

FERRO CORPORATION

BOARD OF DIRECTORS

Corporate Governance Principles

A. Purpose

These Corporate Governance Principles are intended to assure that the Company's Director qualifications, Committee structure and overall Board process provide good corporate governance and independent oversight of the Company's management.

B. Board Composition

1. The Board believes that its responsibilities can best be met if it is comprised of men and women with a rich diversity of backgrounds, skills, training, and experiences who work together in a positive and collegial fashion.
2. A substantial majority of the Board will at all times be "independent."
 - A. For purposes of these Principles, a Director will be deemed to be "independent" if he or she is a non-management Director who meets the criteria for independence contained in the listing standards of the New York Stock Exchange ("NYSE"), applicable regulations of the Securities and Exchange Commission, and the Board's "Guidelines for Determining Director Independence."
 - B. The Board will determine at least annually which Directors meet the criteria for independence.
 - C. Any Director whose circumstances change in ways that could affect the Board's determination of independence is expected to notify the Chair of the Governance & Nomination Committee of such circumstances promptly.
3. Each Director's performance will be reviewed in connection with any nomination for re-election.
4. When a Director's principal occupational or professional affiliation changes or any change in circumstances occurs that will or may create a conflict of interest or affect the Director's ability to serve the Company, the Director is expected to offer his or her written resignation to the Governance & Nomination Committee. That Committee will then assess the situation and make a recommendation to the Board as to whether the resignation should be accepted.
5. Before a Director accepts membership on the board of another company, he or she is expected to consult with the Governance & Nomination Committee to allow that Committee to assess whether such membership would adversely affect his or her service on the Company's Board.

6. Except at the specific request otherwise of the Board, a Director is expected to retire from the Board at the annual meeting following his or her 70th birthday.
7. Any officer of the Company who serves as a Director is expected to retire or resign as a Director at the same time his or her employment by the Corporation terminates for any reason.

C. Conduct of Board Business

1. The authority of the Company is exercised under the direction of the Board, and the Board is responsible for selecting the time frame for the achievement of corporate goals.
2. Each Director is expected to act –
 - A. In good faith,
 - B. In a manner the Director believes to be in or not opposed to the best interests of the Company, and
 - C. With the care that an ordinarily prudent person would use under similar circumstances.
3. Although Directors are responsible for monitoring the performance of the Company's senior officers, Directors are entitled to rely on information prepared by officers and employees of the Company, other Directors, consultants, and other agents of the Company.
4. The Board will determine whether the roles of Chief Executive Officer and Chairman of the Board should, at any given point in time, be held by one or two persons.
5. The Board normally will meet between four to six times each year or more frequently if required. Although Directors are urged to attend Board and assigned Committee meetings in person, attendance by telephone or other communications equipment is permitted if all persons participating in the meeting can hear each other. Directors also are urged to attend the annual shareholders' meeting.
6. The Chairman or Chief Executive Officer will be responsible for preparation of the agenda for Board meetings. Each such agenda, however, will allow time for Directors to raise additional items for discussion, and any Director may request that an item be included in the upcoming or a future meeting agenda.
7. Board and Committee materials will be distributed to Directors sufficiently in advance of meetings to allow Directors to come to meetings fully prepared.
8. The non-management Directors will meet at executive sessions at least once each year (and if not all of the non-management directors are independent, the independent directors will meet at least once each year).
 - A. Executive sessions will be chaired by a lead Director. (The lead Directors will be the Committee Chairs, serving on a rotating basis.)

- B. Following each executive session, the non-management Directors will, at their discretion, share with the Chief Executive Officer any observations, comments and concerns.
 - C. The Company will maintain a website (www.ferrodirectors.com) that allows any shareholder or other interested party who wishes to communicate directly and confidentially with the lead Director or the non-management Directors as a group.
9. The Directors will have access to the Company's management as they deem necessary or appropriate and the Chairs of the Committees will meet periodically with members of senior management.
 10. The Board will from time to time invite senior and other high potential managers to attend Board meetings as may be appropriate to make presentations and otherwise inform the Board about business issues.
 11. The Board believes that, except as otherwise required by NYSE listing standards or law, that major corporate decisions should be made by the full Board. For example, the full Board will approve strategic plans and policies, including management succession plans, principles for selection of the Chief Executive Officer, the Company's long-term strategic plans and the Company's annual operating plans.
 12. Each Director is expected to own common stock of the Company at levels set from time to time by the Compensation Committee.
 13. The Board will determine, from time to time, the compensation of Directors upon recommendation of the Compensation Committee. In setting compensation for Directors and members of Board Committees, the Board will be mindful of the actual and relative time and attention required of individual Committees and their Chairs as well as the compensation programs of other public companies of similar size and complexity.

D. Board Committees

1. Committees play a pivotal role in the overall functioning of the Board.
2. Currently, the Board has an Audit Committee, a Compensation Committee, and a Governance & Nomination Committee. The Company's Code of Regulations also contemplates the possibility of there being an Executive Committee. All Committees except the Executive Committee will be comprised solely of independent Directors.
3. After having received the recommendations of the Governance & Nomination Committee, the Board will determine annually the membership and Chairs of the Committees.
4. Membership on the various Committees will be rotated in such a way as to achieve appropriate balance between the need for continuity and the need for periodic introduction of fresh perspectives.

5. Each Committee will meet from time to time upon call of its Chair as he or she deems necessary, in consultation with the Chairman or the Chief Executive Officer, in order for the Committee to achieve its stated purpose. The Chair of each Committee will be responsible for meeting agendas. Any Committee member may add items to an agenda. Committees will have access to outside advisors and consultants to the extent they deem necessary and appropriate.
6. A majority of Committee members will constitute a quorum.
7. Committees will report directly to the Board and will submit minutes of their meetings to the Board.
8. Each Committee will have a charter, which the Committees and/or the Board will review and update periodically.

E. Director Education, Self-Assessments, Succession Planning and Review of Guidelines

1. The Board will conduct a self-assessment of its own performance annually.
2. Each Committee will conduct a self-assessment of its own performance annually.
3. The Company will provide orientation for new Directors and will make available to the Directors continuing education programs.
4. The Governance & Nomination Committee will be responsible for succession planning for the office of the Chief Executive Officer, but all final decisions related to such succession will be made by the Board.
5. The Governance & Nomination Committee will review these Principles periodically, and the full Board must approve any modification whether recommended by the Governance & Nomination Committee or otherwise.