



Tax Policy and Strategy

Introduction

Ferro Corporation and its subsidiaries (collectively, “we” or “Ferro”) together form a leading global supplier of technology-based functional coatings and color solutions that are sold to a broad range of manufacturers who, in turn, make products for many end-use markets. We differentiate ourselves in our industry by the consistent high quality of our products, combined with delivery of localized technical service and customized application technology support. Our value-added technology services assist customers in their material specification and evaluation, product design, and manufacturing process characterization in order to help them optimize the application of our products.

We conduct our business operations in a number of countries and are subject to taxation in those jurisdictions. We develop our tax positions based upon the nature and structure of our business and the tax laws, administrative practices and judicial decisions now in effect in the jurisdictions in which we have assets or conduct business.

Our success at Ferro has been built upon a foundation of corporate responsibility and sound business ethics. We are committed to paying all required taxes and to complying with all tax rules and regulations in all areas where we operate. We strive for an open dialogue with taxing authorities to ensure adherence to this commitment.

Risk Management and Governance

Our Board of Directors provides oversight of the Company’s risk management through its review of risks associated with the Company’s operations and strategic initiatives, both as a Board and, as appropriate, through Board committees. Our management team is responsible for maintaining a robust system of risk management and internal controls covering various areas of the business, including taxation. We identify, assess and manage tax risks and account for them appropriately. We implement tax-based risk management policies, including controls over compliance processes, and monitor their effectiveness. We ensure that these policies are maintained and used consistently around the world and that our global tax team has the skills and experience required.

Transparency with Taxing Authorities

We are committed to transparency in our tax calculations and payments in order to ensure compliance. We work collaboratively with governments and taxing authorities, including the United Kingdom’s HMRC, to resolve issues in an efficient and constructive manner based on mutual respect. We support global initiatives aimed at greater transparency to better facilitate cooperation between taxpayers and taxing authorities and at increasing public trust.

Tax Planning

We have a commitment to our employees, business partners, shareholders, and the jurisdictions in which we operate to ensure that our tax liabilities are accurately calculated and timely paid.

We engage in efficient tax planning that supports our business and reflects commercial and economic activity. We adhere to relevant tax law and we seek to minimize the risk of uncertainty or disputes. We work with external tax advisors when appropriate to identify and quantify any risks that we may have and to make adjustments where necessary.

We conduct transactions within the Ferro group on an arm's-length basis and in accordance with current OECD principles. Where tax incentives are implemented by governments in order to support investment, employment, and economic development, we seek to apply them in the manner intended.

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