaried employees of the Company.

The Company also maintains supplemental universal life insurance benefits for its designated executives prior to 2006, including Messrs. Lopez and Torno. Six months and one day after retirement, the paid up policy is distributed to the NEO. The retiring NEO also receives a tax reimbursement for the value of the policy, based on the terms established prior to 2006. In 2006, the Company closed this plan to new entrants. As such, Ms. Bertsch and Messrs. Alvarez and Webb are covered by a term life policy. The term life policy may be converted, at the participant's expense, to an individual policy upon termination or retirement, subject to the terms and conditions of the insurance company.

The Owens Illinois Salary Retirement Plan (a defined benefit pension plan) was closed to new entrants after December 31, 2004. Also effective December 31, 2004, the Company changed the way that benefits can be paid for active participants. Benefits accrued at December 31, 2004 are eligible to be paid in a lump sum upon retirement at the option of the participant. Benefits accrued post December 31, 2004, however, are eligible to be paid only on an annuity basis. The Owens Illinois Salary Retirement Plan was frozen as of December 31, 2015. Participants maintain benefits accrued as of the freeze date, but will not accrue additional benefits beyond the freeze date. Also effective December 31, 2015, the lump sum payment option will now apply to the total accrued benefit for active and deferred vested participants who commence their benefit on January 1, 2016 or later.

As a U.S. tax qualified plan, benefits under the Owens Illinois Salary Retirement Plan are limited by IRS regulations. For those U.S. employees who earn compensation in excess of IRS limits, the Company maintains an unfunded Supplemental Retirement Benefit Plan ("SRBP"). This plan allows for benefits in excess of the IRS limits to be accrued and paid to participants upon retirement. In this way, it enables participants to earn the same retirement benefits (as a percentage of income) as other associates who earn compensation below the IRS limits. As a non qualified plan, all payments are made in a lump sum out of the general assets of the Company.

Mr. Lopez is a participant in the International Pension Plan, as he was employed abroad during a portion of his career with O-I. The International Pension Plan provides him with a retirement benefit equal to that provided under the O-I SRBP. The plan was frozen as of December 31, 2015. Participants maintain benefits accrued as of the freeze date, but will not accrue additional benefits beyond the freeze date.

Mr. Torno is eligible for benefits under the Swiss Pension Plan. This pension plan is part of a fully insured collective foundation that provides occupational pension benefits. The benefits are provided under a cash balance structure, meaning each participant has an account balance that will increase with annual savings credits and a guaranteed interest credit each year. At hire, participants transfer their vested benefits from their previous employers into the account and may buy-back additional benefits during a certain year (subject to some limits). The savings credits increase with age as a percentage of insured salary. The pension plan also provides protection against disability, death and longevity risks.

The Stock Purchase and Savings Program ("SPASP") is a defined contribution plan provided under Section 401(k) of the Internal Revenue Code. Contributions to the plan are subject to annual limits established by the IRS. While employees may direct their own contributions into a number of provided investments, the Company match of 50% of an eligible participant's contribution up to the first 10% of the participant's base salary plus annual incentive (up to the IRS maximum recognizable compensation level) is made in Company common stock. The match is immediately vested, and participants can move the match out of Company common stock, and into any of the other investments, at any time, subject to blackout periods and other trading window restrictions. The Company also makes a contribution of 3% of base salary to the SPASP each payroll period, which is invested in the same investment options selected by the participants for their own contributions.

For those U.S. employees who are limited in the amount that they may defer to the qualified SPASP due to the IRS limits and who meet certain base pay requirements, the Company maintains an unfunded Executive Deferred Savings Plan

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("EDSP"). This plan allows for deferrals on a pre tax basis. The investment funds available are the same as those in the SPASP.

Other Benefits

The Company provides limited perquisites to the NEOs that the Committee has determined to be competitive with the practices of the comparator group companies. These perquisites include an annual executive physical and reimbursement for financial planning and tax preparation services up to $15,000 per year. Mr. Lopez is also eligible for restricted personal use of the Company aircraft (up to 50 hours per year). Mr. Torno receives a leased vehicle as part of his Swiss compensation package. Mr. Alvarez received benefits under the Company's permanent transfer policy in connection with his move to the United States from Brazil, as well as relocation benefits (including certain tax gross-ups) in accordance with the Company's standard relocation policy in connection with his move from Florida to Ohio.

The following tables show the benefits and perquisites available to each NEO in 2018:

Company Benefits & Perquisites U.S. Executives	Value Provided by the Company	Lopez	Bertsch	Alvarez	Webb	Galindo
Health & Welfare						
Health, Dental, Vision, Short- & Long-Term Disability	Comprehensive coverage	X	X	X	X	X
Retiree Medical		X				
Supplemental Universal Life (hired prior to 2006)	3x Base Salary	X				
Supplemental Term Life (hired after 2006)	3x Base Salary		X	X	X	X
Retirement—Qualified						
Salary Retirement Plan (DB1)3	1.212% × Pay4 × Service + 0.176% × Pay5 × Service	X				
Stock Purchase & Savings Program (DC2)	3% Base Salary6	X	X	X	X	X
Stock Purchase & Savings Program (DC2)	50% up to first 10% Base Salary + annual incentive8	X	X	X	X	X
Retirement—Non-Qualified						
Supplemental Retirement Benefit Plan (DB1)	1.212% × Pay4 × Service + 0.176% × Pay5 × Service	X				
Unfunded Executive Deferred Savings Plan (DC2)	Defer up to 100% Base Salary with Interest7	X	X	X	X	X
Unfunded Executive Deferred Savings Plan (DC2)	3% Base Salary6	X	X	X	X	X
Unfunded Executive Deferred Savings Plan (DC2)	50% up to first 10% Base Salary + annual incentive8	X	X	X	X	X

Perquisites						
Financial Planning & Tax Preparation	Up to $15,000 per year	X	X	X	X	X
Physical Examination	Up to $3,600 per year	X	X	X	X	X
Personal Aircraft Usage	Up to 50 hours per year9	X				

Company Benefits & Perquisites Swiss Executives	Value Provided by the Company	Torno
Health & Welfare		
Supplemental Universal Life (hired prior to 2006)	$200,000 death benefit	X
Retirement		
Swiss Pension Plan (DB1)10		X
Perquisites		
Leased Automobile		X
Financial Planning & Tax Preparation	Up to $15,000 per year	X
Physical Examination	Up to $3,500 per year	X

(1) DB = Defined Benefit (e.g., pension plan)
(2) DC = Defined Contribution (e.g., 401(k) plan)
(3) Defined benefit pension plan was closed to new entrants after December 31, 2004, but participants continued to accrue benefits through December 31, 2015. Mr. Lopez's Salary Retirement Plan benefit is based on his service from July 1, 2004 through July 1, 2009, which represents the time period that he was employed in the U.S. and covered under the qualified plan. Service for Mr. Lopez's International Pension Plan benefit is from January 30, 1986 through December 31, 2015, which represents his original hire date with the Company, and provides him with a retirement benefit equal to the O-I SRBP, and includes US and non-US pay and service. The value of this benefit is shown as his SRBP.
(4) Pay = average annual earnings for high three years of salary plus annual incentive (if applicable)
(5) Pay = average annual earnings above the Social Security wage rate at retirement

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(6) The Company contributes 3% of the participant's base salary plus annual incentive (up to the IRS maximum recognizable compensation level) to the qualified Stock Purchase & Savings Program. The Company contributes 3% of the participant's base salary plus annual incentive in excess of the IRS maximum recognizable compensation level to the non qualified Executive Deferred Savings Plan.
(7) For deferrals prior to January 1, 2009, interest is compounded monthly with annual rate equal to average annual yield on domestic corporate bonds of Moody's A rated companies. For deferrals after December 31, 2008, accounts are credited with performance equivalent to the performance of the funds available under the Company's qualified 401(k) plan based on individual investment elections.
(8) The Company matches 50% of the participant's contribution to the Stock Purchase & Savings Program up to the first 10% of the participant's base salary plus annual incentive (up to the IRS maximum recognizable compensation level). The Company matches 50% of the participant's contribution up to the first 10% of base salary plus annual incentive in excess of the IRS maximum recognizable compensation level to the non qualified Executive Deferred Savings Plan.
(9) Pursuant to Board policy, for security reasons and to support efficient travel and maximize productivity, the Company's CEO generally uses the Company aircraft for both business and personal travel. Personal use of the aircraft is limited to 50 hours per year.
(10) Cash balance occupational benefits plan as required per Swiss pension laws.

Due to existing contractual arrangements, Mr. Lopez remains eligible for a tax gross up on the annual economic value of an executive life insurance benefit. No other NEOs are eligible for gross-ups on these benefits. The Committee previously reviewed Mr. Lopez's and other grandfathered exexutive's eligibility for gross-ups and determined that it was not in the share owners' best interest to incur the costs to eliminate these contractually based benefits.

The Company previously eliminated all tax gross ups on taxable perquisites, including the personal use of Company aircraft and financial planning services.

Roles and Responsibilities

There are many inputs to the executive compensation process, as well as the appropriate governance and compliance mechanisms. In general, the Committee has primary responsibility for discharging the Board's responsibilities relating to compensation of the Company's executive officers. When appropriate, the Committee holds executive sessions without management present (including the CEO). See description of the Committee above under the heading "Board and Committee Membership."

Executive Compensation Consultant

To assist the Committee in carrying out its duties and responsibilities, the Committee engages the services of an executive compensation consultant. The consultant provides the Committee with competitive market compensation data for senior executives and information on current issues and trends on executive compensation program design and governance; advises the Committee on the overall design and implementation of the Company's executive compensation programs, and provides various analyses related to incentive plan structure and award levels; assists with proxy disclosure requirements; and provides ongoing advice to the Committee on regulatory and other technical developments that may affect the Company's executive compensation programs.

For 2018, the Committee continued to engage Pay Governance as its executive compensation consultant. The Company does not engage Pay Governance or any of its affiliates with respect to any other consulting services.

During 2018 specifically, the compensation consultant supported the Committee by: (i) reviewing the comparator group used by the Committee for benchmarking; (ii) providing competitive market data on compensation for executives covered by the Committee's charter; (iii) analyzing the historical alignment of the Company's pay and performance versus the comparator group; (iv) providing advice with respect to executive compensation matters, including annual and long term incentive plan design, difficulty of the Company's incentive plan goals, share utilization, pay mix as well as the impact of mergers, acquisitions, divestitures and other extraordinary items on the Company's incentive goal achievement; (v) assisting the Company and Committee in considering and designing changes to the pay program; (vi) conducting a risk assessment of the Company's compensation practices, as discussed previously; (vii) assisting the Company in its proxy disclosure, its Say on Pay proposal, development of its new equity plan for share owner approval and outreach to proxy advisors; (viii) advising the Committee about regulatory and legislative updates as well as market trends; (ix) assessing the competitiveness of the Company's pay program for directors and proposing appropriate changes and (x) participating in the Committees meetings during the year.

In its capacity as the executive compensation consultant to the Committee, the consultant reports directly to the Committee and the Committee retains sole authority to retain and terminate the consulting relationship. In carrying out its responsibilities, the executive compensation consultant will typically collaborate with management to obtain data, provide background on program history and operation, and clarify pertinent information. Working under the Committee's

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direction, both the Committee and management will review and discuss key issues and alternatives during the development of recommendations and prior to presentation for final approval.

The Committee also reviewed the nature of and extent of the relationship between the Committee, the Company and its compensation consultant and the individuals at the consulting firm providing advice to the Committee and the Company with respect to any potential conflicts of interest. The Committee considered the following six factors in its evaluation:

- provision of other services by the consulting firm;
- amount of fees paid by the Company to the consulting firm, and those fees as a percentage of total revenue paid to all affiliates;
- the policies and procedures that each consultant has in place to prevent conflicts of interest;
- any business or personal relationships of the consultant with any members of the Committee;
- any Company stock held by any of the individual consultants responsible for providing compensation advice to the Committee; and
- any business or personal relationships between Company executives and the compensation consulting firm.

Based on that review, the Committee believes that there are no conflicts of interest or potential conflicts of interest that would unduly influence Pay Governance's ability to provide the Committee candid, direct and objective advice that is independent of management, and that the advice received by the Committee is not influenced by any other economic relationship that either firm, or any of the individuals at either firm responsible for providing compensation advice to the Committee, has with the Company. To ensure ongoing independence and objectivity of advice, the executive compensation consultant:

- is engaged by and reports directly to the Committee and its Chair;
- can be terminated only by the Committee or its Chair;
- meets as needed with the Committee in executive sessions that are not attended by any of the Company's officers;
- has direct access to all members of the Committee during and between meetings;
- does not permit the individuals responsible for providing compensation advice to the Committee to act as the client relationship manager of his/her firm with regards to other business for the Company; and
- cannot directly, or indirectly, through a member of the consulting team, participate in any activities related to other consulting services provided to the Company.

Chief Executive Officer

The Company's CEO attends Committee meetings and is responsible for providing relevant input on the compensation elements of the executive officers, including individual performance input, and making specific recommendations on base salaries, annual and long term incentives and promotions.

The CEO is also responsible for discussing the key business drivers behind the executive compensation results, including the establishment of the plan metrics, and periodically discussing the results achieved against those metrics. The CEO is excluded from executive sessions and from discussions involving his compensation.

Senior Vice President, Chief Strategy and Integration Officer

The Senior Vice President and Chief Strategy and Integration Officer is responsible for coordinating Committee activities including: proposing meeting agendas based on the Committee's planning calendar and decision making responsibility; arranging for meetings outside of the normal meeting cycle as appropriate; assisting with the coordination of the work done by the Committee's executive compensation consultant; and preparing appropriate materials for review by the Committee. The Chief Strategy and Integration Officer follows up on meeting action items and other assignments from the Committee and is available for consultation with the Committee as needed.

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In this role, the Chief Strategy and Integration Officer normally consults with the Chief Executive Officer, Chief Financial Officer, and General Counsel and Corporate Secretary. Each may be asked to prepare information for Committee review, attend Committee meetings as appropriate, and provide relevant background information for inclusion in Committee materials.

Other Executive Officers

The Company's Chief Financial Officer prepares and provides all financial results to the Committee as necessary to determine achievement against goals in the various incentive compensation plans. At the Committee's request, the Chief Financial Officer provides commentary, discusses overall results providing appropriate information relative to achievement (or under or over achievement as may be the case), and plays a role in development of the goals presented for approval in incentive compensation plan design.

The General Counsel and Corporate Secretary participates in Committee meetings and is responsible for providing relevant legal advice to the Committee on its executive compensation plans, and ensuring compliance with all appropriate regulations, including SEC and IRS regulations, that impact executive compensation. The General Counsel and Corporate Secretary also takes appropriate minutes to preserve a record of discussion and actions.

When appropriate, the Committee engages the services of outside legal counsel for providing advice where regular internal Company counsel may have conflicts.

Compensation and Talent Development Committee Report

The Compensation and Talent Development Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S K with management. Based on such review and discussions, the Compensation and Talent Development Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10 K for the year ended December 31, 2018.

Hari N. Nair, Chair

Peter S. Hellman

Hugh H. Roberts

Joseph D. Rupp

Dennis K. Williams

2018 Summary Compensation Table

	Option	Non-Equity Incentive Plan	Change in Pension Value and Non-Qualified Deferred Comp	All Other

ame and incipal osition	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Awards ($)(2)	Compensation ($)(3)	Earnings ($)(4)	Compensation ($)(5)	Total ($)
ndres A. opez esident d Chief xecutive fficer	2018	$ 987,500	$ —	$ 5,000,014	$ —	$ 1,185,000	$ —	$ 328,445	$ 7,500,95
CEO")	2017	925,000	—	4,660,651	—	1,601,730	486,039	420,544	8,093,96
	2016	850,000	—	2,906,260	968,749	1,767,150	255,613	190,734	6,938,50
n A. ertsch enior ce esident	2018	$ 685,000	$ —	$ 1,299,980	$ —	$ 438,400	$ —	$ 98,285	$ 2,521,66
d hief nancial fficer	2017	665,000	—	1,300,006	—	614,141	—	96,933	2,676,08
CFO")	2016	650,000	—	974,999	325,000	720,720	—	64,216	2,734,93
iguel I. varez esident, -I	2018	$ 486,250	$ —	$ 500,006	$ —	$ 252,850	$ —	$ 341,980	$ 1,581,08
mericas	2017	437,917	—	425,006	—	328,595	—	406,088	1,597,60
	2016	380,467	—	337,498	112,499	342,762	—	297,702	$ 1,470,92
taliano orno (6) esident, -I	2018	$ 563,403	$ —	$ 429,005	$ —	$ 292,970	$ 383,367	$ 38,913	1,707,65
urope	2017	524,018	—	402,005	—	393,202	367,167	37,699	1,724,09
	2016	507,305	—	258,439	86,149	457,031	250,635	37,699	$ 1,597,25
hn C. ebb enior ce esident d Chief uman esource fficer	2018	$ 611,250	$ —	$ 1,200,005	$ —	$ —	$ —	$ 106,757	1,918,01
									$ —
ergio B. alindo ormer esident, -I North merica	2018	$ 105,000	$ —	$ —	$ —	$ —	$ —	$ 1,599,774	1,704,77

(1) Amounts in this column reflect the grant date fair market value of restricted stock units and performance stock units granted in the year indicated as computed in accordance with FASB ASC 718. For a discussion of the assumptions made in the valuation reflected in this column, See Note 15 to the Consolidated Financial Statements for 2018 contained in the Annual Report Form 10 K filed with the SEC on February 14, 2019.

In the event the performance stock units pay out at maximum value, the total grant date values for grants of restricted stock units and performance stock units are:

For Mr. Lopez for 2018, $7,500,021; 2017, $6,910,655; 2016, $4,843,767.

For Ms. Bertsch for 2018, $1,949,970; 2017, $1,950,009; 2016, $1,624,994.

For Mr. Alvarez for 2018, $750,009; 2017, $637,510, 2016, $562,497.

For Mr. Torno for 2018, $643,507; 2017, $603,007; 2016, $430,731.

For Mr. Webb for 2018, $1,800,008. Mr. Webb forfeited all the restricted stock units and a portion of the performance stock units upon his termination.

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Mr. Galindo did not receive stock awards in 2018.

(2) Amounts in this column reflect the grant date fair market value of options granted in the year indicated as computed in accordance with FASB ASC 718. Beginning in 2017 the Company stopped granting options.
(3) Amounts in this column reflect STI awards made pursuant to the 2005 Incentive Award Plan (for 2016 and 2017) and to the 2017 Incentive Award Plan (for 2018). Messrs. Galindo and Webb were not eligible for an STI award for 2018.
(4) Amounts in this column reflect the increase in the present value of the accumulated benefits under the following: Mr. Lopez—the Salary Retirement Plan, the Supplemental Retirement Benefit Plan, and the International Pension Plan; Mr. Torno – the Swiss Pension Plan. For 2018, the pension value actuarially decreased for Mr. Lopez, however is shown here as zero, consistent with reporting guidelines.

The Company closed participation to the Salary Retirement Plan and the Supplemental Retirement Benefit Plan effective December 31, 2004. As a result, Ms. Bertsch and Messrs. Alvarez, Webb and Galindo do not participate in these plans.

The Salary Retirement Plan and the International Pension Plan were frozen as of December 31, 2015. Participants maintain benefits accrued as of the freeze date, but will not accrue additional benefits beyond the freeze date.

The Company's NEOs did not accrue any preferential or above market earnings on their non-qualified deferred compensation.

(5) All other compensation for 2018 is summarized below:

	Executive Life Insurance Premium (a)	Personal Use of Company Aircraft (b)	Company Contributions to Qualified Stock Purchase & Savings Program (c)	Company Contributions to Non- Qualified Executive Deferred Savings Program (d)	International Assignment / Relocation (e)	Payments in Regard to Termination of Employment (f)	Other Miscellaneous Income (g)	Tax Payments (h)	Total
res A. ez	$ 10,738	$ 142,671	$ 20,500	$ 137,795	$ —	$ —	$ 7,096	$ 9,645	$ 328,44
A. sch	4,355	—	20,500	65,090	—	—	8,340	—	$ 98,285
uel I. rez	3,091	—	17,736	37,198	134,000	—	4,663	145,293	$ 341,98
iano o	4,458	—	—	—	—	—	34,455	—	$ 38,913
C. b	3,901	—	20,500	37,616	25,000	—	19,740	—	$ 106,75
io B. ndo	684	—	6,650	2,800	50,878	1,386,000	10,257	142,506	$ 1,599,

(a) For Mr. Lopez, this amount is attributable to premiums paid during 2018 by the Company in connection with life insurance policies issued pursuant to the Owens Illinois Executive Life Insurance Plan and participation agreements entered into with the Company. For Mr. Torno this amount represents actual premium payments for executive life insurance policy with death benefits of $200,000. For the other NEOs, the amounts represent the actual premium payments for executive life insurance policies with a face value equal to three times base annual salary for the NEO plus $60,000 for accidental death and dismemberment coverage.

(b) The amount shown in this column represents the variable costs for personal use of Company aircraft by the NEOs. Variable costs were calculated based on a methodology that reflects average costs of operating each aircraft, such as fuel costs, trip related maintenance, crew travel expenses, trip related fees and storage costs, on board catering and communications charges, and other miscellaneous variable costs. Since the aircraft are used primarily for business travel, fixed costs that do not change based on usage such as pilot compensation, the purchase or lease costs of the aircraft, and maintenance not related to travel are excluded.

(c) The amount shown in this column for Ms. Bertsch and Messrs. Lopez and Webb represents the Company match of $12,250 plus the 3% Company base salary contribution of $8,250 to the qualified Stock Purchase & Savings Program.

The amount shown in this column for Mr. Alvarez represents the Company match of $9,486 plus the 3% Company base salary contribution of $8,250 to the qualified Stock Purchase & Savings Program.

The amount shown in this column for Mr. Galindo represents the Company match of $3,500 plus the 3% Company base salary contribution of $3,150 to the qualified Stock Purchase & Savings Program.

As Mr. Torno is based in Switzerland, he is not a participant in these plans.

(d) The amount shown in this column for Mr. Lopez represents the Company match of $116,420 plus the 3% Company base salary contribution of $21,375 to the nonqualified Executive Deferred Savings Plan.

The amount shown in this column for Ms. Bertsch represents the Company match of $52,790 plus the 3% Company base salary contribution of $12,300 to the nonqualified Executive Deferred Savings Plan.

The amount shown in this column for Mr. Alvarez represents the Company match of $30,860 plus the 3% Company base salary contribution of $6,337 to the nonqualified Executive Deferred Savings Plan.

The amount shown in this column for Mr. Webb represents the Company match of $27,528 plus the 3% Company base salary contribution of $10,088 to the nonqualified Executive Deferred Savings Plan.

The amount shown in this column for Mr. Galindo represents the Company match of $2,800 to the nonqualified Executive Deferred Savings Plan.

As Mr. Torno is based in Switzerland, he is not a participant in these plans.

(e) The amount shown in this column for Mr. Alvarez includes $10,000 for home sale bonus related to his relocation to Ohio (from Florida) upon assuming responsibility for O-I North America; in addition to O-I Latin America, as well as $124,000 for a transition payment related to his permanent transfer to the U.S. from Brazil.

The amount shown in this column for Mr. Galindo represents amounts related to his permanent transfer to the U.S. and includes $50,000 for transition payment and $878 for language training.

The amount shown in this column for Mr. Webb represents amounts related to commuting expenses as agreed to in his offer of employment.

(f) The amount shown in this column for Mr. Galindo represents $1,386,000 for severance upon his termination of employment.

(g) The amount shown in this column for Mr. Lopez represents $3,375 for reimbursement of professional advice related to tax, estate planning and financial planning; $3,185 for the cost of an annual executive physical; and $536 for the personal use of a car service.

The amount shown in this column for Ms. Bertsch represents $4,740 for reimbursement of professional advice related to tax, estate planning and financial planning; and $3,600 for the cost of an annual executive physical.

The amount shown in this column for Mr. Alvarez represents $1,500 for professional advice related to tax, estate planning and financial planning; $2,883 for the cost of an annual executive physical; and $280 for the personal use of a car service.

The amount shown in this column for Mr. Torno represents $29,509 for lease cost of automobile and $4,946 for reimbursement of professional advice related to tax, estate planning and financial planning.

The amount shown in this column for Mr. Webb represents $15,000 for reimbursement of professional advice related to tax, estate planning and financial planning; $3,575 for the cost of an annual executive physical; and $1,165 for the personal use of a car service.

The amount shown in this column for Mr. Galindo represents $6,889 for reimbursement of professional advice related to tax, estate planning and financial planning; $2,600 for the cost of an annual executive physical; and $768 for the personal use of a car service.

(h) With respect to Mr. Lopez the amount shown in this column includes $9,645, for tax gross ups on life insurance benefits attributable to premiums paid during 2018 by the Company in connection with life insurance policies issued pursuant to the Owens Illinois Executive Life Insurance Plan and participation agreements entered into with the Company.

For Mr. Alvarez, the amount includes $64,000 for tax equalization, $52,764 for gross up on the transition payment, $27,233 for gross up on the tax equalization and $1,296 for gross up on tax assistance.

For Mr. Galindo, the amount includes $90,388 for tax equalization, $50,105 for gross up on the transition payment, and $2,013 for gross up on permanent transfer benefits (tax preparation assistance and language training).

(6)For Mr. Torno, amounts paid in Swiss Francs were translated to U.S. Dollars at the average of the exchange rates as published by Bloomberg on the last business day of each month during 2018.

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Grants Of Plan-Based Awards In 2018

rant ate	Estimated Future Payouts Under Non Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards (2) Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exerci Base F of Opt Award ($ Per Share)
/7/2018	$ 444,375	$ 1,481,250	$ 2,962,500	34,014	113,379	226,758	113,379	—	$ —
/7/2018	$ 164,400	548,000	1,096,000	8,843	29,478	58,956	29,478	—	—
/7/2018	$ 94,819	316,063	632,125	3,401	11,338	22,676	11,338	—	—
/7/2018	$ 109,864	366,212	732,424	2,918	9,728	19,456	9,728	—	—
/7/2018	$ —	—	—	8,163	27,211	54,422	27,211	—	—
	$ —	—	—	—	—	—	—	—	—

(1) These columns show the amounts representing the annual incentive opportunity available under the STI. See "Compensation Discussion and Analysis—Annual Incentive" for further discussion. Amounts indicated are based on a percentage of the base salary earned in 2018. Actual payouts vary based on final performance results and range from 30% to 200% of target. Messrs. Webb and Galindo were not eligible for an STI award for 2018.

(2) These columns show the performance stock units granted in 2018 to each of the NEOs under the 2017 Incentive Award Plan. See "Compensation Discussion and Analysis—Long-Term Incentives" for further discussion regarding the awards. Actual payouts vary based on final performance results and range from 30% to 200% of target. Earned performance stock units will be paid in shares of Common Stock in March 2021. Mr. Webb forfeited 19,320 of the performance stock units granted in 2018 upon his termination. Mr. Galindo was not eligible for an LTI award for 2018.

(3) These columns show the restricted stock units granted in 2018 to each of the NEOs under the 2017 Incentive Award Plan. See "Compensation Discussion and Analysis—Long-Term Incentives" for further discussion regarding the awards. Mr. Webb forfeited all the restricted stock units granted in 2018 upon his termination. Mr. Galindo was not eligible for an LTI award for 2018.

(4) The Company did not grant stock options in 2018.

(5) The full grant date fair value was computed in accordance with FASB ASC 718 and the assumptions set forth in Note 14 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K filed with the SEC on February 14, 2019. There can be no assurances that the amounts shown in the table will be realized by the NEO.

In the event the performance stock units pay out at maximum value, the total grant date value of stock and option awards are:

For Mr. Lopez: $7,500,021;

For Ms. Bertsch: $1,949,970;

For Mr. Alvarez: $750,009;

For Mr. Torno: $643,507; and

For Mr. Webb: $1,800,008.

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Outstanding Equity Awards at Fiscal Year End 2018

	Option Awards					Stock Awards					
	Number of Securities Underlying Unexercised Options: Exercisable (#)		Number of Securities Underlying Unexercised Options: Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)		Market Value of Shares or Unit that Have Not Vested ($) (26)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)		E P M V U U R N (2
2018						113,379	(10)	1,954,654	113,379	(22)	
2017						92,907	(12)	1,601,717	115,622	(23)	
2016	97,264	(2)	97,264	15.05	3/7/2023	32,184	(14)	554,852	128,738	(25)	
2015	47,229	(5)	15,743	23.99	3/7/2022	5210	(17)	89,820			
2014	7,301	(6)	0	25.73	11/3/2021						
2014	9,377	(7)	0	33.62	3/7/2021						
2013	10,097	(8)	0	26.07	3/7/2020						
2012	8,162	(9)	0	22.69	3/7/2019						
2004						1,000	(18)	17,240			
1999						3,000	(21)	51,720			
2018						29,478	(10)	508,201	29,478	(22)	
2017						25,051	(12)	431,879	33,402	(23)	
2016	32,631	(2)	32,630	15.05	3/7/2023	10,797	(14)	186,140	43,189	(25)	
2015	40,025	(3)	13,341	19.19	11/23/2022	4,234	(15)	72,994			
2018						11,338	(10)	195,467	11,338	(22)	
2017						8,190	(12)	141,196	10,920	(23)	
2016	2,209	(1)	2,208	17.78	9/7/2023	702	(13)	12,102	2,812	(24)	
2016	8,786	(2)	8,784	15.05	3/7/2023	2,906	(14)	50,099	11,628	(25)	
2015	5,904	(5)	1968	23.99	3/7/2022	651	(17)	11,223			
2014	1,688	(7)	0	33.62	3/7/2021						
2013	1,817	(8)	0	26.07	3/7/2020						
2012	1,632	(9)	0	22.69	3/7/2019						
2018						9728	(10)	167,711	9,728	(22)	
2017						7,746	(12)	133,541	10,329	(23)	
2016	8,650	(2)	8,649	15.05	3/7/2023	2,862	(14)	49,341	11,448	(25)	
2015	2,304	(4)	767	24.92	5/4/2022	250	(16)	4,310			
2015	3,543	(5)	1180	23.99	3/7/2022	390	(17)	6,724			
2014	2,063	(7)	0	33.62	3/7/2021						
2013	2,201	(8)	0	26.07	3/7/2020						
2012	2,332	(9)	0	22.69	3/7/2019						
2004						2,000	(18)	34,480			
2003						1,000	(19)	17,240			

2002						1,000	(20)	17,240		
1999						3,000	(21)	51,720		
2018						27,211	(10)	469,118	27,211	(22)
2017						12,043	(11)	207,621		
2018										
2017									4,135	(23)
2016	8,786	(2)	0	15.05	3/7/2023				8,523	(25)
2015	8,265	(5)	0	23.99	3/7/2022					
2014	5,626	(7)	0	33.62	3/7/2021					
2013	4,039	(8)	0	26.07	3/7/2020					
2012	3,265	(9)	0	22.69	3/7/2019					

OPTION AWARD VESTING SCHEDULE

		Vesting Dates			
Option Grant Date	Option Price	25%	25%	25%	25%
(1) September 1, 2016	$ 17.78	9/1/17	9/1/18	9/1/19	9/1/20
(2) March 7, 2016	$ 15.05	3/7/17	3/7/18	3/7/19	3/7/20
(3) November 23, 2015	$ 19.19	11/23/16	11/23/17	11/23/18	11/23/19
(4) May 4, 2015	$ 24.92	5/4/16	5/4/17	5/4/18	5/4/19
(5) March 7, 2015	$ 23.99	3/7/16	3/7/17	3/7/18	3/7/19
(6) November 3, 2014	$ 25.73	11/3/15	11/3/16	11/3/17	11/3/18
(7) March 7, 2014	$ 33.62	3/7/15	3/7/16	3/7/17	3/7/18
(8) March 7, 2013	$ 26.07	3/7/14	3/7/15	3/7/16	3/7/17
(9) March 7, 2012	$ 22.69	3/7/13	3/7/14	3/7/15	3/7/16

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Restricted Stock Vesting Schedule

Grant Date	Vesting Terms
(10) March 7, 2018	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(11) September 1, 2017	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(12) March 7, 2017	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(13) September 1, 2016	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(14) March 7, 2016	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(15) November 23, 2015	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(16) May 4, 2015	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(17) March 7, 2015	The restriction on these shares lapse in equal annual installments on each of the first four anniversaries of the grant date.
(18) March 10, 2004	The restrictions on these shares lapse upon the later to occur of (a) the third anniversary of the grant date, and (b) either (i) the grantee’s retirement from the Company, or (ii) a termination of employment that is not initiated by, and not voluntary on the part of the grantee other than for cause.
(19) February 17, 2003	The restrictions on these shares lapse upon the later to occur of (a) the third anniversary of the grant date, and (b) either (i) the grantee’s retirement from the Company, or (ii) a termination of employment that is not initiated by, and not voluntary on the part of the grantee other than for cause.
(20) February 2, 2002	The restrictions on these shares lapse upon the later to occur of (a) the third anniversary of the grant date, and (b) either (i) the grantee’s retirement from the Company, or (ii) a termination of employment that is not initiated by, and not voluntary on the part of the grantee other than for cause.
(21) May 17, 1999	The restrictions on these shares lapse upon the later to occur of (a) the third anniversary of the grant date, and (b) either (i) the grantee’s retirement from the Company, or (ii) a termination of employment that is not initiated by, and not voluntary on the part of the grantee other than for cause.

Performance Share Vesting Schedule

Grant Date	Vesting Terms
(22) March 7, 2018	Performance shares for the grant period of 2018-2020. The terms of these performance shares are described in the section entitled "Compensation Discussion and Analysis."
(23) March 7, 2017	Performance shares for the grant period of 2017-2019. The terms of these performance shares are described in the section entitled "Compensation Discussion and Analysis."
(24) September 1, 2016	Performance shares for the grant period of 2016-2018. The terms of these performance shares are described in the section entitled "Compensation Discussion and Analysis."
(25) March 7, 2016	Performance shares for the grant period of 2016-2018. The terms of these performance shares are described in the section entitled "Compensation Discussion and Analysis."

(26) Market value is computed based on the closing price of the Company's Common Stock on the New York Stock Exchange on December 31, 2018 ($17.24), the last business day of the year.
(27) Messrs. Webb and Galindo forfeited all restricted stock units and a prorated portion of the performance stock units upon termination. Vested options remain exercisable the earlier of one year from termination date or original expiration date.

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Option Excercises And Stock Vested In 2018

	Option Awards		Stock Awards	
Name	Number Of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired On Vesting (#)	Value Realized on Vesting ($)
Andres A. Lopez	—	$ —	92,699	$ 2,033,957
Jan A. Bertsch	—	$ —	179,863	$ 3,378,578
Miguel I. Alvarez	—	$ —	10,216	$ 222,932
Vitaliano Torno	—	$ —	9,649	$ 211,318
John C. Webb	—	$ —	4,015	$ 70,945
Sergio B. O. Galindo	—	$ —	12,459	$ 273,724

Pension Benefits

		December 31, 2018		
Name (1)	Plan Name	Number of Years of Credited service (#)	Present value of Accumulated Benefit ($)(2)	Payments During Last Fiscal Year ($)
Andres A. Lopez	Salary Retirement Plan	5.00	$ 135,099	$ —
	Supplemental Retirement Benefit Plan	29.92	3,187,937	—
	Total		3,323,036	
Vitaliano Torno	Swiss Pension Plan	12.42	2,025,892	—
	Total		2,025,892	

(1) Ms. Bertsch, Messrs. Alvarez, Webb, and Galindo are not participants in the Salary Retirement Plan or the Supplemental Retirement Benefit Plan.

Additionally, Mr. Alvarez is not a participant in any other foreign pension plan.

Mr. Lopez is a participant in the International Pension Plan, as he was employed abroad during a portion of his career with O-I. The International Plan benefit provides him with a retirement benefit equal to the O-I SRBP, and includes US and non-US pay and service. The value of this benefit is shown as his SRBP.

(2) The Owens Illinois Salary Retirement Plan and International Pension Plan were frozen as of December 31, 2015. Participants maintain benefits accrued as of the freeze date, but will not accrue additional benefits beyond the freeze date. In general, the present values changed as a result of varying interest rates.

Assumptions for Salary Retirement Plan and Supplemental Retirement Benefit Plan:

No preretirement mortality is assumed. After retirement, for the portion of the benefit assumed to be received as an annuity, mortality is RP-2014 projected generationally using the MP-2017 scale for December 31, 2017, and a plan specific table projected generationally using the MP-2018 scale for December 31, 2018. For the portion of the benefit assumed to be received as a lump sum, mortality is a blended RP-2014 annuitant mortality table with an MP-2017 generational projection for December 31, 2017, and RP-2006 combined annuitant/non-annuitant mortality table projected with an MP-2018 generational projection, blended 50/50-male/female for December 31, 2018.

Lump Sum Rate - Salary Retirement Plan: 4.35%

Lump Sum Rate - Supplemental Retirement Benefit Plan: 4.36%

Annuity Rate - Salary Retirement Plan: 4.35%

Annuity Rate - Supplemental Retirement Benefit Plan: N/A

Benefits are deferred to the earliest unreduced retirement age, which is the later of the executive's age or age 65.

All SRBP and International Pension Plan benefits are assumed to be taken as a lump sum; 80% of Salary Retirement Plan benefits are assumed to be taken as a lump sum with the remaining 20% taken as an annuity.

The International Pension Plan has been offset for the US SRBP and Salary Retirement Plan only.

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Assumptions for Swiss Pension Plan:

No preretirement mortality is assumed. After retirement, mortality is calculated according to mortality table BVG 2015 Generational (generated for the calendar year 2018).

December 31, 2018 Exchange Rate (USD/CHF): 1.01442

Discount Rate: 0.90%

Interest Crediting Rate: 0.90%

Salary Increase: 1.50%

Mandatory Conversion rate at 65: 6.80%

Supplementary Conversion rate at 65: 5.000%

Non-Qualified Deferred Compensation (1)

	2018 Values Executive Contributions in Last FY ($) (2)	Registrant Contributions in Last FY ($) (3)	Aggregate Earnings in Last FY ($) (4)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last FYE ($) (5)
Andres A. Lopez	$ 234,423	$ 137,795	$ (349)	$ 461,729	$ 345,625
Jan A. Bertsch	105,414	65,090	(1,976)	200,751	265,174
Miguel I. Alvarez	73,414	37,198	(17,283)	—	181,610
Vitaliano Torno	—	—	—	—	—
John C. Webb	56,055	37,616	(4,897)	—	88,774
Sergio B. O. Galindo	284,027	2,800	(23,916)	—	347,770

(1) Participants may defer up to 100% of base salary into the Executive Deferred Savings Plan. Deferrals made prior to January 1, 2009, including the Company match on such deferrals, could be credited to a “cash deferral account” or a “stock deferral account” at the individual’s election. Interest is credited in the “cash” account, compounded monthly, at a rate equal to the average annual yield on domestic corporate bonds of Moody’s A- rated companies. The “stock” account is credited with a number of stock units equal in value to the amount specified to be credited to each respective account, and the value of such account is determined by reference to the closing price of the Company’s stock on the principal exchange on which Company stock is traded on the day before the date on or as of which such value is being determined or, if no Company stock was traded on such day, then on the next preceding trading day on which Company stock was so traded. Deferrals after December 31, 2008, including the Company match on such deferrals, are credited to the same funds available under the Company’s qualified 401(k) plan. Upon any termination of employment, the account balance is paid out in its entirety as soon as practical following such termination. As Mr. Torno is based in Switzerland, he is not a participant in this program.

(2) Amounts in this column are included in the NEO’s base salary on the “Summary Compensation Table.”

(3) Amounts in this column are included in the “All Other Compensation” column on the “Summary Compensation Table.”

(4) Amounts in this column are not included in any of the amounts reported on the “Summary Compensation Table.”

(5)

Of the total amounts listed in this column, the following amounts have been included in the "Salary" or "All Other Compensation" columns on the "Summary Compensation Table" since 2006: for Mr. Lopez—$759,691, for Ms. Bertsch—$431,705, for Mr. Alvarez—$192,077, for Mr. Webb —$93,671, and for Mr. Galindo—$286,827.

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Potential Payments upon Termination or Change In Control

The following tables show the amount of compensation that may be paid to each NEO upon voluntary termination, retirement, involuntary termination not for cause, Change in Control, for cause termination, disability, and death. The amounts shown assume a termination date effective December 31, 2018, the last business day of the year. For payments made pursuant to stock options, restricted stock units, or performance stock units, the amount earned by each NEO upon retirement may differ based on whether they are eligible for early or normal retirement. As a result, the table reflects only that amount they were eligible for at December 31, 2018.

Unless specifically noted, each of the payments described below is the same for any salaried employee of the Company.

Payments Made upon Termination

Payments made upon termination for any reason include:

- Amounts accrued and vested through the Salary Retirement Plan (SRP), Supplemental Retirement Benefit Plan (SRBP), International Pension Plan and Swiss Pension Plan.
- Equity awards that become vested at the date of termination; stock option awards that were vested but unexercised as of December 31, 2018 were excluded from the values shown.

Payments Made upon Retirement

In addition to the above:

- Upon retirement (defined as at least age 60 with at least ten years of service or age 65 with no service requirement):
- Unvested stock options continue normal vesting and are exercisable through their original term.
- Unvested restricted stock units continue normal vesting if granted at least one year prior to the retirement date; restricted stock units granted less than one year prior to the retirement date are forfeited.
- Unvested performance stock units immediately vest and any payout earned based on company performance will be paid following the related three year cycle.
- Mr. Lopez is eligible to participate in the Company’s retiree medical plan as he became eligible to retire at age 55 with at least ten years of service. This plan provides pre age 65 coverage to employees and their spouse. The plan is only available to U.S. employees hired prior to January 1, 2003; as a result, the other NEOs are not eligible to participate in this plan.

Payments Made upon Involuntary Termination Not for Cause

In addition to that noted under Payments Made upon Termination, upon an Involuntary Termination Not for Cause:

- Unvested stock options are forfeited. Vested stock options can be exercised through the earlier of one year from the termination date or the end of the grant term.
- Unvested restricted stock units are forfeited.
- Unvested performance stock units immediately vest on a pro-rata basis and any payout earned based on company performance will be paid following the related three year cycle.
- In the event of Involuntary Termination Not for Cause, under the terms of the Executive Severance Policy, the NEOs are eligible to receive a lump sum severance benefit equal to two times annual base salary plus target bonus, plus continued health benefits for 24 months at the same rate as active employees. If the provision of health benefits, however, would cause a negative tax consequence for the Company under the Affordable Care Act, then the Company will pay the executive the value of the health benefits in cash. Executives will also be entitled to standard

outplacement benefits. Severance benefits are subject to the executive entering into a restrictive covenant agreeing not to compete with the Company or solicit the

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Company's employees for a period of three years following termination of employment for any reason, as well as not to disclose confidential information or disparage the Company. An executive must sign a release of claims before receiving any severance under the Policy. If the executive is a party to an agreement providing severance benefits, then he or she will receive benefits under either the Policy or such other agreement, whichever provides the greater benefit, but may not receive severance under both.

Payments Made upon Change in Control

- In the event of a Change in Control (with award assumed by acquirer):
- Unvested stock options remain outstanding and continue to vest according to their normal vesting schedule. If the Employee is terminated within two years of the Change in Control without "cause" or for "good reason", the options will fully vest and be paid out. If not assumed by acquirer, the options become fully exercisable prior to the effective date of a Change in Control and will be paid out.
- Unvested restricted stock units and performance stock units will remain outstanding and continue to vest according to their normal vesting schedule. If the Employee is terminated within two years of the Change in Control without "cause" or for "good reason", the units will fully vest and be paid out (at target level for performance stock units).
- In the event of an Involuntary Termination Not for Cause, including a termination for "good reason", during the 24 month period following a Change in Control, under the terms of the Executive Severance Policy, the NEOs are eligible to receive those benefits noted above in the event of Involuntary Termination Not for Cause. If the severance benefits, along with any other payments occurring in connection with a Change in Control, were to cause the executive to be subject to the excise tax provisions of Sections 4999 of the Internal Revenue Code, then the amount of the severance benefits will either be reduced, such that the excise tax would not be applicable, or the executive will be entitled to retain his or her full severance benefits, whichever results in the better after tax position to the executive.

Payments Made upon Death or Total Disability

- Upon Death or Total Disability:
- Unvested stock options immediately vest and can be exercised through the earlier of one year from the date of death/disability or the end of the grant term.
- Unvested restricted stock units and performance stock units immediately vest and any performance stock unit payout earned based on company performance will be paid following the related three year cycle.
- In the event of Disability, each NEO with at least one year of service at the time of disability is eligible to participate in the Company's long term disability plan for salaried employees. This plan pays participants approximately 60% of their base salary plus target bonus in combination with other types of income replacement benefits, such as Social Security or workers' compensation, capped at $15,000 per month, for the duration of their disability, or until age 65.

In the event of Disability, each NEO receives continued coverage under the Company's health care plan for active employees for the duration of their coverage under the Company's long term disability plan.

- The NEOs based in the U.S. participate in a life insurance program that differs from that offered to most salaried employees of the Company. For these NEOs, the benefit payable to the beneficiary upon death is three times annual base salary.

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The following tables represent potential payments to the NEOs under the various termination scenarios. The values assume termination on December 31, 2018.

Andres A. Lopez

	Retirement	Involuntary Termination Not For Cause	Change In Control Without Termination	Change In Control With Termination	For Cause Termination	Disability	Death
ompensation							
018 Annual centive (STI)	$ 1,185,000	$ —	$ 1,185,000	$ —	$ —	$ 1,185,000	$ 1,185,000
nnual centive (STI)	—	3,000,000	—	3,000,000	—	—	—
tock Options	—	—	213,008	213,008	—	213,008	213,008
erformance hares	—	4,073,127	6,167,420	6,167,420	—	6,167,420	6,167,420
estricted tock Awards	68,960	68,960	4,270,003	4,270,003	—	4,270,003	4,270,003
enefits and erquisites							
etirement ans (SRP, RBP & ternational)	3,293,000	3,293,000	3,293,000	3,293,000	3,293,000	3,293,000	2,561,000
ealth & Velfare enefits	1,718,000	1,746,362	—	1,746,362	1,718,000	1,730,811	42,000
isability come	—	—	—	—	—	1,229,100	—
ife Insurance enefits	—	—	—	—	—	—	3,000,000
ash everance	—	2,000,000	—	2,000,000	—	—	—
utplacement ervices	—	5,000	—	5,000	—	—	—
80G Tax djustments							
djustment om Modified ap	—	—	—	—	—	—	—
otal	$ 6,264,960	$ 14,186,449	$ 15,128,431	$ 20,694,793	$ 5,011,000	$ 18,088,342	$ 17,438,43

Assumptions

No preretirement mortality is assumed. After retirement, for the portion of the benefit assumed to be received as an annuity, mortality is a plan specific table projected generationally using MP-2018 scale. For the portion of the benefit assumed to be received as a lump sum, mortality is a RP-2006 combined annuitant/non-annuitant mortality table projected with MP-2018 generational projection, blended 50/50-male/female for December 31, 2018.

Executive life insurance benefits (included in health and welfare) include assumed tax gross up of 37.00% for Federal and 4.997% for Ohio state taxes.

All SRBP and International Pension Plan benefits are assumed to be taken as a lump sum. Eighty percent of Salary Retirement Plan benefits are assumed to be taken as a lump sum with the remaining 20% as an annuity. The Salary Retirement Plan interest rate is 4.36%, the interest rate used for lump sums in the SRBP and International Plan is 4.35% and the Salary health and welfare benefits is 4.26%.

Benefits Payable

Termination benefits represent the value of the pension benefits as if the participant terminated employment on December 31, 2018 and commences payment immediately. The value of the post-retirement medical and executive retiree life insurance benefits assume the participant terminated as of December 31, 2018 and immediately elected coverage.

Retirement benefits represent the value of the pension benefits as if the participant terminated on December 31, 2018 and commenced payment as soon as possible. Since Mr. Lopez is currently eligible to retire, this value represents commencement at December 31, 2018. The health and welfare benefits represent the value of the postretirement medical and executive retiree life insurance benefits as if the participant terminated as of December 31, 2018 and immediately elected coverage.

Involuntary Termination Not for Cause severance benefits are subject to the executive entering into a restrictive covenant agreeing not to compete with the Company or solicit the Company's employees for a period of three years following termination of employment for any reason as well as not to disclose confidential information or disparage the Company. An executive must sign a release of claims before receiving any severance under the Policy. Involuntary termination not for cause termination reflects two times the sum of current base salary plus target annual incentive, two years of health and welfare benefits and outplacement services. Retiree medical benefits are deferred until 24 months after termination.

Change In Control With Termination reflects two times the sum of current base salary plus target annual incentive, two years of health and welfare benefits and outplacement services. The executives are entitled to receive the greater after tax benefit between (1) reducing the payments to their respective 280G safe harbor limit, and (2) no reduction of benefits, such that the executive would be subject to a 20% excise tax. Mr. Lopez's benefits do not reflect a cutback.

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Disability benefits represent the value of benefits as if the participant became disabled on December 31, 2018 and received disability benefits until age 65. Pension benefits reflect accrued benefits payable immediately. Health and welfare benefits represent continued coverage until age 65 and the value of the executive retiree life insurance benefits as if the participant terminated as of December 31, 2018.

Death benefits represent the value of benefits as if the participant became deceased on December 31, 2018. Pension benefits reflect an immediate lump sum payable to the spouse equal to the greater of the lump sum value of the pre-retirement 50% Joint and Survivor spouse benefit, or the lump-sum value of 25% of the participant's base pay. Salary Retirement Plan benefits reflect a 50% Joint and Survivor benefit payable at the participant's earliest retirement date. Health and welfare benefits represent retiree medical benefits for the spouse if the participant was retirement eligible as of December 31, 2018.

Retiree medical benefits are not available post age 65.

Jan A. Bertsch

	Voluntary Resignation	Involuntary Termination Not For Cause	Change In Control Without Termination	Change In Control With Termination	For Cause Termination	Disability	Death
Compensation							
2018 Annual Incentive (STI)	$ —	$ —	$ 438,400	$ —	$ —	$ 438,400	$ 438,400
Annual Incentive (STI)	—	1,104,000	—	1,104,000	—	—	—
Stock Options	—	—	71,459	71,459	—	71,459	71,459
Performance Shares	—	1,828,630	1,828,630	1,828,630	—	1,828,630	1,828,630
Restricted Stock Awards	—	—	1,199,214	1,199,214	—	1,199,214	1,199,214
Benefits and Perquisites							
Retirement Plans	—	—	—	—			