

## LIBBEY INC.

### COMPENSATION COMMITTEE CHARTER

#### **Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Libbey Inc., a Delaware corporation (the “Company”), is to, among other things, discharge the Board’s responsibilities relating to the compensation of the Company’s executive officers. In addition, the Committee shall be responsible for reviewing and approving the compensation of certain officers of the Company’s subsidiaries, including the general managers (each a “GM”) of the Company’s regional business units (each a “BU”); the Chief Digital Officer; the Chief Information Officer; the Vice President, Global Supply Chain Officer; and the Vice President, Corporate Engineering and Research and Development (or similarly titled role).<sup>1</sup> The Company’s executive officers, together with the BU GMs, the Chief Digital Officer, the Chief Information Officer, the Vice President, Global Supply Chain Officer and the Vice President, Corporate Engineering and Research and Development (or similarly titled role), are referred to collectively as the Executive Leadership Team (ELT).

#### **Composition**

**Size.** The Committee shall consist of the number of Directors fixed by the Board from time to time but at all times shall consist of no fewer than three members of the Board.

**Qualifications.** Each Committee member must (a) be independent in accordance with the provisions of Rule 10C-1(b)(i)(ii)(A) and (B) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules of the NYSE American stock exchange and any other applicable independence standards as may be set forth in the Company’s Corporate Governance Guidelines, (b) be an “outside director” for purposes of Section 162(m) of the Internal Revenue Code, (c) be a “Non-Employee Director” for purposes of Rule 16b-3 of the Exchange Act, and (d) not be a party to any interlocking arrangement that would need to be disclosed under Item 407(e)(4) of Regulation S-K.

**Selection.** The Board will select the members and the Chair of the Committee based on recommendations made by the Nominating and Governance Committee. Each Committee member will serve at the pleasure of the Board for such term as the Board may from time to time decide or until such Committee member is no longer a Board member. The Board may remove any member from the Committee at any time for any reason.

#### **Duties and Responsibilities**

The duties and responsibilities of the Committee will include the following:

1. Establish and Oversee Executive Compensation Policies and Programs. The Committee will develop, implement and oversee the Company’s compensation policies and programs for the ELT. The Committee also will have responsibility for

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<sup>1</sup> Technically, the committee is responsible under SEC and stock exchange rules only for “executive officer compensation.” Currently, the only members of the Executive Leadership Team (ELT) who are *executive officers* of Libbey Inc. are: the CEO, the CFO, the VP, General Counsel & Secretary; the VP, Human Resources; and the VP, General Manager, US & Canada. However, the committee presumably views its role as extending to other members of the ELT.

assessing whether the Company's compensation programs and practices are competitive with comparable companies and are effective in attracting, retaining and motivating highly qualified personnel in order to achieve the Company's business objectives.

2. Review and Approve Executive Compensation. The Committee will review and approve, at least annually, corporate and individual goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO") and the other members of the ELT. The Committee will, on an annual basis, evaluate (taking into account the Board's annual evaluation of the CEO) the CEO's performance in the light of those goals and objectives and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level, including salary, bonus and incentive and equity compensation, based on these evaluations. The Chair of the Committee, together with the Chairman of the Board, will review the Board's annual evaluation of the CEO with the CEO. The Committee will, with input from the CEO, review the extent to which the other members of the ELT have achieved those corporate and individual goals and objectives, and review and approve compensation levels for them based on those evaluations and such other factors as the Committee deems appropriate. In evaluating and determining executive compensation, the Committee will consider the results of the Company's most recent shareholder advisory vote ("Say-on-Pay Vote") on executive compensation.
3. Recommend Incentive Compensation Plans. The Committee will review and approve, and, when appropriate or required, recommend to the Board for approval (and, where appropriate or required, recommend for approval by the Company's shareholders), all cash and/or equity-based incentive compensation plans in which any member of the ELT participates. In each case the authority to review and approve includes the authority to adopt, amend and terminate such plans. The Committee will determine and measure achievement of corporate and individual goals and objectives for members of the ELT under the Company's incentive compensation plans. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative stockholder returns, the value of similar incentive awards to chief executive officers at comparable companies and the awards previously given to the Company's CEO. In reviewing and approving, or making recommendations regarding, incentive compensation plans, the Committee will consider the results of the Company's most recent Say-on-Pay Vote on executive compensation.
4. Recommend Equity-Based Plans. The Committee will also make recommendations to the Board with respect to the approval, adoption and amendment of all other equity-based plans. In making recommendations regarding all other equity-based plans, the Committee will consider the results of the Company's most recent Say-on-Pay Vote on executive compensation.
5. Administer Compensation Plans. The Committee will administer the Company's equity-based incentive compensation plans and any other plans adopted by the Company or the Board that contemplate administration by the Committee. The Committee, or a subcommittee, shall approve all grants of restricted stock units, stock options and other equity-based awards, subject to the terms and conditions of applicable plans, and approve and oversee any delegation of authority to the Chairman of the Board or any officer to make grants or awards to Company

employees other than executive officers or other direct reports to the CEO. The Committee's administrative authority includes the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.

6. Clawback Policy. The Committee shall review and approve the creation or revision of any clawback policy allowing the Company to recoup compensation paid to employees.
7. Oversee Regulatory Compliance. The Committee will, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including overseeing any compensation programs intended to preserve tax deductibility and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
8. Review Employment Agreements and Severance Arrangements. The Committee will review and approve, and, when appropriate, recommend to the Board for approval, any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any member of the ELT. The authority to review and approve severance or retention plans or agreements includes the authority to adopt, amend and terminate such plans or agreements. The Committee shall review and approve any severance or other termination payments proposed to be made to any current or former executive officer of the Company or any other member of the ELT, except for any such payment made in accordance with a plan or agreement previously approved by the Board or the Committee.
9. Review Assessment of Compensation-Related Risks. The Committee shall, on an annual basis, review a risk assessment of executive compensation policies, practices and plans to determine whether they encourage excessive risk-taking; review and discuss at least annually the relationship between risk management policies and practices and compensation; and evaluate compensation policies and practices that could mitigate any such risk.
10. Review and Recommend Frequency of Say-on-Pay Votes. The Committee, jointly with the Nominating and Governance Committee, shall review and recommend to the Board for approval the frequency with which the Company will conduct Say-on-Pay Votes on executive compensation, taking into account the results of the Company's most recent Say-on-Pay Vote, and will review and approve the proposals regarding the Say-on-Pay Vote and the frequency of the Say-on-Pay Vote to be included in the Company's proxy statement.
11. Review and Discuss Compensation Discussion and Analysis; Compensation Committee Report. The Committee, with the assistance of management and any outside advisors the Committee deems appropriate, shall (a) review and discuss with management the Company's disclosures under "Compensation Discussion and Analysis" and related executive compensation information, and, based on this review, make a recommendation as to whether to include the "Compensation Discussion and Analysis" in the Company's annual report on Form 10-K and proxy statement relating to the Company's annual meeting of stockholders, and (b) produce the Compensation Committee Report for inclusion in the Company's annual report on Form 10-K and proxy statement in accordance with applicable rules and regulations.

12. Review Say-on-Pay Vote Results. The Committee will review the results of the Company's Say-on-Pay Votes and consider whether to make any adjustments to the Company's executive compensation policies and practices in response to the results.
13. Review Stock Ownership Guidelines. The Committee will review and make recommendations to the Board regarding stock ownership and/or retention guidelines for the CEO and other members of the ELT and monitor compliance with the guidelines.
14. Board Reports. The Committee will report its actions, activities and any recommendations to the Board at least annually in such manner and at such times as the Committee or the Board deems appropriate.
15. Other Delegated Duties or Responsibilities. The Committee will perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

### **Meetings**

The Committee will meet in person or telephonically as frequently as it determines to be appropriate to carry out its responsibilities under this Compensation Committee Charter. The Committee Chair will, in consultation with the other members of the Committee and appropriate officers of the Company, be responsible for calling meetings of the Committee, establishing the agenda for each Committee meeting and supervising the conduct of each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board will constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law, the Company's Certificate of Incorporation or its Bylaws. The Committee Chair will have other responsibilities as the Committee may specify from time to time.

The Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Committee. However, the Committee shall meet regularly without members of management being present, and in no case shall the CEO or any other officer be present at meetings at which his/her compensation or performance is discussed or determined. Any Board member may attend meetings for informational purposes unless his or her attendance is objected to by the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence shall not destroy the quorum for the meeting.

### **Delegation**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting solely of members of the Committee, or, to the extent permitted by applicable law and stock exchange rules and regulations, to any other body or individual. In particular, the Committee may delegate the

approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (a) “Non-Employee Directors” within the meaning under Rule 16b-3 of the Exchange Act and (b) “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code.

### **Outside Advisors**

The Committee will have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants as necessary to assist with the execution of the Committee’s duties and responsibilities as set forth in this Charter.

The Committee will also have the authority, in its sole discretion, to select, retain and obtain the advice and assistance of such legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of such compensation consultants, legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, to compensate any consultants, legal counsel and/or other advisors retained by the Committee.

Before selecting a compensation consultant, legal counsel (other than in-house legal counsel) or other advisor, the Committee shall take into consideration the following factors:

1. The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
2. The amount of fees received from the issuer by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
3. The policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
4. Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the compensation committee;
5. Any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
6. Any business or personal relationship of the compensation consultant, legal counsel or other advisor or the person employing the advisor with an executive officer of the Company.

Finally, the Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407e(3)(iv) of Regulation S-K.

### **Annual Review**

At least annually, the Committee will (a) review this Compensation Committee Charter with the Board and recommend any changes to the Board, and (b) evaluate its own performance against the requirements of this Compensation Committee Charter and report the results of this evaluation to the Board. The Committee will conduct its review and evaluation in such manner as it deems appropriate.

### **Publication**

Consistent with listing requirements of the NYSE American stock exchange, this Compensation Committee Charter will be included on the Company's website and will be made available upon request sent to the Company's Corporate Secretary. The Company's annual proxy statement or annual report will state that this Compensation Committee Charter is available on the Company's website and will be available upon request sent to the Company's Corporate Secretary.

December 12, 2017