

**Owens-Illinois, Inc.**  
**Nominating/Corporate Governance Committee**  
**Policies and Procedures Regarding the Identification and**  
**Evaluation of Candidates for Director**

**A. Qualifications of Directors**

The Nominating/Corporate Governance Committee (the “Committee”) believes that members of the Company's Board of Directors (the “Board”) should possess certain basic personal and professional qualities in order to discharge their fiduciary duties to share owners, provide effective oversight of the management of the Company and monitor the Company's adherence to principles of sound corporate governance.

The Committee also believes that diversity is an important attribute of a well-functioning Board and that the benefits of diversity should be considered when identifying and evaluating Board candidates. It is therefore the policy of the Committee that all persons nominated to serve as a director of the Company should possess the qualifications described in this policy, and that the Committee will strive to attract and retain directors with a diversity of backgrounds, skills, experience and expertise that serves the best interests of the Company.

The qualities of Board members described below are only threshold qualifications, and the Committee will also consider the contributions that a candidate can be expected to make to the collective functioning of the Board based upon the totality of the candidate's background, skills, experience and expertise, the composition of the Board at the time, and other relevant circumstances. If the Committee believes that it is in the best interests of the Company and its share owners, then the Committee may recommend a candidate for director who does not strictly meet all of the qualifications listed herein. Any such candidate must, however, receive full Board approval to be nominated.

1. *Integrity.* All candidates should be individuals of the highest personal integrity and ethical character, and who value and appreciate these qualities in others.
2. *Absence of Conflicts of Interest.* Candidates should not have any interests that would materially impair his or her ability to exercise independent judgment, or otherwise discharge the fiduciary duties owed as a director to the Company and its share owners.
3. *Fair and Equal Representation.* Candidates should be able to represent fairly and equally all share owners of the Company without favoring or advancing any particular share owner or other constituency of the Company.
4. *Achievement.* Candidates should have demonstrated strong achievement as a leader of large and complex divisions of publicly held companies, or as a leader of major complex organizations, including business, government, accounting, scientific, educational or non-profit institutions.
5. *Oversight.* Candidates are expected to have sound judgment, borne of management or policy-making experience (which may be as an advisor or consultant), that demonstrates an ability to function effectively in an oversight role.

6. *Business Understanding.* Candidates should have a general appreciation regarding major issues facing public companies of a size, operational scope and complexity similar to the Company, including:
  - Contemporary governance concerns;
  - Regulatory obligations of a public issuer;
  - Strategic business planning;
  - Competition in a global economy; and
  - Basic concepts of corporate finance.
7. *Available Time.* Candidates should have, and be prepared to devote, adequate time to the Board and its committees. It is expected that each candidate will be available to attend substantially all meetings of the Board and any committees on which the candidate will serve, after taking into consideration their other business and professional commitments, including service on the boards of other companies.
8. *Diversity.* In striving to attract and retain directors with a diversity of backgrounds, skills, experience and expertise, the Committee will also take into consideration the benefits of having Board members who reflect a diversity of age, gender, ethnicity and country of citizenship.
9. *Age Guidelines.* The Board does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be re-nominated until they reach the mandatory retirement age. The Board self-evaluation process will be an important determinant for board tenure, but directors generally will not be nominated for election to the Board after their 72<sup>nd</sup> birthday.
10. *Additional Qualifications.* In approving candidates for election as director, the Committee will also assure that:
  - At least a majority of the directors serving at any time on the Board are "independent" as defined under the rules of the New York Stock Exchange;
  - Each member of the audit committee is financially literate, or becomes financially literate within a reasonable period of time after his or her appointment to the audit committee;
  - At least one of the directors qualifies as an "audit committee financial expert" under the rules of the Securities and Exchange Commission;
  - At least some of the independent directors have experience as senior executives of a public or substantial private company; and
  - At least some of the independent directors have general familiarity with an industry or industries in which the Company conducts a substantial portion of its business or in related industries.

## **B. Procedures for Identifying and Evaluating Candidates for Director**

The Company believes that the continuing service of qualified incumbents promotes stability and continuity in the board room, contributing to the Board's ability to work as a collective body, while giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure. Accordingly, the process of the Committee for identifying nominees shall reflect the Company's practice of re-nominating incumbent directors who continue to satisfy the Committee's criteria for membership on the Board, whom the Committee believes continue to make important contributions to the Board and who consent to continue their service on the Board.

1. In considering candidates for election at annual meetings of share owners, the Committee will first identify the incumbent directors who wish to continue their service on the Board.
2. The Committee will evaluate the qualifications and performance of the incumbent directors who desire to continue their service. In particular, as to each such incumbent director, the Committee will:
  - Consider if the director continues to satisfy the qualifications for director candidates as set forth above;
  - Review the assessments of the performance of the director during the preceding term made by the Committee; and
  - Determine whether there exist any special, countervailing considerations against re-nomination of the director.

3. If the Committee determines that:

- An incumbent director consenting to re-nomination continues to be qualified and has satisfactorily performed his or her duties as director during the preceding term; and
- There exist no reasons, including considerations relating to the composition and functional needs of the Board as a whole, why in the Committee's view the incumbent should not be re-nominated;

Then the Committee will, absent special circumstances, propose the incumbent director for reelection.

4. The Committee will identify and evaluate new candidates for election to the Board where there is no qualified and available incumbent, including for the purpose of filling vacancies arising by reason of the resignation, retirement, removal, death or disability of an incumbent director or a decision of the directors.
5. The Committee will solicit recommendations for nominees from persons whom the Committee believes are likely to be familiar with qualified candidates. These persons may include members of the Board, members of the Committee and members of management of the Company. The Committee may also determine to engage a professional search firm to assist in identifying qualified candidates. Where such a search firm is engaged, the Committee shall set such firm's fees and scope of engagement.
6. Consistent with the Committee's policy stated above, the Committee will identify and evaluate candidates whose addition to the Board will maintain and enhance a diversity of backgrounds, skills, experience and expertise that serves the best interests of the Company. Also pursuant to that policy, the Committee will take into consideration the benefits of having Board members who reflect a diversity of age, gender, ethnicity and country of citizenship.
7. As to each recommended candidate whom the Committee believes merits consideration, the Committee will:
  - Cause to be assembled information concerning the background and qualifications of the candidate, including information concerning the candidate required to be disclosed in the Company's proxy statement under the rules of the SEC and any relationship between the candidate and the person or persons recommending the candidate;
  - Determine if the candidate satisfies the threshold qualifications described above;

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- Determine if the candidate satisfies any of the “additional qualifications” noted in Section A.10 above;
  - Consider the contribution that the candidate can be expected to make to the overall functioning of the Board; and
  - Consider the extent to which the membership of the candidate on the Board will maintain and enhance a diversity of backgrounds, skills, experience and expertise that serves the best interests of the Company.
8. The Committee may, in its discretion, solicit the views of the Chief Executive Officer, other members of the Company's senior management and other members of the Board regarding the qualifications and suitability of candidates to be nominated as directors.
  9. The Committee may also, in its discretion, designate one or more of its members (or the entire Committee) to interview any proposed candidate.
  10. Based on all available information and relevant considerations, the Committee will select for recommendation to the full Board for election a candidate who, in the view of the Committee, is most suited for membership on the Board.
  11. The Committee shall maintain appropriate records regarding its process of identifying and evaluating candidates for election to the Board.