

FERRO CORPORATION

BOARD OF DIRECTORS

Charter of the Compensation Committee

A. Purpose

The Compensation Committee will have responsibility for –

1. Setting the compensation of the Company's executive officers,
2. Recommending to the Board compensation for Directors, the Chairs and members of Committees of the Board, and
3. Overseeing compensation and benefit plans and policies of the Company generally.

B. Composition

1. The Committee will consist of such number of Directors as the Board determines from time to time, but the Committee shall have at least three members at all times.
2. The Board will appoint the members of the Committee and the Chair of the Committee and have the power to remove or replace members of the Committee and the Chair of the Committee.
3. Each member of the Committee must be -
 - a. "independent" as determined by the Board in compliance with the New York Stock Exchange (NYSE) Listing Standards and the Board's Guidelines for Determining Director Independence,
 - b. a "Non-Employee Director" as defined in Rule 16b-3(b)(3)(i) under the Securities Exchange Act of 1934, and
 - c. an "outside director," as that term is used in Section 162(m)(4)(C)(i) of the Internal Revenue Code.
4. The Chair of the Committee will be responsible for its operation and conduct and will have the power to designate such subcommittees as the Committee deems appropriate.
5. The Committee will report to the Board.

C. Responsibilities

In addition to other duties and responsibilities that may be assigned to the Committee from time to time by the Board or that the Committee itself may determine are required in order for it to achieve its stated purpose, the Committee will have the following goals and responsibilities:

1. Compensation of Executive Management

- a. The Committee will review periodically the principal components of the Company's salary and incentive compensation programs for the Company's executive management and make recommendations to the Board concerning changes the Committee deems appropriate
- b. The Committee will annually review and approve goals and objectives relevant to the Company's chief executive officer's compensation and assess the performance of the chief executive officer against such goals and objectives, review in detail the chief executive officer's compensation, and set salary and incentive components of such compensation. The Committee will consider the following with respect to long-term incentives:
 - i. The Company's performance and relative shareholder return,
 - ii. The value of similar incentive awards to the chief executive officers of comparable companies, and
 - iii. The awards made to the chief executive officer in prior years.
- c. The Committee will review annually the chief executive officer's evaluations of the performance of other executive officers of the Company against the established goals and objectives, make its own assessment of the performance of such officers and set salary and incentive components of the compensation for such officers.
- d. The Committee will discuss with management annually the Company's proxy statement disclosures under the heading "Compensation Discussion & Analysis," will report to the Board whether the Committee recommends that such disclosures be included in the proxy statement for that year and will issue the related Committee report as required by the SEC to be included in the proxy statement.
- e. The Committee will participate with management in the selection and hiring of the Company's executive officers, with election as an officer of the Company to be made by the Board.
- f. The Committee will report at least annually to the Board on its evaluation of the overall performance of executive management.
- g. In coordination with the Governance & Nomination Committee, the Committee will evaluate periodically the status of the Company's succession planning.

2. Director Compensation

- a. Periodically as the Committee deems appropriate, the Committee will assess Director compensation, including Directors' retainers and fees for meeting attendance, membership on Committees, and service as Committee Chairs.
- b. Periodically as the Committee deems appropriate, the Committee will review the medium of payment of Director retainers and fees, e.g., payment in cash, options, restricted shares, etc.
- c. The Committee will from time to time make recommendations to the Board as to needed changes in Director compensation.

3. Oversight of Compensation Plans

- a. The Committee will oversee the administration, implementation, and interpretation of the Company's long-term incentive plans, including stock options, stock appreciation rights, performance incentives, and similar plans and arrangements.
- b. The Committee will oversee management's administration of the other significant employee compensation and benefit plans.
- c. The Committee will periodically conduct an evaluation as to whether the Company's compensation policies or practices encourage unnecessary or excessive risk-taking.

D. Other Duties and Authorities

1. The Committee has the sole authority to retain (and terminate) any executive compensation consulting firms, legal advisors or other advisors, including sole authority to approve the fees and other retention terms, and the Company must provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to such advisors retained by the Committee. In retaining or seeking advice from compensation consulting firms, legal advisors and other advisors (other than the Company's in-house counsel), the Committee will take into consideration, to the extent required by the NYSE Listing Standards, the factors specified in paragraph 303A.05 of the NYSE Listing Standards.
2. The Committee will assess its own performance annually.