

General Purchase Conditions ("GPC"); Status: February 2012

The following general Terms and Conditions of Purchase are applicable to the purchase of all goods and/or services by Ernst Diegel GmbH, a Ferro Corp. Company ("Ferro").

1. Generally: Unless otherwise agreed to in writing, these General Purchase Conditions shall exclusively apply to this and all future orders / contracts. We shall not be bound by conflicting or additional terms of the Contractor ("Contractor") even if we have not expressly contradicted them or have accepted delivery without reservation.

2. Order:

2.1 Each order / contract must be confirmed by Contractor in writing. The contract shall not have been concluded unless Contractor has accepted the order within two weeks of being sent or makes delivery during this period. Any oral side agreements must be set down in writing.

2.2 If composition or bankruptcy proceedings have been initiated in respect of Contractor's assets and Contractor has not yet or not made full delivery to us, we shall be entitled to rescind the contract or – in the case of contracts for recurring performance – terminate the contract without notice period.

3. Correspondence: In all correspondence Contractor shall indicate the order number and the date of the order / contract and the respective material number.

4. Execution: Contractor shall maintain a quality assurance system pursuant to DIN ISO 9001:2008. We are entitled to review Contractor's system in a quality audit upon prior agreement. In exceptional cases a quality assurance system can be waived from our part; such a waiver will be valid only in writing.

5. Subcontractors: The involvement of subcontractors shall require our prior written consent. Contractor shall subject the subcontractors to all of the obligations he has undertaken in relation to us and shall ensure compliance with such obligations.

6. Shipping:

6.1 Contractor shall make delivery to the address indicated in the order / contract. When making shipments, the tariff, transport and packaging regulations of the railways, road transport, shipping, air transport etc. shall be observed, particularly with regard to any existing customs and hazardous goods regulations. The mode of transport most economical for us is to be selected if we have not expressly given particular transport instructions.

6.2 In addition to the forwarding address the order information (order no., order date, delivery office, the name of the recipient if applicable and the material number) shall always be included in the forwarding documents.

6.3 If suppliers are used, they shall indicate Contractor as their principal in correspondence and in the forwarding documents and indicate the order data.

6.4 The unit load weight (from 1 t onwards) shall be affixed to each unit in a clearly visible and permanent manner.

6.5 Contractor is entitled to make partial delivery/performance only upon our prior authorization.

7. Information on Hazardous Materials, Product Information:

7.1 The delivery items are to be labelled in accordance with the provisions of the Hazardous Materials Regulations and the EC / EU Directives for hazardous materials / batches.

7.2 Contractor undertakes to provide us in a due time prior to delivery with all of the requisite product information, e.g. safety data sheets, processing advice, labelling regulations, workers' protection measures, etc., including any amendments of the foregoing.

8. Delivery Period:

8.1 Contractor undertakes to inform us without undue delay in writing if circumstances have occurred or become known to him which will result in his inability to honor the specified delivery date.

8.2 Contractor may only claim as a defense that documents / information required from us have not been provided if he has not received such documents / information within a reasonable period despite having issued us a written notice.

9. Performance Certificates and Acceptance:

Any performance data as required by a contract as well as their acceptance shall be recorded in writing.

10. Weights/Volume: In the event of discrepancies in weight the weight established by us upon the inspection of incoming goods shall prevail unless Contractor can prove that the weight calculated by him at the time of the passage of risk was correctly established in accordance with a generally accepted method. This clause shall apply accordingly with respect to discrepancies in volume.

11. Billing and Payment:

11.1 Invoices shall be issued in duplicate, whereby the copy shall be clearly indicated as such. The order number and material number shall be contained in the invoice. Invoices shall be sent separately to the billing address indicated in the respective order.

11.2 Unless another arrangement has been agreed to, invoices shall be payable by us within 90 days net. The payment period shall begin upon delivery of goods at the receiving point (shipping address) or acceptance of the work and receipt of the invoice at the billing address indicated on the order / contract. The time of payment shall have no effect on Contractor's warranty; payment shall not be deemed to be approval.

12. Notice of Failure: A notice of failure has been issued in a timely manner if, in the case of manifest defects, it has been issued to Contractor within a notice period of six working days from the delivery of the goods. In the case of hidden defects, it is sufficient that the notice of defect is issued to Contractor within a period of six working days from the discovery of the defect.

13. Warranty, Liability:

13.1 We may demand at our option – in addition to other statutory rights – that Contractor replaces the defective delivery or performance free of charge by a nondefective delivery or performance or, provided that Contractor is able to do so from a technical point of view, that he remedies the defect without undue delay. In emergency cases we shall have the right to remove the defect ourselves or have the defect removed by a third party, all at Contractor's expense. If Contractor is in default of the removal of the defect, we may also remove the defect ourselves or have it removed by a third party.

13.2 Warranty / guarantee claims shall become time-barred in accordance with the respective statutory provisions.

13.3 In the event of notices of defect the warranty period shall be extended for the entire delivery or work by the time period between the notice of defect and the removal of the defect. The warranty period shall commence new for the complete or partial new delivery, replacement or improvement of goods or services.

14. Intellectual Property: Contractor warrants and is liable that intellectual property rights of third parties are not infringed by the delivery or use of the items delivered or manufactured by him in the agreed upon country of receipt. Even if contractor has own intellectual property rights we, or the third parties authorized by us, shall be entitled to undertake repairs on the delivered items.

15. Insurance:

15.1 Contractor shall maintain liability insurance with terms customary to the industry, minimum coverage of Euro 2 million per case, for the duration of contract, including the guarantee and warranty period. Contractor shall provide documentation of his insurance coverage upon request; lower levels of coverage shall have to be agreed by us in each individual case.

15.2 All shipments directly addressed to us (e.g. deliveries under sales contracts, contracts for work and materials, maintenance contracts and specially manufactured products, but not the delivery of materials brought to our plants by Contractor for work contracts) are insured during shipment by us. To such extent Contractor shall deliver a waiver to his freight forwarder with respect to the indemnity insurance of the SLVS or similar coverage. Any premiums for such indemnity insurance or other self-insurance shall be borne by Contractor.

16. Information: All information, including drawings and other materials we require for assembling, operating, servicing or repairing the items of delivery shall be provided to us by Contractor in due time, without any special request and without charge.

17. Entry to the Plant Site / Construction Site:

When entering our plant site / our construction site the instructions of our personnel shall be followed. Any entry onto our plant site / our construction site shall be announced in advance in due time. The provisions of the Road Traffic Regulations (StVO) shall be observed. If work is to be rendered at the plant site / construction site standard safety equipment, i.e. helmet, boots, and glasses, shall be used. Contractor shall procure that deliveries are executed only by personnel having said safety equipment.

18. Limitation of Liability: We can only be held liable for indemnification, on whatever legal grounds, up to the amount of Euro 50.000,00 in any individual case, and up to the amount of Euro 500.000,00 for the aggregate of all damages caused by us to the Contractor in a calendar year. This applies in all cases of normal negligence ("leichte Fahrlässigkeit") and in case negligence is based on a legal presumption only.

This limitation of liability shall not apply,

(a) in all cases of bad faith ("Arglist" und "Vorsatz") or gross negligence ("grobe Fahrlässigkeit") on our part, or on part of our legal representatives or our employees, or

(b) if the breached provision of the contract is essential for the performance of the contract, or

(c) for personal injury or damage to private property under the German product liability laws or on any other grounds for mandatory liability under German law

19. Reservation of Group Clearing:

19.1 Receivables we and Ferro Corp. and its subsidiary companies ("Ferro Group companies") acquire against Contractor shall inure to all of the Ferro Group companies as joint and several creditors. These receivables may therefore be set-off against Contractor's claims against any Ferro Group company. The same shall apply for rights of retention.

19.2 Contractor shall not object to our notification which of several receivables is to be set off.

20. Waste Disposal: To the extent waste according to waste regulations has been created by Contractor's deliveries / work, he shall recycle or remove such waste, subject to any written agreement to the contrary, at his own expense in accordance with the respective regulations. Title, risk and the responsibility under waste regulations shall pass to Contractor upon the creation of the waste.

21. Confidentiality: Contractor undertakes to maintain secrecy concerning all of the information, knowledge and materials, e.g. technical and other data, measured values, techniques, business experience, business secrets, know-how, drawings and other documentation (hereinafter: "INFORMATION") received from us or disclosed in any other manner from our domain or the domain of another Ferro Group company, and shall not disclose such INFORMATION to third parties and shall only use it for the purpose of executing the respective order / contract. Contractor

undertakes to return all INFORMATION delivered to him in a tangible form such as documents, samples, specimens, or the like without undue delay upon our request without retaining any copies or notes. In addition, he shall destroy his own notes, compilations and evaluations containing INFORMATION without undue delay upon our request and shall confirm this to us in writing. We shall retain ownership and the copyrights to all INFORMATION. This confidentiality obligation shall not apply if INFORMATION has already been known by or has been divulged to Contractor by third parties without Contractor's fault. This confidentiality obligation shall terminate after a period of three years following the respective order.

22. Advertising Materials: Reference to the business relationship existing between us is only allowed in informational and advertising materials upon our express written consent.

23. Place of Jurisdiction and Applicable Law:

23.1 Exclusive Place of Jurisdiction shall be Frankfurt am Main, Germany.

23.2 German law as applicable in commercial relations in the Federal Republic of Germany ("Handelsrecht") shall apply. The UN Convention on Contracts for the International Sale of Goods of April 11, 1980 shall not apply.

23.3 Trade terms shall be construed in accordance with the INCOTERMS in its latest version originating from the International Chamber of Commerce, also available under <http://www.iccwbo.org/incoterms/id3040/index.html>

24. Trade Compliance

24.1 Export Control Regulations. Contractor 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 Contractor 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 Contractor shall not export, directly or indirectly, any information or technical data disclosed by Customer to Contractor 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 Contractor supplies to Customer any product, material, technology, software or other item that is a controlled military or dual-use item, Contractor shall concurrently inform Customer of the export classification of the item on the U.S. Munitions List or Commerce Control List, as applicable. Contractor represents and warrants that all items not so designated are classified as EAR99.

24.2 Antiboycott Provisions. Contractor will not request of Customer 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. Customer 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.

24.3 Anticorruption and Antibribery. In relation to any transaction involving the goods that are the subject of this document or related technology, Contractor 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. Contractor warrants that it will comply with the anticorruption laws and anti-bribery laws of any country having jurisdiction over Contractor 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.

24.4 Noncompliance. In the event that we reasonably believe that any provision of this Section 24 has or may have been breached, Contractor shall cooperate fully with our investigation to clear the matter and we 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 us shall not constitute breach of any obligation or otherwise.

25. Product Safety Regulations

Contractor warrants that all goods supplied will comply with the Consumer Products Safety Act (USA) the Produktsicherheitsgesetz (Germany) and similar laws and regulations applicable thereto.