

## TERMS AND CONDITIONS OF PURCHASE

The following general Terms and Conditions of Purchase (these “Terms”) are applicable to the purchase of all goods and/or services (“goods”) by Ferro Corporation, or its subsidiaries (“Ferro”), from any seller, supplier or service provider thereof (“Seller”).

1. **GENERALLY** – Ferro’s purchase order for goods (“Order”), the terms of which are expressly incorporated herein by reference, and the sale of such goods to Ferro by Seller are governed exclusively by these Terms unless otherwise agreed in a writing signed by Ferro, and are expressly conditioned on these Terms. Any additional, different or conflicting terms proposed by Seller in any order acknowledgement or otherwise are requests for material alterations to these Terms, are hereby objected to and rejected and will not be binding on Ferro. This Order does not constitute an acceptance by Ferro of any offer to sell, quotation or proposal notwithstanding any reference in this Order. Seller will be deemed to have accepted this Order and these Terms if and when Seller begins any work under this Order or issues an order acknowledgement.

2. **PRICE AND PAYMENT** – The price for goods will be as set forth on the face of this Order or as agreed in a writing signed by Ferro. Unless otherwise specified on the front of an Order or as agreed in a writing signed by Ferro, Ferro will pay the Seller for the goods on a net ninety (90) day basis or on such other payment terms as the parties may from time to time negotiate.

3. **TAXES** – Seller’s price will be exclusive of any federal, state, or local sales, use, or excise taxes levied upon, or measured by, the sale, the sales price, or use of goods required in the performance of this Order. Seller will list separately on its invoice any such tax applicable to any such goods or transaction that is payable by Ferro, with respect to which Ferro does not furnish to Seller evidence of exemption.

4. **EXTRA CHARGES** – Seller will make no additional charges of any kind, including charges for travel, entertainment, postage, clerical support, or other out of pocket expenses, boxing or cartage, unless Ferro has specifically consented to such charges in writing. The price shown on this Order will cover the specified unit of measure for the goods ordered (net weight, piece count, identified service, etc).

5. **DELIVERIES, SPECIFICATIONS, AND QUANTITIES** – Time is of the essence for the delivery of the goods and performance of services, as applicable. Seller will meet the delivery dates, specifications, and quantities, and for services, the performance dates, as set forth in this order.

If Seller does not exactly comply with the quantity and delivery schedule of this Order for any reason, Ferro may, at its option, either approve a revised delivery schedule or terminate this Order without liability to Seller. If Seller delivers goods in advance of schedule or in quantities greater than those called for by this Order Ferro may, at its option, either (i) return all or part of the nonconforming deliveries to Seller at Seller’s expense, (ii) pay for such goods at the time Ferro would have been obligated to pay for them if they had actually been delivered as and when scheduled, (iii) hold such goods for Seller’s account until the scheduled delivery date, and/or (iv) charge Seller for any railroad demurrage or other expenses incurred in connection with the delivery.

Commercial invoices shall be presented in English and shall contain the following information, as applicable: port of entry; name and address of the shipper, consignee, and manufacturer; description of the goods; unit price and total cost of the goods in U.S. Dollars; Ferro purchase order number; INCOTERMS; and country of origin. As applicable, (i) all freight charges are to be broken out separately (i.e.: air or ocean freight charge and insurance, if applicable), (ii) all goods must be visibly marked to indicate the country of origin, and (iii) all shipments are to be secured with security seals that meet ISO 17712 standards.

6. **TERMINATION FOR CONVENIENCE** – Ferro reserves the right to terminate this Order, or any part hereof, for its sole convenience. In the event of such termination, Seller shall immediately cease all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease any work related to this Order.

7. **PRODUCT/SERVICE WARRANTIES** – Seller warrants to Ferro that at the time of delivery Seller will have good title to all goods supplied to Ferro under this Order and the unencumbered right to convey good title to such goods to Ferro as contemplated by this Order. Seller further warrants to Ferro that all such goods will conform to the specifications, drawings, samples, or other description furnished or specified by Seller or Ferro, will be merchantable, will be free from defect in material and workmanship, and (to the extent known or reasonably understood by Seller) will be fit and sufficient for the purposes for which Ferro purchased such goods. These warranties are in addition to those implied by or available at law.

Seller warrants that all services performed hereunder shall be performed by employees or agents of Seller who are experienced and skilled in their profession. Seller further warrants that all services performed under this Order shall conform to the requirements of this Order and shall be completed in a professional, workmanlike manner, in a timely and on an economical basis and in accordance with sound professional procedures and standards in compliance with best industry practices. Ferro may at its option either (i) require correction or re-performance of any defective services or (ii) require replacement of non-conforming services at no additional costs to Ferro.

8. **NON-CONFORMING GOODS** – Ferro will have the right to inspect goods delivered by Seller. Goods will not, however, be deemed to have been accepted by Ferro until such goods are used, processed, stored, held or commingled by Ferro so that the same cannot be returned to the Seller in the same condition in which received by Ferro. If Ferro determines that any of the goods delivered by Seller under this Order are defective in material or workmanship or otherwise are not in conformity with either the specification furnished to Seller or the other requirements of this Order, then Ferro may reject and return such goods to Seller at Seller’s expense. Such right is in addition to any other rights that Ferro may have under any other provision of this Order. Payment for goods by Ferro will not be deemed an acceptance of the goods and all warranties of Seller under this Order will survive delivery and payment for the goods.

9. **CHANGES** – Ferro may at any time and from time to time make changes in (a) drawings, designs, or specifications applicable to the goods covered by this Order, (b) the method of shipment or packing, and (c) the place or time of delivery, including temporary suspension of shipments. If any such changes affect the time for performance, the cost of manufacturing such supplies or the cost of furnishing such services, Ferro will make an equitable adjustment in the purchase price or the delivery schedule, or both. Seller will make no additional charge as a result of any such change unless Ferro requested or authorized such change and Seller requests payment of such additional charge within ten days after Seller receives Ferro’s request or authorization for such change.

10. **COMPLIANCE WITH LAWS** – Seller warrants to Ferro that, in the performance of this Order, it will comply with all applicable laws, statutes, rules, regulations or orders of the jurisdiction where goods are sold or delivered or where work is performed under this Order, and all legal requirements regarding the export, import, sale, distribution, marketing, and service of the goods and related technology, including without limitation, the obligations under Section 12 of

these Terms, tax and foreign exchange legislation or regulations, the applicable requirements of §§6, 7 and 12 of the Fair Labor Standards Act, as amended, and the applicable regulations and orders of the U.S. Department of Labor issued under §14 of such Act. Seller also warrants that it will at all times be in compliance with applicable requirements of Executive Order 11141, as well as the Rehabilitation Act of 1973, as amended. The parties hereby incorporate the requirements of 41 C.F.R. §§ 60-1.4(a)(7), 29 C.F.R. Part 471, Appendix A to Subpart A, 41, C.F.R. § 60-300.5(a)ii and 41 C.F.R. § 60-741.5(a), if applicable. **This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. This contractor and subcontractor shall abide by the requirements of 41 C.F.R. § 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.** Seller represents and warrants that, for applicable sales of goods to Ferro, Seller will fully comply with all requirements, regulations, guidelines and rules of REACH (the Registration, Evaluation, Authorisation and Restriction of Chemical substances) as enacted by the European Community Regulations and related agencies on or about June 1, 2007 as may be amended from time to time.

11. GOVERNMENT CONTRACTS – If the goods are to be used by Ferro in the performance of a U.S. Government contract or subcontract this Section 11 shall apply and all of the provisions of the government contract, all of the applicable government procurement regulations, including Executive Orders, quality requirements, Buy American requirements, and import/export requirements, required by federal law to be included in the government contract or subcontract will be deemed to apply to Seller and will be incorporated into this Order. The clauses so incorporated will be applied to Seller as though Seller were a prime contractor. Ferro and authorized representatives of the United States Government as applicable, may audit Seller's compliance with such terms at anytime upon commercially reasonable notice to Seller, including access to Seller's books and records at its plant, or other applicable facility related in any manner to Seller's delivery or supply of the goods hereunder and/or Seller's compliance with the terms of this Order. The provisions of this Section 11 are required to be included in Seller's subcontracts and Purchase Orders related to the goods provided under this Agreement.

## 12. TRADE COMPLIANCE

(A) EXPORT CONTROL REGULATIONS – Seller represents and warrants that it is not designated on, or associated with, any party designated on any of the U.S. Government restricted parties lists, including without limitation, the U.S. Commerce Department Bureau of Industry and Security ("BIS") Denied Persons List; Entity List or Unverified List; the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") Specially Designated Nationals and Blocked Persons List; or the U.S. State Department Directorate of Defense Trade Controls ("DDTC") Debarred Parties List or restricted parties list of any country having jurisdiction over Seller or involving the transaction or goods that are the subject of this document. Seller will adhere to and comply with all applicable export control regulations of the U.S. and any other relevant jurisdiction, and Seller shall not export, directly or indirectly, any information or technical data disclosed by Ferro to Seller to any individual or country for which the U.S. Government, at the time of export, requires an export license or other governmental approval, without first obtaining such license or approval. In the event

that Seller supplies to Ferro any product, material, technology, software or other item that is a controlled military or dual-use item, Seller shall concurrently inform Ferro of the export classification of the item on the U.S. Munitions List or Commerce Control List, as applicable. Seller represents and warrants that all items not so designated are classified as EAR99.

(B) ANTIBOYCOTT PROVISIONS - Seller will not request of Ferro information or documentation where the purpose of such request is to support, give effect to or comply with a boycott of any country in contravention of the laws or policies of the United States, including but not limited to the Arab League boycott of Israel. Ferro hereby rejects any such request by Seller and will report receipt of any such request to the relevant U.S. government office, as required by law.

(C) ANTICORRUPTION AND ANTIBRIBERY - In relation to any transaction involving the goods that are the subject of this document or related technology, Seller shall not seek to obtain or retain business or gain any other advantage by making or offering to make any payment of money or by providing or offering to provide anything of value, directly or indirectly, to: (i) any government official; or (ii) any non-governmental person, in either case with the intent that such official or person will perform their responsibilities improperly. Seller warrants that it will comply with the anticorruption laws and anti-bribery laws of any country having jurisdiction over Seller or the transaction involving the goods that are the subject of this document or related technology, and will in all cases comply with the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act.

(D) NONCOMPLIANCE - In the event that Ferro reasonably believes that any provision of this Section 12 has or may have been breached, Buyer shall cooperate fully with Ferro's investigation to clear the matter and Ferro shall not be obligated to sell or provide goods or technology or take any other act in furtherance of any transaction while such investigation is pending and such suspension or forbearance by Ferro shall not constitute breach of any obligation or otherwise.

13. SAFETY AND HEALTH REGULATIONS – Seller warrants to Ferro that all services performed and all goods delivered under this Order will comply with all requirements of the Federal Occupational Safety and Health Act of 1970, as amended, and all regulations, rules, standards and Orders adopted pursuant to the Act, and will comply with all requirements of any applicable health or safety statute, regulation, or standard of any state or local government having jurisdiction in the location from, through or to which such goods are to be shipped or at which such services are to be performed pursuant to this Order. Seller will provide all relevant information, including without limitation, safety data sheets in the language and the legally required format of the location to which the goods will be shipped and mandated labeling information, required pursuant to applicable requirements such as (a) the Occupational Safety and Health Act (OSHA), (b) REACH (as defined herein), or (c) any other applicable law, rule or regulation or any similar requirements in any other jurisdictions to or through which Ferro informs Seller the goods are likely to be shipped or through which Seller otherwise has knowledge that shipment will likely occur, such as U.S. Department of Transportation regulations governing the packaging, marketing, shipping and documentation of hazardous materials.

14. PRODUCT SAFETY REGULATIONS – Seller warrants to Ferro that all goods supplied under this Order will comply with the Consumer Products Safety Act and any other applicable consumer protection statute, regulation or rule, and similar laws and regulations promulgated thereunder.

15. PATENTS, ROYALTIES AND ENCUMBRANCES – Seller warrants to Ferro that all goods supplied under this Order will be free from liability for royalties, patent rights and mechanics' liens, or other

encumbrances. Seller further warrants to Ferro that the goods specified in this Order and their sale or use alone, or in combination according to Seller's specifications or recommendations, if any, will not infringe any United States or foreign patents or the intellectual property rights of any third party.

16. INDEMNIFICATION – Seller will indemnify, defend and hold Ferro and its directors, officers, employees agents, parents, affiliates, subsidiaries, successors and assigns harmless, from and against all fines, penalties, suits, actions, claims, liabilities, judgments, losses, damages, costs and expenses (including attorneys' fees), arising out of or resulting from (i) Seller's negligence or willful misconduct, (ii) any failure by Seller to perform any of its obligations under this Order including these Terms, or (iii) the goods supplied or services performed by Seller under this Order. The foregoing shall apply, without limitation, to injury to or death of any person (including, without limitation, employees of Ferro, of Seller, or of a subcontractor of Seller). Seller also will be responsible for, and hereby assumes all liability for, any loss or destruction of or damage to (A) materials, equipment and other property owned or controlled by Seller or by any subcontractor which are to be incorporated into the goods or services provided by Seller pursuant to this Order, (B) temporary construction aids, including, but not limited to, shoring, scaffolding, false work and sheds, (C) Seller's own real and personal property, (D) real and personal property loaned or leased to Seller by any person or entity other than Ferro, and (E) personal property of Seller's employees, unless such loss, destruction or damage arises out of or results from the sole negligence of Ferro or its employees or agents.

17. REMEDIES – The remedies set forth herein are cumulative and in addition to any other or further remedies provided at law or in equity. No failure to insist upon strict compliance with the terms of this contract shall constitute a waiver, and no waiver of a breach of any provision of this Order shall constitute a waiver of any other breach, or of such provision.

18. USE AND DISCLOSURE OF INFORMATION – All information that Seller has heretofore or may hereafter furnish or disclose to Ferro in connection with the placing or filling of this Order is part of the consideration for this Order. Therefore, unless Ferro otherwise agrees in writing, Ferro will not be obligated to treat any such information as confidential or proprietary to Seller and will have no liability to Seller for the use or disclosure of such information. Seller will keep confidential all information, drawings, specifications, or data furnished by Ferro or prepared by Seller specifically in connection with this Order, and will not use any personal data acquired from Ferro other than to fulfill Seller's obligations under this Order and will comply with all applicable laws relating to data protection, including but not limited to the U.K. Data Protection Act 1998. Seller will not in any manner advertise or publish the fact that it has furnished, or contracted to furnish, Ferro the goods, materials or services mentioned herein, without prior written consent of Ferro.

19. FERRO'S PROPERTY – Unless otherwise agreed by Ferro in writing, all tools, equipment or material of every description furnished to Seller by Ferro or specifically paid for by Ferro, and all replacements thereof, or all materials affixed or attached thereto, shall be and remain the personal property of Ferro. Seller will plainly mark or otherwise adequately identify such property as "property of Ferro Corporation" and will store such property separate and apart from Seller's own property. Seller will not substitute any property for Ferro's property and will not use such property except in filing Ferro's orders. While such property is in Seller's custody or control, Seller will hold such property at its own risk. Seller will keep such property insured at Seller's expense in an amount equal to the replacement cost of such property, with the loss payable to Ferro. Ferro may at any time require Seller in writing to surrender such property to Ferro, in which event Seller will promptly prepare such property for shipment and redeliver

the same to Ferro in the same condition as originally received by Seller, reasonable wear and tear excepted.

20. SET OFF – Ferro will be entitled at all times to set off any amount owing from Seller to Ferro or any of its affiliated companies against any amount due or owing to Seller with respect to this Order.

21. CANCELLATION – In the event of any proceeding by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver of trustee or an assignee for the benefit of creditors, of the property of either party, the other party shall be entitled to cancel the contract resulting from the acceptance of this Order forthwith. Ferro reserves the right to cancel all or any part of the undelivered portion of this Order in the event of any default by the Seller. If Ferro cancels this Order for default in whole or in part, Ferro may acquire, under the terms and in the manner Ferro considers appropriate, supplies or services similar to those canceled, and the Seller will be liable to Ferro for any excess cover costs for those supplies or services.

22. INSURANCE – (A) Seller will obtain and maintain at its sole cost and expense throughout the performance of this Ferro order, with insurers acceptable to Ferro, the following insurance coverage: (1) Worker's Compensation in accordance with the laws of the state in which the work is to be performed, and Employer's Liability with minimum limits of \$1,000,000 each occurrence covering all of Seller's employees and all employees of any subcontractor engaged in any work to be performed hereunder, (2) Comprehensive General Liability with minimum limits of \$1,000,000 Property Damage and \$1,000,000 / \$3,000,000 Bodily Injury and with: (a) an endorsement extending coverage to include: (i) personal injury liability with employee exclusion waived, (ii) broad form property damage liability, (iii) sellers' and contractors' protective liability, (iv) blanket contractual liability insurance sufficiently broad to cover the Seller's contractual liability hereunder, (v) product liability insurance, (vi) completed-operations liability, including broad form property damage provision, (vii) if any coverage provisions in the Comprehensive General Liability insurance policy are subject to an "aggregate" limit of liability, each such "aggregate" limit shall be no less than \$3,000,000 and shall apply separately to the operations or work performed under this Order, as distinct from any other operations or work performed at or at any other locations maintained by the Seller, and (b) if this Order includes excavating or blasting, an endorsement eliminating excavating and blasting exclusions, and (c) if this Order includes engineering or architectural design, an endorsement evidencing Architects' and Engineers' Errors and Omissions coverage, and (3) Automobile Liability (if any motor-driven vehicle is used in performing this Order) with minimum limits of \$2,000,000 Property Damage and \$1,000,000/\$3,000,000 Bodily Injury covering all motor vehicles, owned, hired, rented or used by Seller and covering all motor vehicles not owned by but used on behalf of Seller. Seller will assure that Ferro is named as additional insured on all of the coverage's described above. All such policies of insurance shall contain a waiver of subrogation against Ferro.

(B) Seller will furnish Ferro certificates evidencing the insurance specified in paragraph (A) above prior to performance of any part of this Order and upon the request of Ferro from time to time. Such certificates will describe the policies, show expiration dates, and state that the policies will not be cancelled or reduced in coverage without thirty days' prior written notice to Ferro.

(C) The Certificate of Comprehensive General Liability Insurance will identify and evidence insurance for the indemnification provision of this Order.

(D) Seller will also maintain Fire and Extended Coverage insurance payable to Ferro and Seller (as loss payee as Seller's interest may appear, and not as additional insured) but such insurance shall not extend

to Seller's property such as tools, equipment, structures, etc., which are not to be incorporated into this Order.

23. NO GIFTS – Seller agrees not to provide or offer to provide to any director, officer or employee of Ferro, or any member of such person's family, any favors, gifts, loans or other benefits (including services and discounts as well as material goods), except casual entertainment or gifts (other than money) of nominal value that are customarily offered to others having a similar relationship with Seller and such conduct complies with applicable law and the internal rules of Seller and Ferro; provided that the foregoing exception shall not apply if this Order shows on its face or if Ferro otherwise notifies Seller that this Order is placed under a U.S. Government or other government contract or a subcontract thereunder.

24. SUBCONTRACTING – No subcontracting shall be made by the Seller with any other party for furnishing any of the completed or substantially completed articles, spare parts or work herein contracted for without the prior written approval of Ferro.

25. INCOMING FREIGHT POLICY –If the terms of sale are such that Ferro is to pay the freight expense on an inbound shipment ("Ferro Freight Paid Order"), then Seller will arrange for shipment on a "collect" basis with (i) a freight provider designated by Ferro in its sole discretion, or (ii) if none is so designated by Ferro, with a Ferro preferred freight provider for the applicable mode of transportation, with a designation of preferred freight providers available to Seller upon request. Seller will also fully comply with Ferro's routing guide available to Seller upon request and include Ferro's applicable purchase order number on every bill of lading, without exception. Seller shall be responsible for all incremental charges, costs and expenses incurred as a result of Seller's failure to fully comply with the requirements of this Section 25.

26. GOVERNING LAW – This Order shall be governed, interpreted and construed by and in accordance with the internal substantive laws of the State of Ohio, United States of America without regard to the conflict of law provisions thereof, and expressly excluding the United Nations Convention on Contracts for the International Sale of goods. Any dispute arising hereunder shall be resolved in the United States federal courts serving Cleveland, Ohio, U.S.A. or in the courts of the State of Ohio, as may be applicable. Such courts shall have exclusive jurisdiction and venue for resolution of all such disputes, and the parties hereto do hereby irrevocably submit to such jurisdiction and venue and waive any objection to the contrary hereafter.

27. SUCCESSORS AND ASSIGNS – This Order calls for Seller's personal performance and, consequently, except as stated in the next sentence, Seller will have no right to assign any of its rights or delegate any of its duties to any person or entity without Ferro's written consent. Seller may, however, assign moneys due and to become due from Ferro under this Order. In such case, Ferro will have the right to assert against Seller's assignee any and all rights, claims, and defenses of every type (including, without limitation, rights of setoff, recoupment, and counterclaim) which Ferro would have been able to assert against Seller, whether such rights, claims, or defenses arose before or after such assignment.

28. COMPLETE AGREEMENT – These Terms together with any written instructions issued by Ferro pursuant to the Order, contains the complete and final agreement between Ferro and Seller and supersedes all other and further agreements, representations, warranties, covenants, promises, and other contractual obligations between the parties in respect of the subject of this Order. These Terms may be amended, modified or waived only by a written instrument that refers expressly to this paragraph and is signed by an authorized representative of Fer-

ro. Emails and electronic on-line, internet or other terms of Seller shall not be deemed a means of modifying or amending these Terms.