

OWENS ILLINOIS INC /DE/  
Form DEF 14A  
April 01, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

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

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material 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:

Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

# **OWENS-ILLINOIS, INC.**

## **NOTICE AND PROXY STATEMENT**

**For**

**The Annual Meeting of Share Owners**

**To Be Held**

**Thursday, May 12, 2016**

### **YOUR VOTE IS IMPORTANT**

**Whether or not you plan to attend the meeting,  
please submit your proxy or voting instructions as soon as possible.**

---

**OWENS-ILLINOIS, INC.**

**One Michael Owens Way  
Perrysburg, Ohio 43551**

---

**NOTICE OF ANNUAL MEETING OF SHARE OWNERS**

---

Dear Owens-Illinois, Inc. Share Owner:

You are cordially invited to attend the Annual Meeting of the share owners of Owens-Illinois, Inc. (the "Company") to be held on Thursday, May 12, 2016, at 9:00 a.m. in Plaza 2 of the O-I World Headquarters, Perrysburg, Ohio for the purpose of considering and voting upon the following matters:

1. The election of 12 directors, each to serve for a term of one year;
2. The ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2016;
3. An advisory vote to approve named executive officer compensation; and
4. Such other business as may properly be presented for action at the meeting or any postponement(s) or adjournment(s) thereof.

Enclosed is a Proxy Statement that provides information concerning the Company and nominees for election to the Board of Directors (the "Board"), the selection of Ernst & Young LLP as the Company's independent registered public accounting firm, and an advisory vote to approve named executive officer compensation. The Company intends to commence distribution of this notice and the accompanying Proxy Statement and proxy card on or about April 1, 2016.

The Board fixed the close of business on March 16, 2016, 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.

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 all of the Board nominees for election to the Board of Directors;

FOR the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2016;

FOR the advisory vote to approve named executive officer compensation; and

In the discretion of the named proxies regarding any other matters properly presented for a vote at the Annual Meeting.

If you wish to have your shares voted for all of the Board nominees, for the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2016, and for the advisory vote to approve named executive officer compensation, you need not mark your votes on the proxy card, but need only sign, date it, and return it in the enclosed envelope. As an alternative to

---

Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

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*

JOSEPH J. O'HARA, JR.  
*Secretary*

April 1, 2016  
Perrysburg, Ohio

---

TABLE OF CONTENTS

<b><u>PROXY STATEMENT FOR THE ANNUAL MEETING OF SHARE OWNERS</u></b>	<u>1</u>
<u>Who May Vote</u>	<u>1</u>
<u>How to Vote</u>	<u>2</u>
<u>Further Instructions Regarding "How to Vote"</u>	<u>2</u>
<u>Revocability of Proxies</u>	<u>3</u>
<u>Vote Required to Approve Matters</u>	<u>3</u>
<u>Other Matters</u>	<u>4</u>
<b><u>PROPOSAL 1: ELECTION OF DIRECTORS</u></b>	<u>4</u>
<u>General</u>	<u>4</u>
<u>Information on Nominees</u>	<u>4</u>
<b><u>GOVERNANCE INFORMATION</u></b>	<u>10</u>
<u>Board Leadership Structure</u>	<u>10</u>
<u>Executive Sessions</u>	<u>10</u>
<u>Risk Oversight</u>	<u>11</u>
<u>General Board Responsibilities</u>	<u>11</u>
<u>Board Independence</u>	<u>11</u>
<u>Board Member Stock Ownership</u>	<u>11</u>
<u>Board Size</u>	<u>11</u>
<u>Board Meeting Attendance</u>	<u>11</u>
<u>Corporate Governance Guidelines</u>	<u>12</u>
<u>Board Nominees</u>	<u>12</u>
<u>Code of Business Conduct and Ethics</u>	<u>13</u>
<u>Communicating with the Board</u>	<u>13</u>
<b><u>BOARD AND COMMITTEE MEMBERSHIP</u></b>	<u>14</u>
<u>Current Committee Membership</u>	<u>14</u>
<u>Audit Committee</u>	<u>15</u>
<u>Compensation Committee</u>	<u>15</u>
<u>Nominating/Corporate Governance Committee</u>	<u>15</u>
<u>Risk Oversight Committee</u>	<u>16</u>
<b><u>DIRECTOR COMPENSATION AND OTHER INFORMATION</u></b>	<u>17</u>
<u>Director Compensation</u>	<u>17</u>
<u>Related Person Transactions</u>	<u>19</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>19</u>
<b><u>EXECUTIVE COMPENSATION</u></b>	<u>20</u>
<u>Compensation Discussion and Analysis</u>	<u>20</u>
<u>Compensation Committee Report</u>	<u>49</u>
<u>Summary Compensation Table</u>	<u>50</u>
<u>Grants of Plan-Based Awards Table</u>	<u>52</u>
<u>Outstanding Equity Awards at Fiscal Year End Table</u>	<u>54</u>
<u>Option Exercises and Stock Vesting Table</u>	<u>55</u>
<u>Pension Benefits Table</u>	<u>57</u>
<u>Non-Qualified Deferred Compensation Table</u>	<u>58</u>
<u>Potential Payments Upon Termination or Change In Control</u>	<u>60</u>
<b><u>AUDIT COMMITTEE REPORT</u></b>	<u>70</u>

<b><u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	71
<u>Fees Paid to Ernst &amp; Young LLP</u>	71
<u>Pre-Approval of Independent Registered Public Accounting Firm Services</u>	71
<b><u>PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	74
<b><u>PROPOSAL 3: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u></b>	75
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	77
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	80
<b><u>2017 ANNUAL MEETING OF SHARE OWNERS</u></b>	80
<b><u>FORWARD LOOKING STATEMENTS</u></b>	80
<b><u>PROXY SOLICITATION</u></b>	81

**OWENS-ILLINOIS, INC.  
One Michael Owens Way  
Perrysburg, Ohio 43551**

---

**PROXY STATEMENT FOR THE ANNUAL MEETING OF SHARE OWNERS  
To Be Held May 12, 2016**

---

The Annual Meeting of the share owners of Owens-Illinois, Inc. (the "Company") will be held on Thursday, May 12, 2016, 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 2016; and (3) 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 1, 2016.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF  
SHARE OWNERS TO BE HELD ON MAY 12, 2016**

The Securities and Exchange Commission 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 2015 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 2015 Annual Report to share owners and the Stakeholder Letter are available at [www.proxyvote.com](http://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 16, 2016 (the "record date"). At the close of business on the record date, 161,907,132 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



## Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

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.

### **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:

#### ***Vote by Internet***

A share owner can choose to submit a proxy over the Internet at [www.proxyvote.com](http://www.proxyvote.com). The deadline for submitting a proxy over the Internet is 11:59 p.m., Eastern Time, on May 11, 2016. In order to vote by Internet, share owners should make sure to have the control number found on the proxy card, follow the voting instructions and confirm that their votes have been accurately recorded. If a proxy is submitted over the Internet, the share owner does not need to return the proxy card.

#### ***Vote by Telephone***

A share owner can also submit its proxy by telephone by calling the toll-free number (for residents of the U.S. and Canada) listed on the proxy card. The deadline for submitting a proxy by telephone is 11:59 p.m., Eastern Time, on May 11, 2016. To submit a proxy, the share owner must enter the control number listed on the proxy card and follow the recorded instructions. If a proxy is submitted by telephone, the share owner does not need to return the proxy card.

#### ***Vote by Mail***

If the share owner chooses to submit its proxy by mail, the share owner is required to complete, date and sign the accompanying proxy card and return it promptly in the enclosed envelope or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. The deadline for Broadridge to receive and count a proxy by mail is 11:59 p.m., Eastern Time, on May 11, 2016.

#### ***Vote in Person***

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 these shares.

### **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 (a) to elect the 12 nominated directors of the Company for a term of one year to expire at the Annual Meeting in 2017; (b) to ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for 2016; (c) to approve the compensation of the Company's named executive officers; and (d) in the discretion of the proxy holders as to any other business that may properly come before the meeting.

#### **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 2016 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 is required to ratify the selection of Ernst & Young LLP as the Company's

independent registered public accounting firm for 2016. 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 Three.** The affirmative vote of a majority of the stock having voting power present in person or represented by proxy 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 2016 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.

### **PROPOSAL 1: ELECTION OF DIRECTORS**

#### **General**

The Board currently consists of 12 members whose terms expire at this year's Annual Meeting. 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 Committee reviewed the qualifications, performance and circumstances of each incumbent director. After completing its review, the Committee proposed all incumbent directors for re-election except for Albert P. L. Stroucken and Thomas L. Young. Mr. Stroucken will retire as Executive Chairman of the Board on May 12, 2016 and therefore is not standing for re-election. Mr. Young has reached the age of 72 and, consistent with the Policies and Procedures, was not nominated by the Committee for re-election. The Board approved the Committee's recommendation regarding the incumbent directors and also approved the Committee's proposal that two new candidates stand for election, Andres A. Lopez and Joseph J. DeAngelo, to fill the two vacancies. The education and professional histories of these two nominees are provided below.

#### **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 2017 Annual Meeting of share owners and until their successors have been elected. The nominees of the Board are Gary F. Colter, Joseph J. DeAngelo, Gordon J. Hardie, Peter S. Hellman, Anastasia D. Kelly, Andres A. Lopez, John J. McMackin, Jr., Alan J. Murray, Hari N. Nair, Hugh H. Roberts, Carol A. Williams and Dennis K. Williams. Except for Messrs. Lopez and DeAngelo, each nominee is currently serving as a director of the Company and each nominee, including Messrs. Lopez and DeAngelo, 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.

## Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

Following is information on the persons nominated for election to the Board at the 2016 Annual Meeting:

### *Nominees To be elected for terms expiring at the 2017 Annual Meeting*

Gary F. Colter, Age 70

Director since 2002

Mr. Colter has been the President of CRS Inc., a corporate restructuring and strategy management consulting company, since 2002. Prior thereto, Mr. Colter had over 34 years of executive experience (27 years as a partner) at KPMG Canada, during which he developed valuable financial and accounting expertise while overseeing Canadian and global financial advisory services practices of KPMG. He served as the Vice Chair of KPMG Canada from 2000 to 2002, the Global Managing Partner, Financial Advisory Services, of KPMG International from 1998 to 2000 and as Vice Chairman of KPMG Canada from 1989 to 1998. During his long career in advisory services, Mr. Colter has led the restructurings of many major North American companies. In addition, Mr. Colter has extensive experience as a director on the boards of both private and public companies, regularly attends external continuing education offerings and has substantial training and experience in corporate governance. He is a director of CIBC (since 2003), Core-Mark Holding Company, Inc. (since 2004) and Revera Inc. (since 2006) and currently serves on the corporate governance committees of each of those boards. Mr. Colter served as Chairman of the Board of Canadian Pacific Railway Limited from May 2014 to July 2015, where he had served as a director since 2012. Previously, he was a director of Saskatchewan Wheat Pool (2003-2006). Mr. Colter received a bachelor of arts in business administration from the Richard Ivey School of Business, and is a Fellow Chartered Accountant. Mr. Colter's extensive business, financial and accounting experience and education, experience with a broad range of North America markets, financial reporting expertise, extensive director experience and corporate governance training qualify him to serve on the Company's Board.

Joseph J. DeAngelo, Age 54

Director Nominee

Mr. DeAngelo has been the Chairman of the Board, President and Chief Executive Officer of HD Supply Holdings Inc., one of the largest industrial distributors in North America, since March 2015. He served as President and Chief Executive Officer since January 2005. Previously, Mr. DeAngelo served as Executive Vice President and Chief Operating Officer of The Home Depot from January 2007 to August 2007. While at The Home Depot, Mr. DeAngelo also served as President and Chief Executive Officer of Home Depot Supply (2005-2007), Senior Vice President, Home Depot Supply (2005-2006), Senior Vice President, Home Depot Supply, Pro Business and Tool Rental (2005) and Senior Vice President, Pro Business and Tool Rental (2004-2005). Mr. DeAngelo previously served as Executive Vice President of The Stanley Works from March 2003 through April 2004. From 1986 until April 2003, Mr. DeAngelo held various positions with GE. His final position with GE was as President and Chief Executive Officer of General Electric TIP/Modular Space. Mr. DeAngelo currently serves as a board member of the HD Supply Holdings Inc. (since 2007). He is also on the board of trustees of the Shepherd Center Foundation and on the CEO Advisory Council of the Cristo Rey Atlanta Jesuit High School. Mr. DeAngelo holds a bachelor's degree in accounting and economics from the State University of New York at Albany. Mr. DeAngelo has over 32 years of global operating experience, including 17 years in various leadership roles, and that, along with his knowledge of strategic planning and global business experience, qualify him to serve on the Company's Board.

## Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

Gordon J. Hardie, Age 52

Director since 2015

Mr. Hardie currently serves as Managing Director, Bunge Food & Ingredients, a global company that operates in agribusiness, sugar and bioenergy, food and ingredients and fertilizer. Mr. Hardie has been Managing Director since 2011. At Bunge, Mr. Hardie currently serves as a member of the Executive Committee and has led the global Operational Excellence program for Bunge Ltd 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 Goldman 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 Smurfit Graduate School of Business and has completed the Advanced Management Program and the AVIRA CEO Program at INSEAD. Since 2013, Mr. Hardie has served on the board of Zakłady Tluszczowe Kruszwica. Mr. Hardie also serves on the North American Advisory Board of the Smurfit Graduate School of Business, University College Dublin. 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.

Peter S. Hellman, Age 66

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 10 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 16 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 Holden Arboretum and LifeBanc. Through his significant board and management experience, Mr. Hellman has obtained extensive training in executive compensation matters and corporate governance practices. Mr. Hellman received a bachelor of arts degree from Hobart College and a master of business administration 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.

Anastasia D. Kelly, Age 66

Director since 2002

Ms. Kelly is Co-Managing Partner (Americas) in the law firm of DLA Piper (Partner since 2010 and Co-Managing Partner since 2013). 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

## Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

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 was a director of Saxon Capital from 2004 to 2008, and is currently a director of Huntington Ingalls Industries, Inc. (since 2011) and sits on the board of numerous philanthropic organizations. Ms. Kelly received a bachelor of arts, cum laude, from Trinity University DC and a juris doctorate, magna cum laude, from George Washington 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 53

Director Nominee

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 Columbian plants. He holds a Bachelor of Science in production engineering from EAFIT University in Medellin, Colombia, and has attended the Executive Education Program at Stanford University in California. He speaks English and Portuguese, in addition to his native Spanish. Mr. Lopez' 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.

John J. McMackin, Jr., Age 64

Director since 1994

Mr. McMackin is a principal of Williams & Jensen, PLLC, one of the nation's leading, independently owned government affairs law firms. During his long legal career spanning over 30 years, Mr. McMackin has had varied experience in many areas of corporate law, environmental law, financial regulation, complex litigation and other areas of law and regulation. He has been a director of the Judicial Evaluation Institute since 1990. Mr. McMackin received a bachelor of arts degree, summa cum laude, from the University of Notre Dame and juris doctorate from Yale Law School and he is a member of the District of Columbia Bar. Mr. McMackin's legal expertise, knowledge of government and regulation and long experience with the Company and the glass industry qualify him to serve on the Company's Board.

Alan J. Murray, Age 62

Director since 2015

Mr. Murray retired as an executive in 2008 after serving as Managing Board Member for North America for Heidelberg Cement 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. 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

## Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

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 boards of Heidelberg Cement AG (since 2010) and Wolsley PLC (since 2013). 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.

Hari N. Nair, Age 56

Director since 2013

Mr. Nair served as the Chief Operating Officer ("COO") of Tenneco Inc., a Fortune 500 company with revenues of \$8.0 billion, from 2010 until his retirement in early 2015. Mr. Nair also served as a member of the Tenneco Board of Directors from 2009 until his retirement. Prior to his assignment as COO, Mr. Nair served as President, International Group, where he was responsible for managing Tenneco's business operations and capitalizing on growth opportunities in Europe, South America and Asia-Pacific. Beginning in 1987, Mr. Nair assumed positions at Tenneco of increasing responsibility across various functions of strategic planning, business development, quality and operations. Before joining Tenneco, Mr. Nair was a senior financial analyst at General Motors Corporation and a plant manager for American Water Company. Mr. Nair previously served as a board member of Tenneco Inc. from 2009 to 2015. Mr. Nair received a bachelor of science in engineering from Bradley University, a master of business administration 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 and executive leadership skills and financial reporting expertise qualify him to serve on the Company's Board.

Hugh H. Roberts, Age 64

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 received a bachelor of arts, magna cum laude, from Harvard College and a master of business administration 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.

Carol A. Williams, Age 58

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 chlor-alkali assets business. She was named Senior Vice President of Basic Chemicals in 2009 and President of Chemicals & Energy in 2010. Ms. Williams became a board member at Olin Corporation in November

Edgar Filing: OWENS ILLINOIS INC /DE/ - Form DEF 14A

2015. She previously served as a board member at Zep, Inc. from 2012 to 2015. She received a bachelor's degree in chemical engineering from Carnegie Mellon University in Pittsburgh, PA. In 2009, she was selected as an Alumnae of the year at Carnegie Mellon University. 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.

Dennis K. Williams, Age 70

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 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. In addition, Mr. Williams has held directorships at publicly traded companies for over nine years and has been a director of AMETEK, Inc. (since 2006) and Actuant Corporation (since 2006). 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 received a bachelor of science 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.**



## GOVERNANCE INFORMATION

### Board Leadership Structure

The Company has no fixed policy on whether the roles of Board Chairman and Chief Executive Officer should be separate or combined. However, during 2015, the Board considered again the possible separation of the role of Board Chair from the role of CEO. The Board's deliberations revisited the benefits of creating a structure where the Board Chair could better exercise independent judgment focused on the long term interests of the Company's share owners. The Board initially examined this opportunity in light of the December 31, 2015 retirement of the Company's CEO and Board Chair, Albert P. L. Stroucken, and the assumption of the CEO responsibilities by Andres A. Lopez.

As a result of its deliberations, the Board decided that the roles of the Board Chair and CEO would be separated as of January 1, 2016, with Mr. Stroucken maintaining his position of Board Chair until the Company's Annual Meeting in May 2016 at which time Mr. Stroucken would retire from the Board and the Board would select an independent member of the Board elected at the Annual Meeting to become its Independent Board Chair ("IBC"). At the time that the new IBC is selected, the Company will eliminate the role of Lead Director.

The primary responsibility of the IBC will be 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.

It is also expected that 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 will be 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 Board will expect the IBC to assume a leadership role in CEO succession planning.

### Executive Sessions

The Company's non-management 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-management directors of the Board. The Board believes this approach effectively complements the Company's Board leadership structure. The non-management directors met nine times in executive session in 2015 without management present, and the independent directors met once in executive session in 2015. These executive sessions will continue after the creation of the IBC role.

### **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: Gary F. Colter, Gordon J. Hardie, Peter S. Hellman, Anastasia D. Kelly, Alan J. Murray, Hari N. Nair, Hugh H. Roberts, Carol A. Williams, Dennis K. Williams and Thomas L. Young. The Board has also affirmatively determined that the director nominee, Joseph J. DeAngelo, is independent. In making this determination, the Board has determined that none of these directors or nominees has 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 2015, the full Board met twelve times. Each member 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 2015 averaged over 97% 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 2015 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](http://www.o-i.com)). A copy is also available in print to share owners upon request, addressed to the "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 (the "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 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](http://www.o-i.com)) and in print, free of charge, to share owners upon request to the "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 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 Committee's belief that diversity is an important attribute of a well-functioning Board and the Policies and Procedures, the Guidelines and the Committee's Charter each require the 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 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 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 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.

The 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. Pursuant to its Policies and Procedures, the 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 Committee discuss and evaluate possible candidates in detail, and determine which individuals to consider in more depth. Once a candidate is identified whom the Committee wants to move toward nomination, one or more members of the Committee will enter into discussions with the candidate. The procedures for the nomination of director candidates by share owners are described under the heading "2017 Annual Meeting of Share Owners."

The performance of incumbent members of the Board is evaluated annually by the Committee. Incumbent directors who continue to satisfy the Committee's criteria for Board membership and whom the Committee believes continue to make important contributions to the Board generally will be renominated by the Board at the end of their term. For reasons noted above, Messrs. Stroucken and Young have not been nominated for re-election. In addition, Messrs. Lopez and DeAngelo have been nominated to stand for election at the Annual Meeting, having met the personal and professional characteristics identified in the Policies and Procedures.

#### **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](http://www.o-i.com)) and in print, free of charge, to share owners upon request, addressed to the "Secretary" at Owens-Illinois, Inc., One Michael Owens Way, Perrysburg, Ohio 43551-2999.