

GRAFTECH INTERNATIONAL LTD

Form DEF 14A

March 26, 2019

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement.

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**

Definitive Proxy Statement.

Definitive Additional Materials.

Soliciting Material Pursuant to §240.14a-12.

**GRAFTECH INTERNATIONAL LTD.**

**(Name of Registrant as Specified in its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March 26, 2019

Dear Fellow Stockholders:

We are pleased to invite you to the 2019 Annual Meeting of Stockholders. The meeting will be held on Monday, April 29, 2019, at 8:00 a.m. local time, at the Holiday Inn Cleveland-S Independence, 6001 Rockside Road, Independence, Ohio 44131.

Details about the business to be conducted at the Annual Meeting can be found in the accompanying Notice of Annual Meeting of Stockholders and proxy statement.

Your vote is important. Regardless of whether you plan to attend the Annual Meeting, we urge you to vote your shares as soon as possible. You may vote using the enclosed proxy card or voting instruction form by completing, signing, and dating it, then returning it by mail. Also, you may submit your vote by telephone or through the Internet. If telephone or Internet voting is available to you, instructions will be included on your proxy card or voting instruction form. Additional information about voting your shares is included in the proxy statement.

On behalf of your Board of Directors, thank you for your continued interest and support.

Sincerely,

Denis A. Turcotte  
*Director and Chairman of the Board*

David J. Rintoul  
*President and Chief Executive Officer*

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Notice of

2019 Annual Meeting of Stockholders

<b>Date:</b>	April 29, 2019	At the Annual Meeting you will be asked to:	
<b>Time:</b>	8:00 a.m.	<b>Proposal 1</b>	Elect two directors for a three-year term or until their successors are elected and qualified;
<b>Location:</b>	Holiday Inn Cleveland-S Independence 6001 Rockside Rd. Independence, Ohio 44131	<b>Proposal 2</b>	Ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2019;
<b>Record Date:</b>	March 21, 2019	<b>Proposal 3</b>	Approve, on an advisory basis, our executive compensation;
		<b>Proposal 4</b>	Vote, on an advisory basis, on the frequency with which we will hold stockholder advisory votes on executive compensation; and Transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The enclosed proxy is solicited on behalf of the Board of Directors (the "Board") of GrafTech International Ltd. ("GrafTech" or the "Company") for use at the Company's 2019 Annual Meeting of Stockholders (the "Annual Meeting") to be held on April 29, 2019, at 8:00 a.m. local time, or at any adjournment or postponement thereof, for the purposes set forth herein. The Annual Meeting will be held at the Holiday Inn Cleveland-S Independence, 6001 Rockside Road, Independence, Ohio 44131.

**HOW YOU MAY VOTE**

You may vote if you were a stockholder of record on March 21, 2019 (the record date). To ensure that your shares are represented at the meeting, please vote as soon as possible by one of the following methods:

*By Internet.*

*By Mail.*

*By Telephone.*

*In person, at the Annual Meeting.*

For more detailed information on voting, please see "How do I cast a vote?" in the "Questions & Answers" section beginning on page 39 of this Proxy Statement.

By order of the Board of Directors,

**Gina K. Gunning**

Chief Legal Officer & Corporate Secretary

**Whether or not you expect to attend the Annual Meeting, please vote as soon as possible to ensure representation of your shares at the Annual Meeting. You may vote your shares over the Internet, by telephone or by mail (as applicable) by following the instructions on the proxy card or voting instruction form. Except as otherwise noted, the information herein is as of March 21, 2019, the date we commenced printing in order to commence mailing on or about March 26, 2019. Proxy materials are being mailed or made available on or about March 26, 2019.**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on April 29, 2019:** The Proxy Statement and the 2018 Annual Report to Stockholders are available at: [www.edocumentview.com/EAF](http://www.edocumentview.com/EAF).

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## Proxy Statement Summary

*The following pages provide a summary of important information you will find in this Proxy Statement. As it is only a summary, please review the complete Proxy Statement before submitting your vote.*

**Proposals To Be Voted On**

Proposal		Board's Voting	
		Recommendation	Page Reference
Proposal 1	<b>Elect Two Directors for a Three-Year Term or Until Their Successors Are Elected and Qualified</b>	FOR each nominee	19
Proposal 2	<b>Ratify the Selection of Deloitte &amp; Touche LLP as our Independent Registered Public Accounting Firm for 2019</b>	FOR	35
Proposal 3	<b>Approve, on an Advisory Basis, our Executive Compensation</b>	FOR	36
Proposal 4	<b>Vote, on an Advisory Basis, on the Frequency with which We Will Hold Advisory Votes on Executive Compensation</b>	EVERY ONE YEAR	37

**Board and Corporate Governance Highlights**

Our Board is committed to highly effective corporate governance that is responsive to stockholders and aims to ensure that the Company delivers on its strategic objectives.

On August 15, 2015, we became an indirect wholly owned subsidiary of Brookfield Asset Management Inc. (together with its affiliates, Brookfield) through a tender offer to our former stockholders and subsequent merger transaction. On April 23, 2018, the Company completed its initial public offering (IPO). Our common stock has been listed on the NYSE under the symbol EAF since April 18, 2018. Prior to that date, there was no public trading market for our common stock.

As of March 15, 2019, Brookfield owned approximately 79% of our outstanding common stock. We believe that regular, transparent stockholder engagement is essential to GrafTech's long-term success. In 2018, we made presentations at financial and industry conferences, met with financial analysts and investment firms, and responded to inquiries from our stockholders. We intend to engage with stockholders to understand their perspectives on corporate governance, executive compensation, sustainability and other matters.

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**Executive Compensation Philosophy**

Under our pay for performance philosophy, a substantial component of executive compensation is variable and tied to Company financial and operational performance. The goal is to reward our executive team for their leadership in meeting key near-term goals and objectives while also positioning the Company to generate sustainable long-term stockholder value.

We Reward Based On	Key Features
<p>Company annual performance relative to pre-established financial goals; and</p> <p>Long-term stockholder value creation.</p>	<p>No tax gross-ups in the event of a change of control;</p> <p>Reasonable retirement and welfare benefits;</p> <p>Clawback provisions;</p> <p>Prohibition on hedging; and</p> <p>No repricing or repurchasing of stock options.</p>

**Board of Directors Snapshot**

**Number of Directors: 8**

**Average Age: 60**

**Number of Independent Directors: 4**

**Our Current Directors**

**Number of Board Meetings in 2018: 5**

**Average Director Meeting Attendance in 2018: 97%**

Under our Amended and Restated Certificate of Incorporation (the Amended Certificate of Incorporation ), the number of directors is fixed by our Board but will not be fewer than three directors. Our Board currently consists of eight members and is divided into three classes of directors, with each class containing two or three directors, and with the directors serving three-year terms. Detailed information about each director's background, skill set and areas of expertise can be found beginning on page 20.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Term Expires</b>	<b>Committee(s)</b>
Denis A. Turcotte	57	Chairman and Director	2019	Governance and Compensation Committee (the G&C Committee )
David J. Rintoul	61	Director, President and Chief Executive Officer ( CEO )	2020	
Jeffrey C. Dutton	56	Director	2021	
Ron A. Bloom	63	Director	2020	G&C Committee (Chair)
Brian L. Acton	67	Director	2020	Audit Committee, G&C Committee
Michel J. Dumas	60	Director	2019	Audit Committee (Chair)
Anthony R. Taccone	58	Director	2021	Audit Committee, G&C Committee
Catherine L. Clegg	59	Director	2021	

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**Key Corporate Governance Best Practices**

Four independent directors	Advisory vote on executive compensation
Independent directors regularly meet without management present	Insider trading policy
One vote per share of common stock	Review and approval policy for related party transactions
Code of Conduct and Ethics policy	Orientation program for new directors
Corporate Governance Guidelines	Directors are encouraged to attend continuing education programs
Stock ownership requirements for directors	

**Our Director Nominees**

You are being asked to vote on the re-election of two Directors. Detailed information about each Director's background, skill set and areas of expertise can be found beginning on page 20.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Committee(s)</b>
Denis A. Turcotte	57	Chairman and Director	G&C Committee
Michel J. Dumas	60	Director	Audit Committee

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Corporate Governance

### **General**

Our Board is committed to strong corporate governance practices and dedicated to ensuring that GrafTech is managed for the long-term benefit of our stockholders and other stakeholders. To fulfill this role, the Board and its committees meet throughout the year and engage in meaningful discussions with management to ensure that the Board is informed regarding the Company's activities, operating plans and strategic initiatives.

Because Brookfield owns a majority of our outstanding common stock, we are a controlled company as that term is set forth in the New York Stock Exchange ( NYSE ) corporate governance standards. For more information, see Director Independence. To promote full and complete compliance with all applicable corporate governance standards and remain aligned with best practices demonstrated by other similarly situated public companies, the Board has adopted corporate governance principles and procedures, which it reviews and amends as necessary. We also continuously review guidance and interpretations provided by the Securities and Exchange Commission ( SEC ) and the NYSE.

Stockholders proposing director nominations must comply with the advance notice and specific information requirements in our Amended and Restated By-Laws ( By-Laws ), which include, among other things, the disclosure of hedging, derivative interests and other material interests of the nominating stockholder and director nominee. In addition, each director nominee proposed by a stockholder must deliver a statement whether he or she agrees to, promptly following the stockholder meeting at which such nominee is elected or re-elected, tender an irrevocable advance resignation in accordance with our By-Laws and Corporate Governance Guidelines.

You can access our Audit Committee Charter, Code of Conduct and Ethics, and Corporate Governance Guidelines in the Investors section of our website, [www.graftech.com](http://www.graftech.com). Information on, or accessible through, our website is not part of this Proxy Statement. We have included our website only as an inactive textual reference and do not intend it to be an active link to our website. You may also request that the above documents be mailed to you by writing to: GrafTech International Ltd., 982 Keynote Circle, Brooklyn Heights, OH 44131, Attention: Investor Relations.

### **Board of Directors**

Our business and affairs are managed under the direction of our Board. Under our Amended Certificate of Incorporation, the number of directors is fixed by our Board but will not be fewer than three directors. The Board currently consists of eight members.

Our Amended Certificate of Incorporation provides that our Board be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors are divided among the three classes as follows:

the Class I directors are Denis A. Turcotte and Michel J. Dumas, and their terms will expire at this Annual Meeting;

the Class II directors are Ron A. Bloom, Brian L. Acton and David J. Rintoul, and their terms will expire at the annual meeting of stockholders to be held in 2020; and

the Class III directors are Jeffrey C. Dutton, Anthony R. Taccone and Catherine L. Clegg, and their terms will expire at the annual meeting of stockholders to be held in 2021.

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Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. While Brookfield owns more than 50% of our outstanding common stock, the classification of the Board and the other provisions of the Amended Certificate of Incorporation may be amended by the affirmative vote of the holders of a majority of the voting power of our outstanding common stock. After Brookfield ceases to own more than 50% of our outstanding common stock, these provisions may be amended only by the affirmative vote of the holders of 66<sup>2</sup>/<sub>3</sub>% or more of the voting power of our outstanding common stock.

If the total number of shares voted in favor of a director nominee in an uncontested election are less than the total number of shares voted against such director nominee, the director nominee will tender his or her resignation immediately after the stockholder meeting and our Board will determine whether to accept the resignation within 90 days of the stockholder meeting.

We and Brookfield entered into a stockholder rights agreement (the **Stockholder Rights Agreement**) in connection with our IPO. Under the Stockholder Rights Agreement, for so long as Brookfield owns or controls at least 25% of our outstanding common stock, Brookfield will have the right to nominate the higher of 37.5% of the members of the Board and three members of the Board (who we refer to as the Brookfield directors), and one Brookfield director will be in each class. Brookfield will also have the right to select the Chairman of the Board. In the event Brookfield owns or controls less than 25% of our outstanding common stock, the Brookfield directors will promptly tender their resignations. The Board (excluding the Brookfield directors) will have the option, but not the obligation, to accept the Brookfield directors' resignations. If the Board (excluding the Brookfield directors) votes to accept these resignations, the Brookfield directors will cease to be members of the Board. If the Board (excluding the Brookfield directors) votes not to accept these resignations, the Brookfield directors will continue to serve as members of the Board until the next annual meeting of our stockholders, regardless of the time remaining in their respective terms of office. The current Board members that were designated by Brookfield are Denis A. Turcotte, Ron A. Bloom and Jeffrey C. Dutton. For more information regarding the Stockholder Rights Agreement, see **Certain Relationships and Related Party Transactions**.

Our By-Laws provide that while Brookfield owns more than 50% of our outstanding common stock, at any meeting of our Board, the presence of (i) a majority of the total number of directors and (ii) one Brookfield director will be required to constitute a quorum. After Brookfield ceases to own more than 50% of our outstanding common stock, the presence of a majority of the total number of directors will be required to constitute a quorum.

Our Amended Certificate of Incorporation provides that the Chairman may or may not be an officer of the Company. While this matter relates to corporate governance, it also relates to succession planning, and it is in the best interests of the Company for the Board to make a determination with respect to this matter on a case-by-case basis as part of the succession planning process. Currently, our Chairman is Denis A. Turcotte and our CEO is David J. Rintoul. The G&C Committee will periodically consider the size and structure of the Board and report to the Board the results of its review and any recommendations for change. Notwithstanding the G&C Committee's recommendation, as discussed above, Brookfield has the right to select the Chairman of the Board under the terms of the Stockholder Rights Agreement.

## **Director Independence**

We are a **controlled company** as that term is set forth in the NYSE corporate governance standards. Under these rules, a **controlled company** may elect not to comply with certain corporate governance requirements, including: (i) the requirement that a majority of our Board consist of independent directors, (ii) the requirement that our governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose

and responsibilities, and (iii) the requirement that our compensation committee be composed entirely of independent directors with a



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written charter addressing the committee's purpose and responsibilities. However, as a controlled company, we must comply with the rules applicable to audit committees set forth in the NYSE listing standards. All three members of our Audit Committee are independent.

Our Board has undertaken a review of the independence of the directors. Based on this review, the Board has determined that four members of the Board, Michel J. Dumas, Brian L. Acton, Catherine L. Clegg and Anthony R. Taccone, currently qualify as independent under the NYSE corporate governance standards. Our Board currently consists of eight members, four of whom qualify as independent under the NYSE corporate governance standards.

In making these determinations, our Board considered any current and prior relationships or transactions that each director has with the Company and other information provided by each director concerning his or her background, employment and affiliations, including the beneficial ownership of our capital stock by each director and the transactions involving them described in Director Compensation and Certain Relationships and Related Party Transactions. Our Board considered the purchase by the Company in 2018 of access to steel industry research data from a company of which Anthony R. Taccone is a partner. The amount involved in this purchase was well below \$120,000. The Board concluded that this transaction would not interfere with Mr. Taccone's exercise of independent judgment in carrying out the responsibilities of a director and thus did not impair his independence.

## **Committees of the Board of Directors**

The Board has established two standing committees to assist it in carrying out its responsibilities: the Audit Committee and the G&C Committee. In the event the Company ceases to be a controlled company pursuant to the NYSE listing standards, the Board will establish a separate nominating and governance committee and compensation committee. Each of the committees operate under its own written charter adopted by the Board. The membership and the function of each of the committees are described below.

### *Audit Committee*

The Audit Committee:

- appoints the independent auditor annually; monitors the quality of the work of the independent auditor, monitors their independence and replaces them as necessary in the sole judgment of the committee;
- pre-approves the audit plan (including services relating to internal controls over financial reporting), any proposed audit-related, tax and other services and pre-approves all related compensation; reviews with the auditor the results of the annual audit; reviews with the auditor any review of the quarterly financial statements that the committee may direct the auditor to perform;

- approves the annual corporate audit services plan and budget; reviews with the senior corporate audit services executive the results of the audit work at least annually and more frequently as provided in the policy for reporting financial accounting and auditing concerns, as approved by the committee; at least annually reviews the performance of the corporate audit services team;

- reviews and discusses with management and the independent auditor the annual audited financial statements and the adequacy of the internal controls over financial reporting;

discusses with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles, any significant issues (material weaknesses or significant deficiencies as such terms are defined in the Sarbanes-Oxley Act) as to the adequacy of our accounting controls and any remediation used in connection with any such issues;

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oversees company policies and practices with respect to financial risk assessment and risk management; and

regularly reports its work to the Board.

The members of the Audit Committee are Michel J. Dumas (Chair), Brian L. Acton and Anthony R. Taccone. Our Board has determined that (i) Michel J. Dumas, Brian L. Acton and Anthony R. Taccone are independent directors, (ii) each director appointed to the Audit Committee is financially literate and (iii) Michel J. Dumas is our Audit Committee financial expert. During fiscal year 2018, our Audit Committee held four meetings. Our Audit Committee operates under a written charter that satisfies the applicable rules of the SEC and the NYSE listing standards.

*Governance and Compensation Committee*

The G&C Committee:

recommends to the Board principles of corporate governance applicable to us;

oversees the processes established by management regarding compliance with legal and regulatory requirements and ethical programs and policies as established by management and the Board, including without limitation, our Code of Conduct and Ethics, our compliance program and our regulatory and quality compliance initiatives; and oversees management's establishment of a process for reporting these matters to the Audit Committee, other Board committees or the full Board as appropriate;

receives regular reports from our Chief Legal Officer regarding material legal disputes and matters in litigation;

reviews and makes recommendations to the Board regarding the size and structure of the Board and the committees of the Board;

determines the process for the annual self-assessments of the Board and its committees and oversees the implementation and reporting back of the results;

reviews and makes recommendations to the Board regarding leadership and membership of committees of the Board;

develops and administers the process and criteria for selecting new directors and nominees for vacancies on the Board and candidates for Board membership;

with advice of outside counsel, (a) establishes a process for overseeing potential conflicts of interest between the company and directors and the company and members of management, and (b) considers at least annually the independence of directors;

regularly reports its activities to the Board;

recommends to the Board remuneration of the chief executive officer and determines remuneration of our other officers elected by the Board;

conducts evaluation of the chief executive officer for submission to the Board;

grants options under and otherwise administers our stock incentive plans and approves and administers any other compensation plan in which our executive officers participate;

reviews succession planning for the chief executive officer and senior executives, and reports on such matters to the Board;

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retains compensation consultants and obtains advice from internal or external advisors, as necessary;

presents the annual Compensation Committee Report on Executive Compensation for our proxy statement; and

reviews its own performance annually.

The G&C Committee operates under a written charter and consists of four directors, two of whom must qualify as independent under the NYSE listing standards and two of whom are appointed by Brookfield. The members of the G&C Committee are Ron A. Bloom (chair), Denis A. Turcotte, Brian L. Acton and Anthony R. Taccone. Our Board has determined that Brian L. Acton and Anthony R. Taccone are independent directors. During fiscal year 2018, our G&C Committee held three meetings.

## **Compensation Committee Interlocks and Insider Participation**

None.

## **Code of Conduct and Ethics**

Our Board has adopted a code of conduct and ethics applicable to our employees, directors and officers, in accordance with applicable U.S. federal securities laws and the listing standards of the NYSE. Any waiver or amendment of this code for executive officers or directors (i) may be made only by the Audit Committee, (ii) will be promptly disclosed as required by applicable U.S. federal securities laws and the listing standards of the NYSE and (iii) will be available in the Investors section of our website, [www.graftech.com](http://www.graftech.com).

## **Board Meetings**

During fiscal 2018, our Board held five regular meetings in person. Our directors' average attendance was 97%, and each current director attended at least 75% of the aggregate number of meetings of our Board and the committees on which he or she served. We encourage, but do not require, our directors to attend each annual meeting of stockholders.

## **Director Skills and Qualifications Criteria**

The G&C Committee reviews at least annually the skills, qualifications and characteristics for election of new and continuation of existing directors. The criteria considered in selecting director nominees reflect applicable law, the listing standards of the NYSE, the terms of the Stockholder Rights Agreement as well as a candidate's integrity, strength of character, judgment, business experience, specific areas of expertise, ability to devote sufficient time to attendance at and preparation for Board meetings, factors relating to the composition of the Board (including its size and structure) and principles of diversity.

The G&C Committee recommends to the Board all nominees to be proposed by the Company for election to the Board, as well as actions with respect to individuals nominated by third parties.

Directors whose positions, responsibilities or commitments change materially after they were elected to the Board are required to inform the G&C Committee and volunteer to resign from the Board so that the G&C Committee may have an opportunity to review the appropriateness of continued membership under the circumstances, including with respect to independence, and make recommendations to the Board, which could accept the volunteered resignation but need not do so.

Directors are expected to serve on at most a limited number of other public company boards. Prior to accepting an invitation to serve on another public company board, directors must advise the G&C Committee and must receive written confirmation from the head of the legal department that there are no legal or regulatory impediments to such service.

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The G&C Committee leads the effort to identify and recruit candidates to join the Board. In this context, the G&C Committee's view is that the Board should reflect a balance between the experience that comes with longevity of service on the Board and the need for renewal and fresh perspectives. The G&C Committee does not support a mandatory retirement age, director term limits or other mandatory Board turnover mechanisms because its view is that such policies are overly prescriptive; therefore the Company does not have term limits or other mechanisms that compel Board turnover. The G&C Committee does believe that periodically adding new voices to the Board can help the Company adapt to a changing business environment and Board renewal continues to be a priority.

**Director Orientation and Continuing Education**

All new directors participate in an orientation program (the Orientation Program) promptly after they are elected. The Orientation Program includes presentations by senior management and internal and independent auditors to familiarize new directors with strategic plans, significant financial, accounting and risk management issues and compliance programs (including the Company's Code of Conduct and Ethics and other applicable policies). In addition, the Orientation Program can include visits to headquarters and, to the extent practical, certain of the significant facilities.

All other directors are welcome to attend the Orientation Program.

All directors are also encouraged to participate in Continuing Education Programs offered by the NYSE and other organizations, and the Company will reimburse directors for reasonable costs associated therewith.

**Director Compensation**

Our independent non-employee directors received the following compensation for service on our Board in 2018. As a Company employee, Mr. Rintoul does not receive any additional compensation for his service on the Board. The Board determined not to compensate the Brookfield directors for their service on the Board.

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Denis A. Turcotte					
Jeffrey C. Dutton					
Ron A. Bloom					
Brian L. Acton <sup>(3)</sup>	62,500	62,500			125,000
Michel J. Dumas <sup>(3)</sup>	70,000	70,000			140,000
Anthony R. Taccone <sup>(3)</sup>	62,500	62,500			125,000

- (1) Messrs. Acton and Dumas chose to defer all of their cash fees into deferred share units ( DSUs ) pursuant to the Director Deferred Fee Plan (described below) receiving 3,904 and 4,372 DSUs, respectively.
- (2) Reflects the aggregate grant date fair value pursuant to FASB ASC Topic 718, Compensation Stock Compensation of DSUs granted under our Omnibus Equity Incentive Plan (the Equity Plan) in accordance with our director stock ownership guidelines. Additional details on accounting for stock-based compensation can be found in Note 4, Stock Based and Other Management Compensation to our Consolidated Financial Statements contained in our 2018 Annual Report on Form 10-K.

- (3) As of December 31, 2018, Messrs. Acton, Dumas and Taccone held a total of 8,173, 9,154 and 4,087 DSUs, respectively, which includes accrued dividend equivalents credited as additional DSUs.



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Following the IPO, the Board determined to compensate its independent directors with an annual cash retainer of \$125,000, payable in equal installments at the end of each quarter, with the Audit Committee Chair receiving an additional retainer of \$15,000. All out-of-pocket business travel and accommodation expenses are reimbursed.

### **Director Stock Ownership Guidelines**

Independent directors will be required, within five years of joining the Board, to acquire shares or share equivalents in the Company having an aggregate value equal to at least three times the then annual retainer (currently \$375,000). Prior to achieving this, independent directors will receive fifty percent of their annual retainer in DSUs under the Equity Plan, which will be fully vested upon grant. Directors may also elect to receive a portion of his or her annual cash retainer in DSUs voluntarily under the Amended and Restated GrafTech International Ltd. Director Deferred Fee Plan (as amended, the Director Deferred Fee Plan ). All DSUs will count towards the minimum holding requirement. After achieving the threshold, there will not be any further requirement for independent directors to receive their compensation in the form of additional DSUs; however, the share ownership threshold test will be calculated each year in December and in the event that an independent director who previously met the threshold no longer does, that director will need to acquire more common shares or to elect to receive a portion of his or her annual retainer in DSUs for the following year in order to satisfy the minimum share ownership test by the following December. All DSUs will accrue dividend equivalents that will be credited to the director as additional DSUs. All DSUs will be settled in shares of our common stock upon termination of service on the Board.

### **Risk Oversight**

The Board oversees the management of the Company's risk exposure through the following framework: management regularly provides to the Board updated information concerning strategic, operational and emerging risks to the Company's primary business goals and initiatives in each geographic area and each functional group, as well as the Company's efforts to mitigate those risks.

The Board is responsible for understanding the Company's most significant risks, ensuring that management responds appropriately, and making risk-informed strategic decisions. The Board monitors risk exposure to ensure that it is in line with the Company's overall tolerance for, and ability to manage, risk.

Our Audit Committee, which is made up solely of independent directors, who have had extensive experience in providing strategic and advisory services to other companies, assist the Board in evaluating the risks the Company faces as well as our policies for risk management and assessment.

#### *The Audit Committee:*

Has primary responsibility for assisting the Board with risk oversight for the Company.

Considers audit, accounting, financial reporting and compliance risk, including material litigation instituted against the Company, cybersecurity issues and the resolution of any ethics issues.

Holds, at each regularly scheduled meeting, separate executive sessions to identify and assess risks and oversee the methodologies that management implements to address those risks. These executive sessions often include

representatives from our independent registered public accounting firm, as well as from our risk management and internal audit, finance and legal departments.

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### *The G&C Committee:*

Reviews and balances risk in our compensation practices, programs and policies.

Annually assesses the Company's compensation programs to determine if any elements of these plans create an inappropriate level of risk and to evaluate management's methods to mitigate any potential risks.

Oversees risks associated with Board and committee composition, including the annual self-assessments of the Board and its committees and oversees the implementation and reporting back of the results.

The Board's role in risk oversight complements our leadership structure, with senior management responsible for assessing, managing and mitigating our risk exposure and the Board and its committees overseeing those efforts. We believe that this is an effective approach to addressing the risks we face and supports our current Board leadership structure, as it allows our independent directors to evaluate our risks and our risk management and assessment policies, including through the fully independent Audit Committee, with ultimate oversight by the full Board.

### **Communications from Stockholders and Other Interested Parties**

The Company values your feedback. Any stockholder or interested party who desires to contact the Company's Chairman, the non-management directors as a group or the other members of the Board of Directors may do so by writing to the Corporate Secretary, GrafTech International Ltd., at 982 Keynote Circle, Brooklyn Heights, Ohio 44131, Attention: Corporate Secretary. Any such communication should state the number of shares owned, if applicable. The Corporate Secretary will forward to the Chairman any such communication addressed to the Chairman, the non-employee Directors as a group or to the Board of Directors generally, and will forward such communication to other Board members, as appropriate, provided that such communication addresses a legitimate business issue. Any communication relating to accounting, auditing or fraud will be forwarded immediately to the Chair of the Audit Committee.

### **Certain Relationships and Related Party Transactions**

Under SEC rules, a related person is an officer, director, nominee for director or beneficial holder of more than 5% of any class of our voting securities since the beginning of the last fiscal year or an immediate family member of any of the foregoing. We have a written related party transaction policy, pursuant to which directors (including director nominees), executive officers and employees are required to report any transactions or circumstances that may create or appear to create a conflict between the personal interests of the individual and our interests, regardless of the amount involved. Our head of legal reports these transactions to the Audit Committee of the Board, which is responsible for evaluating each related party transaction and making a recommendation to the disinterested members of the Board as to whether the transaction at issue is fair, reasonable and within our policy and whether it should be ratified and approved. The Audit Committee, in making its recommendation, considers various factors, including the benefit of the transaction to us, the terms of the transaction and whether they are at arm's length and in the ordinary course of our business, the direct or indirect nature of the related person's interest in the transaction, the size and expected term of the transaction, and other facts and circumstances that bear on the materiality of the related party transaction under applicable law and listing standards.



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Other than the transactions described below, since January 1, 2018, there has not been, and there is not currently proposed, any transaction or series of similar transactions to which we were or will be a party in which the amount involved exceeded or will exceed \$120,000 and in which any related person had or will have a direct or indirect material interest.

We have engaged in transactions with affiliates or related parties during the year ended December 31, 2018. These transactions include payment of dividends to Brookfield, entrance into and repayment of the Brookfield Promissory Note and entrance into the Tax Receivable Agreement, Stockholders Rights Agreement, Registration Rights Agreement and Share Repurchase Agreement, each with Brookfield. On August 13, 2018, in conjunction with a follow-on offering, we purchased 11,688,311 shares directly from Brookfield at a price of \$19.25 per share for a total of \$225 million. Additionally, during 2016, Brookfield purchased on the open market in aggregate approximately \$53 million of the Senior Notes. We redeemed our Senior Notes on February 12, 2018.

We have also reimbursed certain costs incurred by Brookfield as required under the Investment Agreement dated May 4, 2015 between Brookfield and GrafTech, including in connection with transactions with our current or former subsidiaries, compensatory transactions with directors and officers including employee benefits (including reimbursement to Brookfield for compensation costs incurred by it for certain personnel who devote substantially all of their working time to us), stock option and restricted stock grants, compensation deferral, stock purchases, and customary indemnification and expense advancement arrangements.

### **Registration Rights Agreement**

We and Brookfield entered into a registration rights agreement (the **Registration Rights Agreement**) in connection with our IPO. The Registration Rights Agreement provides Brookfield with certain demand registration rights, including shelf registration rights, in respect of any shares of our common stock or any of our debt securities held by it, subject to certain conditions and limitations. Brookfield is entitled to a limited number of demand registrations. In addition, in the event that we register additional shares of common stock or debt securities for sale to the public, we will be required to give notice of such registration to Brookfield of our intention to effect such a registration, and, subject to certain limitations, include any shares of common stock or debt securities requested to be included in such registration held by it. We will be required to bear the registration expenses, other than underwriting discounts and commissions, associated with any registration of shares of common stock or debt securities pursuant to the Registration Rights Agreement. The agreement includes customary indemnification provisions in favor of Brookfield, its affiliates, directors and officers against certain losses and liabilities (including reasonable legal expenses) resulting from any untrue statement or omission of material fact in any registration statement or prospectus pursuant to which Brookfield sells shares of our common stock or our debt securities, unless such liability arose from Brookfield's misstatement or omission and Brookfield has agreed to indemnify us against losses caused by its misstatements or omissions, subject to certain limitations.

### **Stockholder Rights Agreement**

We and Brookfield entered into the Stockholder Rights Agreement in connection with our IPO. Under the Stockholder Rights Agreement, for so long as Brookfield owns or controls at least 25% of our outstanding common stock, Brookfield will have the right to nominate the higher of 37.5% of the members of the Board and three members of the Board. Brookfield will also have the right to select the chairman of the Board. In the event Brookfield owns or controls less than 25% of the Company, the Brookfield directors will promptly tender their resignations. The Board (excluding the Brookfield directors) will have the option, but not the obligation, to accept the Brookfield directors resignations. If the Board (excluding the Brookfield directors) votes to accept these resignations, the Brookfield



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directors will cease to be members of the Board. If the Board (excluding the Brookfield directors) votes not to accept these resignations, the directors will continue to serve as members of the Board until the next annual meeting of our stockholders, regardless of the time remaining in their respective terms of office. The Stockholder Rights Agreement provides that the initial Board members designated by Brookfield shall be Denis A. Turcotte, Ron A. Bloom and Jeffrey C. Dutton.

## **Tax Receivable Agreement**

We and Brookfield entered into a tax receivable agreement (the "TRA") in connection with our IPO. The TRA provides the right to receive future payments from us to certain of our pre IPO stockholders (the "Existing Stockholders") of 85% of the amount of cash savings, if any, in U.S. federal income tax and Swiss tax that we and our subsidiaries realize as a result of the utilization of certain tax assets attributable to periods prior to our IPO, including certain federal net operating losses ("NOLs"), previously taxed income under Section 959 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), foreign tax credits, and certain NOLs in GrafTech Switzerland S.A. (collectively, the "Pre IPO Tax Assets"). In addition, we will pay interest on the payments we will make to the Existing Stockholders with respect to the amount of this cash savings from the due date (without extensions) of our tax return where we realize this savings to the payment date at a rate equal to LIBOR plus 1.00% per annum.

For purposes of the TRA, cash savings in income tax are computed by reference to the reduction in the liability for income taxes resulting from the utilization of the tax benefits subject to the TRA. The term of the TRA commenced on April 23, 2018 and will continue until there is no potential for any future tax benefit payments.

Our counterparties under the TRA will not reimburse us for any payments previously made if such tax benefits are subsequently disallowed (although future payments would be adjusted to the extent possible to reflect the result of such disallowance). As a result, in such circumstances we could make payments under the TRA that are greater than our actual cash tax savings.

While the actual amount and timing of any payments under the TRA will vary depending upon a number of factors, including the amount and timing of the taxable income we and our subsidiaries generate in the future, and our subsidiaries' use of Pre-IPO Tax Assets, we expect that, based on current tax laws (taking into account changes under the Tax Act), payments under the TRA relating to the Pre-IPO Tax Assets will be approximately \$86.5 million with a maximum amount of approximately \$100 million. This figure does not account for our Pre-IPO Tax Assets attributable to previously taxed income under Section 959 of the Code, the value of which is highly speculative, and certain NOLs in GrafTech Switzerland S.A., which we expected to have nominal value at the time of the IPO. No payments have come due under the TRA to date.

Any future changes in the utility of the Pre-IPO Tax Assets will impact the amount of the liability that will be paid to our Existing Stockholders. Changes in the utility of these Pre-IPO Tax Assets will be recorded in income tax expense (benefit) and any changes in the obligation under the TRA will be recorded in other income (expense). We plan to use cash flow from operations and availability under our credit facilities to fund this obligation.

If we undergo a Change of Control, the TRA will terminate and we will be required to make a payment equal to the present value of future payments under the TRA, which payment would be based on certain assumptions, including those relating to our and our subsidiaries' future taxable income. Additionally, if we sell or otherwise dispose of any of our subsidiaries in a transaction that is not a Change of Control, we will be required to make a payment equal to the present value of future payments under the TRA attributable to the Pre-IPO Tax Assets of such subsidiary that is sold or disposed of, applying the assumptions described above.





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The TRA provides that in the event that we breach any of our material obligations under it, whether as a result of our failure to make any payment when due (subject to a specified cure period), failure to honor any other material obligation under it or by operation of law as a result of the rejection of it in a case commenced under the United States Bankruptcy Code or otherwise, then all our payment and other obligations under the TRA will be accelerated and will become due and payable applying the same assumptions described above. Such payments could be substantial and could exceed our actual cash tax savings under the TRA.

Certain transactions by the Company could cause it to recognize taxable income (possibly material amounts of income) without a current receipt of cash. Payments under the TRA with respect to such taxable income would cause a net reduction in our available cash. For example, transactions giving rise to cancellation of debt income, the accrual of income from original issue discount or deferred payments, a triggering event requiring the recapture of dual consolidated losses, or Subpart F income would each produce income with no corresponding increase in cash. In these cases, we may use some of the Pre-IPO Tax Assets to offset income from these transactions and, under the TRA, would be required to make a payment to our Existing Stockholders even though we receive no cash from such income.

Because we are a holding company with no operations of our own, our ability to make payments under the TRA is dependent on the ability of our subsidiaries to make distributions to us. To the extent that we are unable to make payments under the TRA for specified reasons, such payments will be deferred and will accrue interest at a rate of LIBOR plus 1.00% per annum until paid.

In the event that any determinations must be made under or any dispute arises involving the TRA, the Existing Stockholders will be represented by Brookfield Capital Partners IV GP, Ltd. In any such instance, should any representatives of Brookfield Capital Partners IV GP then be serving on our Board, such directors will be excluded from decisions of the Board related to the relevant determination or dispute.

## **Brookfield Promissory Note**

On April 19, 2018, we declared a dividend in the form of a \$750 million promissory note to Brookfield (the Brookfield Promissory Note ). The issuance of the Brookfield Promissory Note as a dividend was conditioned upon (i) the Senior Secured First Lien Net Leverage Ratio (as defined in the Credit Agreement, dated February 12, 2018, among GrafTech, GrafTech Finance Inc., GrafTech Switzerland SA and GrafTech Luxembourg II S.À.R.L., as co-borrowers, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (the 2018 Credit Agreement )), as calculated based on our final financial results for the first quarter of 2018, being equal to or less than 1.75 to 1.00, (ii) no Default or Event of Default (each as defined in the 2018 Credit Agreement) having occurred and continuing or that would result from the issuance of the Brookfield Promissory Note and (iii) the issuance occurring within 60 days from the dividend record date. Upon publication of our Form 10-Q on May 7, 2018, these conditions were met and, as a result, the Brookfield Promissory Note was outstanding in the amount of \$750 million. On June 15, 2018, the Company entered into a first amendment (the First Amendment ) to its 2018 Credit Agreement. The First Amendment amended the 2018 Credit Agreement to provide for an additional \$750 million in aggregate principal amount of incremental term loans (the Incremental Term Loans ) to GrafTech Finance Inc. On June 15, 2018, the proceeds of the Incremental Term Loans were used to repay in the Brookfield Promissory Note in full for approximately \$755 million, including accrued interest.

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### **August 2018 Share Repurchase**

On August 13, 2018, Brookfield completed an underwritten public secondary offering of 23,000,000 shares of our common stock at a price to the public of \$20.00 per share. Pursuant to a share repurchase agreement with Brookfield, we concurrently repurchased 11,688,311 shares directly from Brookfield for \$225 million in the aggregate. The price per share paid by us was \$19.25, equal to the price at which the underwriters purchased the shares from Brookfield in the public offering net of underwriting commissions and discounts. We funded the share repurchase from cash on hand. The terms and conditions of the share repurchase were reviewed and approved by the Audit Committee of our Board, which is comprised solely of independent directors. All repurchased shares were retired.

### **Other Brookfield Transactions**

The Company uses Brookfield Global Relocation Services ( BGRS ), an affiliate of Brookfield, as a third-party provider to assist with the relocation of certain individuals upon hiring and relocation. The majority of the payments to BGRS flow through to the employee in the form of reimbursement, with BGRS retaining a small administrative fee. Since January 1, 2018, we paid approximately \$551,000 to BGRS.

The Company also leverages Brookfield's economy of scale in negotiating business insurance coverage. We reimburse Brookfield for our allocated portion of their insurance premiums. Since January 1, 2018, we paid approximately \$120,000 to Brookfield related to insurance coverage.

### **Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information as of March 15, 2019 regarding the beneficial ownership of our common stock by:

each person or group who beneficially owns more than 5% of our outstanding shares of common stock;

each of our named executive officers;

each of our directors; and

all of our executive officers and directors as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting of securities, or to dispose or direct the disposition of securities or has the right to acquire such powers within 60 days. For purposes of calculating each person's percentage ownership, common stock issuable pursuant to options exercisable within 60 days are included as outstanding and beneficially owned for that person or group, but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each beneficial owner identified in the table possesses sole voting and investment power over all common stock shown as beneficially owned by the beneficial owner.



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The percentage of beneficial ownership is based on 290,537,612 shares of common stock issued and outstanding on March 15, 2019. Unless otherwise indicated in the table or footnotes below, the address for each beneficial owner is c/o GrafTech International Ltd., 982 Keynote Circle, Brooklyn Heights, OH 44131.

**As of March 15, 2019**

Name	Number of shares	Percentage of shares
<b>5% Stockholders and Brookfield</b>		
BCP IV GrafTech Holdings LP <sup>(1)</sup>	229,440,087	78.97%
<b>Named Executive Officers and Directors</b>		
David J. Rintoul		
Quinn J. Coburn		
Jeffrey C. Dutton		
Denis A. Turcotte		
Ron A. Bloom		
Brian L. Acton <sup>(2)(3)</sup>	13,173	*
Michel J. Dumas <sup>(2)</sup>	9,154	*
Anthony R. Taccone <sup>(2)(3)</sup>	7,837	*
Catherine L. Clegg		
<b>All Current Executive Officers and Directors as a Group (9 Persons)</b>	<b>30,164</b>	<b>*</b>

\* Less than 1%

- (1) BCP IV GrafTech Holdings LP ( BCP IV ) directly holds an aggregate of 229,440,087 shares of common stock. The general partner of BCP IV is BPE IV (Non-Cdn) GP LP, and the general partner of BPE IV (Non-Cdn) GP LP is Brookfield Capital Partners Ltd. BCP GP Limited is the sole shareholder of Brookfield Capital Partners Ltd. Each of BCP GP Limited, Brookfield Capital Partners Ltd. and BPE IV (Non-Cdn) GP LP (together with BCP IV, the Brookfield Entities ) is an indirect parent of BCP IV and may therefore be deemed to beneficially own the shares of common stock that are directly held by BCP IV. Each of the Brookfield Entities disclaims beneficial ownership of all shares of common stock that are directly held by BCP IV, except to the extent of any indirect pecuniary interest therein. The address of each of the Brookfield Entities is c/o Brookfield Asset Management Inc., 181 Bay Street, Suite 300, Bay Wellington Tower, Toronto, ON M5J 2T3.
- (2) Brian L. Acton, Michel J. Dumas and Anthony R. Taccone beneficially own 8,173, 9,154 and 4,087 DSUs, respectively. Each DSU represents a contingent right to receive one share of our common stock. The DSUs are fully vested. Vested DSUs will be settled in shares of common stock which will be delivered as soon as practicable after the director terminates service on the Board but in any event no later than the end of the

calendar year in which such termination date occurs.

- (3) Brian L. Acton and Anthony R. Taccone also beneficially own 5,000 and 3,750 shares of our common stock, respectively.

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**Audit Committee Report**

Management is responsible for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles. The Company's independent registered public accounting firm, Deloitte & Touche LLP, is responsible for performing an independent audit of the Company's financial statements in accordance with standards of the U.S. Public Company Accounting Oversight Board (PCAOB). The Audit Committee is also responsible for monitoring and reviewing these processes.

The Audit Committee reviewed the Company's audited financial statements for fiscal year 2018 (ended December 31, 2018) and discussed with the Company's management these financial statements, including the acceptability and quality of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The Audit Committee also reviewed and discussed with Deloitte & Touche LLP the audited financial statements and the matters required by PCAOB Auditing Standard No. 1301 (Communications with Audit Committees). Deloitte & Touche LLP provided the Audit Committee with the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence. The Audit Committee has discussed with Deloitte & Touche LLP its independence and has considered whether the firm's provision of other non-audit related services to the Company is compatible with maintaining such auditors' independence.

Based on its discussions with, and its review of information provided by, management and Deloitte & Touche LLP, the Audit Committee recommended to the Company's Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

By the Audit Committee of the Board of Directors of GrafTech International Ltd.

**AUDIT COMMITTEE**

Michel J. Dumas (Chair)

Brian L. Acton

Anthony R. Taccone

**Table of Contents****Independent Auditor Fees and Other Matters**

The following table presents the aggregate fees billed for services rendered by Deloitte & Touche LLP for the fiscal years ended December 31, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Audit Fee	\$ 2,327,454	\$ 1,686,000
Audit-Related Fees	-	-
Tax Fees	412,922	211,464
All Other Fees	-	-
Total Fees	\$ 2,740,376	\$ 1,897,464

**Audit Fees.** These fees relate to professional services rendered in connection with the annual audit of our consolidated financial statements; reviews of the condensed consolidated financial statements performed in connection with each of our Quarterly Reports on Form 10-Q; and consultations regarding the accounting, financial reporting and audits of subsidiaries, including statutory audits required by foreign jurisdictions and audits required by the agreements related to our securitizations. Audit fees in 2018 reflect increased expenses in connection with our IPO in April and the secondary offering in August.

**Audit-Related Fees.** None.

**Tax Fees.** These include fees for consulting services related to potential acquisitions, tax planning, advice and assistance with international and other tax matters.

**All Other Fees.** None.

**Audit Committee Pre-approval Policy and Procedures.** The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services to be performed by our independent registered public accounting firm. This policy requires that we do not engage our independent registered public accounting firm to render audit or non-audit services unless the Audit Committee specifically approves the service in advance or the engagement is entered into pursuant to one of the pre-approval procedures described below.

From time to time, the Audit Committee may pre-approve specified types of services that we expect our independent registered public accounting firm to provide during the next 12 months. The Audit Committee may also authorize any Audit Committee member to approve any audit or non-audit services that our independent registered public accounting firm provides. Any approval of services by an Audit Committee member pursuant to this delegated authority is to be reported at the next meeting of the Audit Committee.

The Audit Committee approved all of the services described above in accordance with its pre-approval policies and procedures.

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**Proposal 1 Elect Two Directors for a Three-Year Term or Until Their Successors are Elected and Qualified**

Under our By-Laws, the number of members of our Board is fixed from time to time by the Board and may be increased or decreased by the majority of directors then in office. Two of our eight directors are standing for re-election at the Annual Meeting. Both of the director nominees were recommended for nomination to the Board by the G&C Committee.

Each director elected at the Annual Meeting will hold office for a three-year term until the 2022 Annual Meeting or until his successor is elected and qualified, subject to earlier retirement, resignation or removal. Unless otherwise instructed, we will vote all proxies we receive FOR each nominee listed below. If a nominee becomes unavailable to serve, we will vote the shares represented by proxies for the election of such other person as the Board may recommend.

**Required Vote**

Our By-Laws require that each director receive a majority of the votes properly cast with respect to such director in uncontested elections (i.e., the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). As the election of directors at the Annual Meeting is uncontested, it requires a majority of the votes cast by, or on behalf of, the holders of Common Stock at the Annual Meeting. Abstentions and broker non-votes are not considered as votes cast for or against a director and have no effect on the election results.

If stockholders do not re-elect a nominee who is already a director, Delaware law provides that the director continues to serve on the Board as a holdover director. Under our By-Laws and Corporate Governance Guidelines, each director must submit an irrevocable advance resignation that will be effective if the stockholders do not re-elect him or her and the Board accepts his or her resignation. In that situation, within 90 days from the date the election results are certified, the G&C Committee will recommend to the Board whether to accept or reject the resignation, with the Board then taking action and promptly disclosing its decision and underlying rationale in a filing with the SEC.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH NOMINEE LISTED BELOW TO SERVE A THREE-YEAR TERM OR UNTIL HIS SUCCESSOR IS DULY ELECTED AND QUALIFIED.**



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Relevant information about each director appears below, including certain information regarding our directors individual experience, qualifications, attributes and skills, and brief statements of those aspects of our directors backgrounds that led us to conclude that they should serve as directors.

**Nominees for Re-Election as CLASS I MEMBERS OF THE BOARD OF DIRECTORS    Current Term Expiring at the 2019 Annual Meeting**

Name (Age)	Business Experience and Other Information	Director Since
<i>Denis A. Turcotte (57)</i>	Mr. Turcotte was elected to the Board in August 2015 and became Chairman of the Company's Board in March 2018. Mr. Turcotte is currently a Managing Partner at Brookfield. Prior to joining Brookfield in 2017, Mr. Turcotte was president and chief executive officer of North Channel Management and North Channel Capital Partners, business consulting and private investing firms, from 2008 to 2017. He was also a member of the board of directors of the general partner of Brookfield Business Partners L.P., an affiliate of Brookfield, from 2016 until he joined Brookfield in 2017. From 2002 to 2008, Mr. Turcotte was the president and CEO and a director of Algoma Steel Inc., a publicly listed North American steel company, and from 1992 to 2002 held a number of senior executive positions with companies in the pulp and paper industry, including president of the paper group and executive vice-president of corporate development and strategy of Tembec Inc., a leading integrated forest products company with operations in North America and France. Since 2018, 2012 and 2007, Mr. Turcotte has been a member of the board of directors for Teekay Offshore GP L.L.C. (the general partner of Teekay Offshore Partners L.P.), Norbord Inc. and Domtar Corporation, respectively. He was previously a member of the board of directors for Coalspur Mines, Ltd. from 2010 to 2015 and Algoma Steel Inc. from 2002 to 2008.	2015
<i>Michel J. Dumas (60)</i>	Mr. Dumas was elected to the Board in April 2018. Mr. Dumas has over thirty years of experience in the lumber, pulp and paper industries. From 1997 until 2017, Mr. Dumas served as the Executive Vice President, Finance and Chief Financial Officer of Tembec, Inc., based in Quebec. Mr. Dumas also served on the board of directors of Tembec, Inc. from January 2011 to February 2017. Mr. Dumas served as a director of Marathon Pulp Inc. from February 2000 to February 2009 and of Jager Building Systems from August 2001 to September 2008. From 1991 to 1997, Mr. Dumas was Vice President, Finance and Chief Financial Officer at Spruce Falls Inc., a newsprint mill. Prior to joining Spruce Falls Inc., from 1985 to 1991, Mr. Dumas served as Controller at Tembec, Inc. Mr. Dumas received his undergraduate degree in Commerce from University of Ottawa.	2018



**Table of Contents****CLASS II MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE Term Expiring at the 2020 Annual Meeting**

Name (Age)	Business Experience and Other Information	Director Since
<i>Ron A. Bloom (63)</i>	Mr. Bloom was elected to the Board in February 2017. Since 2016, Mr. Bloom has been a Managing Partner and Vice Chairman at Brookfield, where he focuses on managing the firm's private equity investments. Mr. Bloom has served as a director of Westinghouse Electric Company LLC, an affiliate of Brookfield, since August 2018. Prior to joining Brookfield in 2016, from 2012 to 2016, Mr. Bloom was Vice Chairman, U.S. Investment Banking, at Lazard, focused on restructurings, and mergers and acquisitions. Prior to joining Lazard, Mr. Bloom served as Assistant to the President for Manufacturing Policy from February 2011 to August 2011 where he provided leadership on policy development and strategic planning for the Administration's agenda to revitalize the manufacturing sector. He led the discussions with the auto industry which resulted in the industry's support for new fuel economy standards. Prior to joining the White House, Mr. Bloom served as Senior Advisor to the Secretary of the Treasury from 2009 to 2011 where he helped lead the restructuring of General Motors and Chrysler LLC, and then led the Treasury's oversight of the companies thereafter, including General Motors initial public offering. Mr. Bloom received his undergraduate degree from Wesleyan University and graduated with distinction from the Harvard Graduate School of Business Administration.	2017
<i>Brian L. Acton (67)</i>	Mr. Acton was elected to the Board in April 2018. Mr. Acton has more than 40 years' experience in the mining and bulk materials distribution industry, primarily devoted to mining and marketing of coal, and marketing of petroleum coke and other raw materials. Since August 2013, Mr. Acton has served as President at Pac Basin Resources LLC, a mining and metals company. From July 2010 to June 2013, Mr. Acton served as a consultant to Oxbow Carbon & Minerals Holdings, Inc. From 1996 to 2009, Mr. Acton served as President and COO of Oxbow Carbon and Minerals Holdings, Inc. Mr. Acton joined Oxbow in 1985 after working with Kaiser Resources/Westar Mining since 1978. Mr. Acton served on the board of directors of Adriana Resources Inc. from March 2012 to February 2017. While on the Board, Mr. Acton served as Chair of the Compensation Committee from 2012 to 2017 and as a member of the Audit Committee from 2014 to 2017. Mr. Acton is a graduate of Queen's University with a Bachelor of Applied Science (Mining Engineering) degree and a Masters in Business Administration.	2018
<i>David J. Rintoul (61)</i>	Mr. Rintoul became President and CEO and was elected to the Board in March 2018. Prior to joining the Company, Mr. Rintoul	2018



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Name (Age)	Business Experience and Other Information	Director Since
	<p>served as President of U.S. Steel Tubular Products and as a Senior Vice President of United States Steel Corporation ( U.S. Steel ). Before that, Mr. Rintoul has served in various roles at U.S. Steel since 2007, including oversight of U.S. Steel's Slovak and Serbian operations. Mr. Rintoul's career in the steel industry spans 38 years with positions at both integrated and mini mill producers in the United States, Europe and Canada, including extensive mini mill operational experience at North Star Bluescope Steel in Delta, Ohio from 2001 to 2005 and from construction through full operations at Acme Steel Company in Riverdale, Illinois from 1995 to 2001. Mr. Rintoul holds an Associate's degree in Mechanical Engineering Technology from Sault College of Applied Arts and Technology, a Bachelor's degree in Business Administration from Lake Superior State University and a Master's degree in Business Administration from the University of Notre Dame.</p>	
<b>CLASS III MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE Term Expiring at the 2021 Annual Meeting</b>		

Name (Age)	Business Experience and Other Information	Director Since
<i>Jeffrey C. Dutton (56)</i>	<p>Mr. Dutton was elected to the Board in 2017. Previously, Mr. Dutton served as President and CEO of the Company from January 2017 until March 2018 and Vice President &amp; Chief Operating Officer of the Company from August 2015 until January 2017. In these roles, Mr. Dutton oversaw all aspects of both the Industrial Materials and Engineered Solutions businesses. Mr. has served as a Managing Director of Brookfield since 2017 and was previously a Senior Vice President from 2013 to 2017. Brookfield became GrafTech's indirect parent company in August 2015. Mr. Dutton served as the CEO and President of Twin Rivers Paper Company, from 2010 to 2013. Mr. Dutton served in various executive capacities at Fraser Papers Inc. from 2008 to 2010 and as General Manager of East Papers operations at Fraser Papers Inc. from 2006 to 2008. He served as President of Republic Paperboard Company of Eagle Materials Inc. from 2004 to 2006. Mr. Dutton has served as a director of Ember Resources Inc., an affiliate of Brookfield, since August 2018. Mr. Dutton served as a director of Twin Rivers Paper Company in 2013 and has served as a director of the Hammerstone Corporation since 2014. Mr. Dutton received his Bachelor of Science in Mechanical Engineering Technology from the University of Maine.</p>	2017
<i>Anthony R. Taccone (58)</i>	<p>Mr. Taccone was elected to the Board in April 2018. Mr. Taccone has over thirty years of experience consulting to companies in the global</p>	2018

steel industry and companies with interests in the steel industry,  
including suppliers, customers

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Name (Age)	Business Experience and Other Information	Director Since
	<p>and investors. Since March 1998, Mr. Taccone has served as a Founding Partner and co-owner of First River LLC, a boutique strategy consulting firm. While at First River, Mr. Taccone has worked with senior management teams, boards of directors, investors and government agencies on challenging and complex issues facing companies in the steel industry, including financial restructurings, capacity rationalizations, mergers and acquisitions, major capital investment decisions, raw material integration strategies, and investments in downstream businesses. Prior to joining First River, Mr. Taccone was a strategy consultant at Beddows &amp; Company from 1988 to 1998. From 1994 until 1998, Mr. Taccone was the North American practice leader and served on Beddows and Company's Board of Directors. Prior to his career as a steel industry consultant, Mr. Taccone worked as a Country Risk Economist from 1985 to 1987 and an Industry Economist from 1987 to 1988 at Mellon Bank. Mr. Taccone received his undergraduate degree in economics from Washington &amp; Jefferson College and a Masters degree in economics from Duke University.</p>	
<i>Catherine L. Clegg (59)</i>	<p>Ms. Clegg was elected to the Board in March 2019. Ms. Clegg is a senior automotive industry executive with General Motors Company with extensive experience in manufacturing operations, manufacturing engineering, labor relations, public policy, and cultural transformation. Since 2017 she has been the Vice President, Business Intelligence, Global Public Policy, where she leads policy analysis and strategy; developing and aligning business priorities in the context of government policy initiatives in key countries and regions around the world. Ms. Clegg previously led GM's manufacturing operations and labor relations in the US, Canada, and Mexico as Vice President North America Manufacturing &amp; Labor Relations from 2014 to 2017. She also served as Vice President Global Manufacturing Engineering from 2013 to 2014 and Vice President GMNA Labor Relations from 2010 to 2013. Ms. Clegg received her undergraduate degree from Eastern Michigan University and her MBA from University of Virginia Colgate Darden Graduate School of Business Administration. Ms. Clegg also earned a Master of Arts in Advanced Leadership Studies and completed extensive advanced coursework on Organizational Leadership at Indiana Wesleyan University, as well as executive education at Harvard University and Stanford University.</p>	2019

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Executive Compensation

### **Compensation Discussion and Analysis**

The Compensation Discussion and Analysis ( CD&A ) details the objectives and design of our executive compensation program overseen by the G&C Committee. The CD&A describes the compensation provided to our named executive officers ( NEOs ) who are listed below and named in the Summary Compensation Table. During 2018, our NEOs were:

Jeffrey C. Dutton, Former President and Chief Executive Officer

David J. Rintoul, President and Chief Executive Officer

Quinn J. Coburn, Chief Financial Officer, Vice President Finance and Treasurer

For more information about our current executive officers, see our Annual Report on Form 10-K for the year ended December 31, 2018.

### **Executive Summary**

Our executive compensation program is driven by our strategic goals with the primary emphasis on paying for performance. Our executive compensation program has consistently relied upon the two elements of competitive base salary and a performance-based annual cash incentive plan the Incentive Compensation Plan (the ICP ) which rewards employees based on the financial and operational performance of the Company. Since our acquisition by Brookfield, and until our IPO, we have not relied upon equity awards for incentivizing long-term performance. Instead, at the time of the acquisition, we adopted a long-term cash incentive program the GrafTech International Ltd. Long-Term Incentive Plan (the LTIP ) designed to retain senior management of the Company, to incentivize them to make decisions with a long-term view and to motivate and influence behavior on their part that is consistent with maximizing value for the stockholders of the Company in a prudent manner. Given our IPO, we reviewed the structure of our long-term incentive program and continue to focus on the goal of creating long-term value for our stockholders. The year 2018 was a year of transition for the Company from being a privately held company to going public and with changes in senior management. We hired Mr. Rintoul as our President and Chief Executive Officer in March of 2018 and his compensation for 2018 was driven in large part by his employment agreement with the Company (the Rintoul Agreement ) (described below after the Summary Compensation Table) and an equity award granted to him in connection with the IPO under our Omnibus Equity Incentive Plan (the Equity Plan ), adopted at the time of the IPO.

### **Compensation Framework**

The design and operation of our executive compensation program reflect our objectives of driving financial and operational performance that will deliver value and propel growth, while attracting and retaining talented executive leadership.

The primary elements of our executive compensation program for 2018 are shown in the following table. The amounts of compensation were determined by the G&C Committee based on the objectives described. The G&C Committee did not rely on formulas or survey results, but instead it used its judgment based on its assessment of the Company s objectives. Executive officers generally played no role in determining executive compensation. The G&C Committee did not utilize the services of a compensation consultant in 2018 but has engaged Meridian Compensation Partners with respect to





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the Company's 2019 compensation program. Meridian Compensation Partners does no work for the Company other than providing advice to the G&C Committee.

**Element**

Base Salary

**Objectives and Key Features**

Values the competencies, skills, experience and performance of individual executives.

ICP

Attracts and retains executive talent by providing a fixed level of compensation that is financially stable and not at risk.

Provides competitive incentives to executive officers by having a portion of their annual cash compensation dependent upon annual performance and at risk.

Equity Plan and LTIP

For 2018, the performance measure was Adjusted EBITDA from continuing operations (as described below).

Provide incentives for long-term value creation, aligning the interests of our NEOs with those of our stockholders.

Retirement Savings Plan (the Savings Plan )

Provides market-based retirement savings benefits in a tax-efficient manner.

Compensation Deferral Plan

Broad-based plan under which we make matching contributions that vary based on the employee's contribution and on eligible earnings, up to the limits set by the Code.

Provides savings in a tax-efficient manner.

Health, Welfare and Other Benefits

Non-qualified deferral of up to 50% of base salary and 85% of ICP bonus.

Attract and retain executives by providing competitive health, welfare and other benefits.

Generally, benefits are made available to executive officers on the same basis as benefits are made available to other eligible employees.

**Base salary**

Mr. Rintoul's base salary for 2018 was set at \$625,000 under the Rintoul Agreement described below. Mr. Coburn's base salary was changed during 2018 to \$372,600 reflecting a 3.5% increase from his prior year's salary similar to the salary adjustments made for the Company's employees generally.

**ICP**

The ICP provides competitive incentives to executive officers by having a portion of their annual cash compensation dependent upon annual performance and at risk. This motivates and rewards executive officers for the achievement of targeted financial performance. For 2018, the financial

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measure was Adjusted EBITDA from continuing operations, a non-GAAP financial measure, which we define as (i) net income or loss plus interest expense, minus interest income, plus income taxes, discontinued operations and depreciation and amortization from continuing operations plus (ii) any pension and other post-employment benefit ( OPEB ) plan expenses, impairments, rationalization-related charges, IPO expenses, acquisition and proxy contest costs, non-cash gains or losses from foreign currency remeasurement of non-operating liabilities in our foreign subsidiaries where the functional currency is the U.S. dollar, related party Tax Receivable Agreement expense, stock-based compensation and non-cash fixed asset write-offs. (See attached Appendix A for a reconciliation of Adjusted EBITDA from continuing operations to its most directly comparable GAAP measure.) The G&C Committee chose Adjusted EBITDA from continuing operations as the performance measure as it is the primary metric used by our management and our Board of Directors to establish budgets and operational goals for managing our business and evaluating our performance.

Mr. Rintoul and Mr. Coburn had bonus target amounts equal to 100% and 65%, respectively, of base salary. The G&C Committee used Mr. Rintoul's full base salary rate of \$625,000 (as set forth in the Rintoul Agreement) and Mr. Coburn's full base salary rate of \$372,600 in calculating their awards under the ICP for 2018. Bonuses for 2018 were determined by the G&C Committee based on the Company's performance against pre-established Adjusted EBITDA from continuing operations targets. Final bonuses reflect a fixed payment of 0.3x of target bonus with an aggregate payment determined by performance against financial targets of up to 2.0x of target bonus. Based on the payout grid approved by the G&C Committee, each of Mr. Rintoul and Coburn received 1.525x of his target bonus based on Adjusted EBITDA from continuing operations for 2018 of \$1.2 billion. The actual bonus amounts received by Messrs. Rintoul and Coburn are set forth in the Summary Compensation Table below.

**Equity Plan**

In connection with joining the Company, pursuant to the Rintoul Agreement, Mr. Rintoul was awarded stock options at the time of the IPO determined by dividing \$6,250,000 (representing 10x of his annual base salary) by the IPO share price. As these stock options become exercisable over five years following grant, they incentivize steady, long-term value creation with a focus on increasing stock price and align Mr. Rintoul's compensation with the interests of the Company's stockholders. Following the IPO, the Board of Directors also granted Mr. Rintoul DSUs with a fair market value of \$290,015, which accrue dividend equivalents that are credited to Mr. Rintoul as additional DSUs (subject to the same vesting conditions), will vest on the third anniversary of the grant date and will settle in shares of common stock upon his termination of employment from the Company. The DSUs provide for retention and further directly align Mr. Rintoul's interests with the long-term interests of the stockholders. These awards granted under the Equity Plan are discussed further under Grants of Plan-Based Awards.

**Changes in Executive Compensation for Fiscal Year 2019**

On March 21, 2019, our Board, upon recommendation of the G&C Committee, approved an executive leadership team long-term incentive program (the ELT LTIP). The ELT LTIP was designed to retain senior management of the Company and to incentivize them to make decisions with a long-term view and to motivate and influence behavior on their part that is consistent with maximizing value for the stockholders of the Company in a prudent manner. Pursuant to the ELT LTIP, the Board granted Mr. Rintoul an equity award comprised of 75,000 restricted stock units that will vest ratably over 5 years on each anniversary of the date of grant, subject to acceleration in certain circumstances.

**LTIP**

Mr. Coburn did not receive any awards under the Equity Plan in 2018 or to date in 2019. Mr. Coburn, however, participates in the LTIP as discussed further under Potential Payments Upon Termination or Change in Control.



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### **Policies on Transactions in Company Stock, Including Anti-hedging Provisions**

Our Insider Trading Policy imposes limits as to when and how Company employees, including our executive officers and directors, can engage in transactions in our securities, and prohibits hedging transactions with respect to our common stock.

### **Recoupment Policy**

The terms of our equity-based awards (other than the stock options granted under the Rintoul Agreement) (i) entitle, to the extent permitted or required by applicable law, Company policy and/or the requirements of an exchange on which our shares are listed for trading, the Company to recoup compensation of whatever kind paid by the Company at any time under our Equity Plan and (ii) provide for reduction, cancellation, forfeiture or recoupment of an award if the participant engages in Detrimental Conduct. Detrimental Conduct means activities which have been, are or would reasonably be expected to be detrimental to the interests of the Company, as determined in the sole and good faith judgment of the G&C Committee. Such activities include unlawful conduct under securities, antitrust, tax or other laws, improper disclosure or use of confidential or proprietary information or trade secrets, competition with or improper taking of a corporate opportunity of any business of the Company, failure to cooperate in any investigation or legal proceeding, and misappropriation of property.

### **Savings Plan and Other Benefits**

All of our regular, full-time U.S. employees, including eligible NEOs, are eligible to participate in our Savings Plan. In 2018, we made a matching contribution to the Savings Plan for each participant who elected to contribute to the Savings Plan. The 2018 matching contribution was 100% of the first 3% of compensation and 50% of the next 2% of compensation that a participant contributed. Effective January 1, 2019, the matching contribution is 100% of the first 5% of compensation that a participant contributes. Matching contributions under the Savings Plan are fully vested at all times. In addition to matching contributions, we make employer contributions to the Savings Plan each year equal to 3% of a participant's eligible compensation. A participant becomes vested in these employer contributions to the Savings Plan once he or she has completed three years of service.

Our eligible named executive officers participate in the same medical, life and disability insurance programs, and other welfare plans as the rest of our employees.

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**Compensation Committee Report**

The Governance and Compensation Committee of the Company's Board of Directors reviewed the Compensation Discussion and Analysis for the year ended December 31, 2018 and discussed it with the Company's management. Based on this review and its discussions with management, the Committee recommended to the Company's Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement for the 2019 Annual Meeting of Stockholders.

By the Governance and Compensation Committee of the Board of Directors of GrafTech International Ltd.

**COMPENSATION COMMITTEE**

Ron A. Bloom (Chair)

Denis A. Turcotte

Brian L. Acton

Anthony R. Taccone

**Table of Contents****Summary Compensation Table**

The following table sets forth information concerning compensation earned by the Company's NEOs for fiscal years ended December 31, 2018, 2017 and 2016.

Name and principal position	Year	Salary(\$)	Bonus(\$)	Stock Awards (\$) <sup>(3)</sup>	Option Awards(\$) <sup>(3)</sup>	Non-Equity Incentive Plan	All Other Compensation	Total(\$)
						Compensation(\$)	(\$)	
Jeffrey C. Dutton	2018	110,000					11,137 <sup>(4)</sup>	121,137
<i>Former President and CEO<sup>(1)</sup></i>	2017	425,000					44,680	469,680
	2016	410,000					41,574	451,574
David J. Rintoul	2018	520,833	187,500 <sup>(5)</sup>	261,023	2,395,853	765,625 <sup>(5)</sup>	326,676 <sup>(6)</sup>	4,457,510
<i>President and CEO<sup>(2)</sup></i>								
Quinn J. Coburn	2018	371,550	72,657 <sup>(5)</sup>			296,683 <sup>(5)</sup>	17,692 <sup>(7)</sup>	758,582
<i>Chief Financial Officer,</i>	2017	360,000	402,480				16,451	778,931
<i>Vice President Finance and Treasurer</i>	2016	360,000	73,710				14,548	448,528

- (1) Mr. Dutton served as the Company's Vice President and Chief Operating Officer until January 11, 2017. On January 11, 2017, our Board appointed Mr. Dutton as President and CEO, effective that same date. Mr. Dutton served as President and CEO until March 1, 2018. He was employed by an affiliate of Brookfield. GrafTech reimbursed Brookfield for his salary, housing and transportation expenses and 401(k) savings plan matching contributions. Mr. Dutton continues to serve on the Board but received no compensation for such service in 2018.
- (2) On March 1, 2018, Mr. Rintoul joined the Company as President and CEO of the Company, replacing Mr. Dutton.
- (3) Reflects the aggregate grant date fair value pursuant to FASB ASC Topic 718, Compensation - Stock Compensation of DSUs and options granted under our Equity Plan. Additional details on accounting for stock-based compensation can be found in Note 4, Stock Based and Other Management Compensation Plans, to our Consolidated Financial Statements contained in our 2018 Annual Report on Form 10-K.
- (4) Includes \$5,909 in matching contributions to a Brookfield 401k savings plan and \$5,228 for housing and transportation expenses.
- (5) Represents payments under the ICP for 2018.
- (6) Includes \$9,899 in matching contributions and a \$7,208 Company contribution to the Savings Plan, \$563 in disability insurance premiums under the Company's long term disability insurance plan, a \$1,000 employer contribution to his Health Savings Account, \$3,795 in life insurance premiums under the Company's group life insurance plan, \$54,211 for relocation expenses and \$250,000 for losses associated with the sale of his home.
- (7) Includes \$11,000 in matching contributions and a \$2,750 Company contribution to the Savings Plan, \$676 in disability insurance premiums under the Company's long term disability insurance plan, \$1,610 employer



contribution to his Health Savings Account and \$1,656 in life insurance premiums under the Company's group life insurance plan.

**Table of Contents****Grants of Plan-Based Awards**

The following table sets forth, for each of the NEOs, the grants of awards under our Equity Plan and our ICP during the fiscal year ended December 31, 2018.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards(\$)
		Thresh-old (\$)	Target (\$)	Maxi-mum (\$)				
Jeffrey C. Dutton								
David J. Rintoul		187,500	625,000	1,250,000				
	4/19/18				19,335		261,023	
	4/19/18					416,670	15.00 <sup>(1)</sup> 2,395,853	
Quinn J. Coburn		72,657	242,190	484,380				

(1) Based upon the IPO price of our stock.

*Rintoul Employment Agreement*

On March 1, 2018, the Company and Mr. Rintoul entered into an employment agreement that governs the terms and conditions of his employment as President and CEO of the Company (the Rintoul Agreement). The Rintoul Agreement provides that Mr. Rintoul is entitled to an annual base salary of \$625,000 and will participate in the ICP (with a target bonus of 100% of annual base salary). The Rintoul Agreement also provides that Mr. Rintoul will receive a one-time grant of stock options with a value on the date of grant equal to ten times his annual base salary and an exercise price per share equal to \$15.00 (the IPO price of our stock). The Rintoul Agreement provides that the options will vest ratably over the five year period following the date of grant, subject to acceleration under certain circumstances, including in the event Brookfield and its affiliates cease to own at least 35% of the Company's stock or any other person or group acquires more than 50% of the Company's stock. In addition, Mr. Rintoul is eligible to participate in Company-sponsored benefits, including health benefits, a 401(k) plan and a defined contribution retirement plan. The Company agreed to modify the Rintoul Agreement and reimburse Mr. Rintoul for reasonable expenses relating to his relocation, as well as up to \$250,000 (increased by the Company from the \$75,000 originally set forth in the Rintoul Agreement) for losses associated with the sale of his home; provided that if Mr. Rintoul resigns from employment without Good Reason or is terminated for Cause (each as defined in the Rintoul Agreement) at any point prior to March 1, 2021, he will reimburse any such amounts previously received.

**Outstanding Equity Awards At Fiscal Year End****Option Awards****Stock Awards**

<b>Number of Securities Underlying Unexercised Options (#) Exercisable</b>	<b>Number of Securities Underlying Unexercised Options (#) Unexercisable</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Number of Shares or Units of Stock That Have Not Vested (#)</b>	<b>Market Value of Shares or Units of Stock That Have Not Vested (\$)<sup>(1)</sup></b>
Jeffrey C. Dutton					
David J. Rintoul	416,670 <sup>(2)</sup>	15.00	4/19/2028	20,830 <sup>(3)</sup>	238,295
Quinn J. Coburn					

- (1) Calculated by multiplying the number of shares covered by the award by \$11.44, the closing price of our common stock on the New York Stock Exchange on December 31, 2018.
- (2) The option vests in five equal installments beginning on April 19, 2019.
- (3) The DSUs (including units credited as dividend equivalents) vest on April 19, 2021. Vested DSUs will be settled in shares of common stock which will be delivered by the end of the calendar year in which Mr. Rintoul terminates employment with the Company.

**Table of Contents****Nonqualified Deferred Compensation**

<b>Name</b>	<b>Executive Contributions for 2018 (\$)</b>	<b>Registrant Contributions for 2018 (\$)</b>	<b>Aggregate Earnings in 2018 (\$)</b>	<b>Aggregate Withdrawals/ Distributions (\$)</b>	<b>Aggregate Balance at 12/31/2018 (\$)</b>
Jeffrey C. Dutton					
David J. Rintoul					
Quinn J. Coburn			(276)		4,437

Mr. Coburn participates in our non-qualified deferred compensation plan (the Compensation Deferral Plan). Under the Compensation Deferral Plan, participants are able to defer up to 85% of their ICP compensation and up to 50% of their base salary.

Deferrals and contributions to our Compensation Deferral Plan are credited with a rate of return based on the performance of various funds selected by the participants from indices which are designated by the Plan Administrator. An employee may prospectively change the funds for crediting rates of return at any time. The account balances of participants are credited with both their deferrals, as well as the rate of return on the funds selected by the participants for those amounts. Frozen lump sums and their earnings are held in notional investment accounts selected by the employee.

Distributions of account balances from the Compensation Deferral Plan are generally made in January following retirement or other termination of employment or, if elected by the participant, upon a future date specified by the participant. Participants may also elect to have their account balances distributed upon a change in control of GrafTech. The Compensation Deferral Plan is intended to comply with Section 409A of the Code governing deferred compensation arrangements except that amounts that were contributed to the Compensation Deferral Plan and fully vested by December 31, 2004, including all of the frozen lump sums, are not subject to the restrictions of Section 409A. Amounts under the Compensation Deferral Plan are generally payable in a lump sum, although participants may elect to have their accounts payable in annual installments instead.

**Potential Payments Upon Termination or Change in Control**

We have set forth below information regarding contractual payments that would be made to Messrs. Rintoul and Coburn upon the occurrence of certain termination and/or change in control events and post-employment restrictive covenant obligations of Messrs. Rintoul and Coburn.

**Table of Contents****David J. Rintoul**

The table below sets forth the potential estimated payments to Mr. Rintoul under the Rintoul Agreement and his equity award agreements under the Equity Plan, assuming for this purpose that his employment had been terminated and/or a change of control of the Company had occurred in each case on December 31, 2018.

<b>Triggering Event</b>	<b>Cash-Out Value of Equity-Based Awards that Vest as a Result of a Triggering Event (\$)</b>	<b>Value of Severance (\$)</b>	<b>Total (\$)</b>
Termination of Employment Prior to a Change In Control			
without Cause or for Good Reason After a Change In Control without		1,250,000 <sup>(1)</sup>	1,250,000
Cause Change in Control	238,295 <sup>(2)(3)</sup> (3)	1,250,000	1,488,295

(1) Payable under the Rintoul Agreement. See Rintoul Agreement below.

(2) Estimated value of DSUs that would vest based on the closing price of a share of common stock on December 31, 2018 of \$11.44. See Rintoul Equity Awards below.

(3) Mr. Rintoul's stock options would vest in full upon a change in control of the Company but no value is reflected in the table as the exercise price of such options exceeds the closing price of a share of common stock on December 31, 2018 of \$11.44. See Rintoul Equity Awards below.

*Rintoul Agreement*

In the event that Mr. Rintoul's employment is terminated by Mr. Rintoul for Good Reason (as defined in the Rintoul Agreement) or by the Company for a reason other than Cause (as defined in the Rintoul Agreement) or Mr. Rintoul's death or disability, the Company will pay Mr. Rintoul his base salary for one year plus annual bonus, subject to his execution of a release agreement. The Rintoul Agreement provides that Mr. Rintoul is subject to non-compete and non-solicitation covenants during his employment and for a period of two years following termination of his employment, as well as a perpetual non-disparagement covenant.

*Rintoul Equity Awards*

Mr. Rintoul's deferred share unit agreement provides that in the event that his employment is terminated by the Company without Cause within the two (2) year period following the consummation of a Change in Control, any then-outstanding unvested DSUs shall immediately vest in full as of the date of such termination. For purposes of this agreement, a Change in Control shall occur upon (a) Brookfield and its affiliates ceasing to own stock of GrafTech that constitutes at least 35% of the total fair market value or total voting power of the stock of GrafTech or (b) any one person, or more than one person acting as a group (as defined under Treasury Regulation § 1.409A) other than GrafTech, Brookfield and its affiliates or any employee benefit plan sponsored by GrafTech acquires ownership of stock of GrafTech that, together with stock held by such person or group, constitutes more than 50% of the total fair

market value or total voting power of the stock of GrafTech and Cause shall mean, unless otherwise provided in an employment agreement in effect immediately prior to such termination, (i) a failure of Mr. Rintoul to reasonably and substantially perform his duties to the Company (other than as a result of physical or mental illness or injury); (ii) his willful misconduct or gross negligence; (iii) his breach of the his fiduciary duty or duty of loyalty to the Company; (iv) his commission by of any felony or other serious crime; or (v) his breach of the terms of any agreement with the Company or any Company policies.

Upon the consummation of a Change in Control, any then-outstanding unvested portion of Mr. Rintoul s options shall immediately vest in full as of the date of such Change in Control. Subject to

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his continued employment through the third anniversary of the grant date, Mr. Rintoul and the Board may, by mutual agreement, provide that any then-outstanding unvested portion of the options shall vest in full in the event of early retirement, subject to a fully executed succession plan.

**Quinn J. Coburn***Coburn LTIP*

Mr. Coburn is the only NEO that participates in the LTIP. Under the LTIP, certain employees were awarded profits units which generally vest in equal increments over a five-year period beginning on the first anniversary of the grant date and subject to continued employment with the Company through each vesting date. Any unvested profit units that have not been previously forfeited will accelerate and become fully vested upon a Change in Control (as defined in the LTIP and described below). Profit units will generally be settled in a lump sum payment within 30 days following a Change in Control based on the Sales Proceeds (as defined in the LTIP and described below) received by Brookfield Capital Partners IV, L.P. (together with its affiliates, Brookfield Capital IV) in connection with the Change in Control. The LTIP defines Change in Control as any transaction or series of transactions (including, without limitation, the consummation of a combination, share purchases, recapitalization, redemption, issuance of capital stock, consolidation, reorganization or otherwise) pursuant to which (a) a Person not affiliated with Brookfield Capital IV acquires securities representing more than 70% of the combined voting power of the outstanding voting securities of the Company or the entity surviving or resulting from such transaction, (b) following a public offering of the Company's stock, Brookfield Capital IV has ceased to have a beneficial ownership interest in at least 30% of the Company's outstanding voting securities (effective on the first of such date), or (c) the Company sells all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis. It is intended that the occurrence of a Change in Control in which Sales Proceeds exceed the Threshold Value would constitute a substantial risk of forfeiture within the meaning of Section 409A of the Code. The LTIP defines Threshold Value as of any date of determination, an amount equal to \$855,000,000, (which represents the amount of the total invested capital of Brookfield Capital IV as of August 17, 2015), plus the dollar value of any cash or other consideration contributed to or invested in the Company by Brookfield Capital IV after August 17, 2015. The Threshold Value shall be determined by the Board in its sole discretion. The LTIP defines Sales Proceeds as, as of any date of determination, the sum of all proceeds actually received by Brookfield Capital IV, net of all Sales Costs (as defined below), (i) as consideration (whether cash or equity) upon the Change in Control and (ii) as distributions, dividends, repurchases, redemptions or otherwise as a holder of such equity interests in the Company. Proceeds that are not paid upon or prior to or in connection with the Change in Control, including earn-outs, escrows and other contingent or deferred consideration shall become Sales Proceeds only as and when such proceeds are received by Brookfield Capital IV. Sales Costs means any costs or expenses (including legal or other advisor costs), fees (including investment banking fees), commissions or discounts payable directly by Brookfield Capital IV in connection with, arising out of or relating to a Change in Control, as determined by the Board in its sole discretion.

Assuming a Change in Control had occurred for purposes of the LTIP on December 31, 2018, Mr. Coburn would have received approximately \$12.1 million, based solely upon the excess of the Sales Proceeds received to date by Brookfield Capital IV over the Threshold Value.

*Coburn Restrictive Covenants*

In 2014, the Company granted Mr. Coburn, certain equity awards pursuant to the Company's Equity Incentive Plan Award Agreement (the Award Agreement) which were cancelled at the time of Brookfield's acquisition of GrafTech in 2015. Pursuant to the Award Agreements, Mr. Coburn is subject to non-competition and non-solicitation covenants set forth in his Award Agreement beginning on the effective date of the Award Agreement and continuing for a period of

two years following his voluntary



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termination of employment with the Company or certain events of involuntary termination of employment. The non-competition covenant provides that he will not, without the Company's prior written consent, engage in (a) the business of manufacturing, distributing, selling or providing needle coke and/or carbon or graphite products, services, material or equipment of the kind or type which are the same as or similar to those manufactured, distributed, sold or provided by GrafTech as of the date of termination or at any time while he was an employee of GrafTech, or (b) any other business in which GrafTech directly or indirectly engaged as of the date of termination or at any time while he was an employee of GrafTech. The non-competition covenant applies in any state, country, possession, or territory in which GrafTech directly or indirectly has offices, operations, customers or otherwise conducts business or planned to conduct business during his employment.

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**Proposal 2** Ratify the Selection of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for 2019

The Audit Committee has selected, and the Audit Committee and the Board of Directors recommend stockholder ratification of, Deloitte & Touche LLP as our independent registered public accounting firm for the year ended December 31, 2019. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit our consolidated financial statements.

Deloitte & Touche LLP has served as our independent registered public accounting firm since 2015. In order to ensure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm. The members of the Audit Committee and the Board of Directors believe that the continued retention of Deloitte & Touche LLP to serve as our independent registered public accounting firm is in the best interests of the Company and its stockholders.

Although ratification by stockholders is not required by law or by our By-Laws, the Audit Committee believes that submission of its selection to stockholders is a matter of good corporate governance. Even if the appointment is ratified, the Audit Committee, in its discretion, may select a different independent registered public accounting firm at any time if the Audit Committee believes that such a change would be in the best interests of the Company and its stockholders. If our stockholders do not ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm, the Audit Committee will reconsider their selection.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they choose and will also be available to respond to appropriate questions from stockholders.

**Required Vote**

Approval of this ratification requires the affirmative vote of a majority of the voting power of the shares present in person or by proxy at the meeting and entitled to vote thereon. Therefore, abstentions will be counted as votes against this proposal. NYSE rules permit brokers to vote uninstructed shares at their discretion on this proposal, so broker non-votes are not expected.

**THE AUDIT COMMITTEE AND THE BOARD UNANIMOUSLY RECOMMEND THAT YOU VOTE FOR THE RATIFICATION OF THE SELECTION OF DELOITTE & TOUCHE LLP TO SERVE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2019 FISCAL YEAR.**

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**Proposal 3** Approve, on an Advisory Basis, our Executive Compensation

In accordance with SEC rules we provide our stockholders the opportunity to vote, on a non-binding, advisory basis, to approve the compensation of our NEOs as disclosed in this proxy statement.

We believe that executive compensation should be focused on promoting Company performance and stockholder value. To achieve these goals, our executive compensation program emphasizes pay for performance and aligning the interests of our executives with those of our stockholders through the use of long-term incentives and the encouragement of equity ownership. In addition, our executive compensation program is designed to allow us to recruit, retain and motivate employees who play a significant role in our current and future success. Please read the CD&A and the related tables and accompanying narrative for a detailed description of the 2018 compensation of our NEOs.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the overall compensation of our NEOs. This vote is advisory only and is not binding. Although the vote is non-binding, our Board and G&C Committee value the opinions of our stockholders and our Board and G&C Committee will consider the outcome of the vote when making future compensation decisions for our NEOs.

Accordingly, we ask our stockholders to vote in favor of the following resolution:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis and the related tables and accompanying narrative.

Approval of this resolution requires the affirmative vote of a majority of the voting power of the shares present in person or by proxy at the meeting and entitled to vote thereon. Therefore, abstentions will be counted as votes against this proposal and broker non-votes will have no effect on the outcome.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE  
COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

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**Proposal 4** Vote, on an Advisory Basis, on the Frequency with which We Will Hold Advisory Votes on Executive Compensation

In accordance with SEC rules we are providing our stockholders with the opportunity to vote to approve, on an advisory (non-binding) basis, the frequency (every one, two or three years) with which the stockholder vote to approve the compensation of our NEOs should be conducted. In accordance with those rules, we are requesting you vote to advise us as to whether you believe future votes to approve the compensation of our NEOs should occur every one, two or three years, or whether you wish to abstain from voting on this proposal.

After careful consideration, our Board has determined that an advisory vote on executive compensation that occurs every one year is the most appropriate alternative for the Company, and therefore our Board recommends that you vote for a one-year interval for future advisory votes on executive compensation.

In formulating its recommendation, our Board considered that an annual advisory vote on executive compensation will allow our stockholders to provide us with their direct input on our compensation philosophy, policies and practices as disclosed in the proxy statement every year. Additionally, an annual advisory vote on executive compensation is consistent with our policy of respecting the views of our stockholders on corporate governance matters and our executive compensation philosophy, policies and practices. We understand that our stockholders may have different views and we look forward to hearing from our stockholders on this proposal.

You may cast your vote on your preferred voting frequency by choosing the option of every one year, two years, or three years or you may abstain from voting in response to the resolution set forth below. Note that stockholders are not voting to approve or disapprove the recommendation of the Board. You are being asked only to express your preference for a one, two or three year frequency or to abstain from voting.

Accordingly, we ask our stockholders to vote on the following resolution:

RESOLVED, that the option of every one year, two years, or three years that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency with which the Company is to hold a stockholder vote to approve the compensation of the named executive officers, as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules (which disclosure shall include the Compensation Discussion and Analysis and the related tables and accompanying narrative).

The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. Therefore, abstentions and broker non-votes will have no effect on the outcome. However, because this vote is advisory only and is not binding on the Board or the Company in any way, the Board may decide that it is in the best interests of our stockholders and the Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE OPTION OF EVERY ONE YEAR AS THE FREQUENCY WITH WHICH STOCKHOLDERS ARE PROVIDED A NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION IN THE FUTURE.**

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Questions & Answers

**Q. Why did I receive these proxy materials?**

A. You received these materials because you were a stockholder as of March 21, 2019, the record date fixed by the Board, and are therefore entitled to receive notice of the Annual Meeting and to vote on matters presented at the Annual Meeting, which will be held on April 29, 2019.

**Q. When and where is the Annual Meeting being held?**

A. The Annual Meeting will be held on April 29, 2019 at 8:00 a.m., local time, at the Holiday Inn Cleveland-S Independence, 6001 Rockside Road, Independence, Ohio 44131.

**Q. Who is entitled to vote at the Annual Meeting?**

A. Holders of GrafTech's Common Stock at the close of business on March 21, 2019, the record date fixed by the Board, may vote at the Annual Meeting.

**Q. How many votes may I cast?**

A. Each share of Common Stock is entitled to one vote with respect to each of the matters submitted for vote. On March 21, 2019, there were 290,537,612 shares of Common Stock outstanding and entitled to vote.

**Q. What constitutes a quorum for the Annual Meeting?**

A. The presence, in person or by proxy, at the commencement of the Annual Meeting, of the holders of a majority of the shares of Common Stock issued and outstanding on March 21, 2019 constitutes a quorum for the transaction of business at the meeting. We will count abstentions and shares held by brokers or nominees who have not received instructions from the beneficial owner (broker non-votes) as present for purposes of determining the presence or absence of a quorum.

**Q. What items will be voted on at the Annual Meeting, and what is the required vote to approve each item?**

A. All stockholders are entitled to vote on the following proposals:

Proposal 1 To elect to the Board of Directors the two nominees named in this Proxy Statement;

Proposal 2 To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2019;

Proposal 3 To approve, on an advisory basis, our executive compensation;

Proposal 4 To vote, on an advisory basis, on the frequency with which we will hold a stockholder advisory vote on executive compensation; and

To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

To be elected, a director must receive an affirmative majority of votes cast i.e., the number of for votes must exceed the number of against votes (abstentions and broker non-votes are not considered as votes cast for or against a director and have no effect on the election results). Each of Proposals 2 and 3 requires an affirmative majority of the voting power of the shares present in person or by proxy at the meeting and entitled to vote thereon i.e., the number of for votes must exceed the combined total of against votes and abstentions (broker non-votes will

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**QUESTIONS & ANSWERS**

have no effect on the outcome of Proposal 3 and broker non-votes are not expected for Proposal 2 since NYSE rules permit brokers to vote uninstructed shares at their discretion on Proposal 2). The outcome of Proposal 4 will be the option that receives the highest number of votes cast (abstentions and broker non-votes will have no effect on the outcome).

Although the advisory vote on executive compensation and frequency of such votes is non-binding, our G&C Committee will consider and take into account the voting results when making future determinations.

**Q. Are there other items to be voted on at the Annual Meeting?**

A. We do not know of any other matters that may come before the Annual Meeting. If any other matters are properly presented at the Annual Meeting, your proxy authorizes the individuals named as proxies to vote, or otherwise act, in accordance with their best judgment.

**Q. How will proxies be voted at the Annual Meeting?**

A. If you hold shares through a broker or nominee and do not provide the broker or nominee with specific voting instructions, under the rules that govern brokers or nominees in such circumstances, your broker or nominee will have the discretion to vote such shares on routine matters, but not on non-routine matters. As a result:

Your broker or nominee will not have the authority to vote such shares with respect to Proposals 1, 3, and 4, because the NYSE rules treat these matters as non-routine. Accordingly, such broker non-votes will have no effect on the outcome of the vote on these proposals.

Your broker or nominee will have the authority to vote such shares with respect to Proposal 2, because that matter is treated as routine under the NYSE rules.

Broker non-votes will be counted as present for purposes of determining the presence of a quorum.

If you are a registered stockholder and no instructions are indicated on a properly executed proxy card submitted by you, the shares represented by the proxy will be voted FOR each of Proposals 1, 2 and 3 and for EVERY ONE YEAR on Proposal 4, and in accordance with the proxy holder's judgment for any other matter that may be properly brought before the Annual Meeting, or any adjournments or postponements thereof.

**Q. How do I cast a vote?**

A. You may vote by any one of the following means:

***By Internet.*** If you received a paper copy of a proxy card or voting instruction form by mail, you may submit your proxy over the Internet by following the instructions on the proxy card or voting instruction form.

***By Telephone.*** You may submit your vote by telephone by following the instructions on the proxy card or voting instruction form if you received such materials by mail.

***By Mail.*** You may submit your proxy by completing, signing and dating your proxy card or voting instruction form and mailing it in the accompanying self-addressed envelope. No postage is necessary if mailed in the United States.

***In person, at the Annual Meeting.*** If you hold shares in your name as the stockholder of record, you may vote in person at the Annual Meeting. If you are a beneficial owner but not the stockholder of record, you may vote in person at the Annual Meeting only with a legal proxy obtained from your broker, trustee or nominee, as applicable.



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**QUESTIONS & ANSWERS**

Properly completed and submitted proxy cards and voting instruction forms, as well as proxies properly completed and submitted over the Internet, will be voted at the Annual Meeting in accordance with the instructions provided as long as they are received in time for voting and not revoked.

**Q. Can I change my mind after I vote?**

A. Yes, you can change your vote at any time until 1:00 a.m. on April 29, 2019, or by voting in person at the Annual Meeting. To revoke your proxy, you must:

file an instrument of revocation with our Corporate Secretary, at our principal executive offices: 982 Keynote Circle, Brooklyn Heights, OH 44131;

mail a new proxy card dated after the date of the proxy you wish to revoke to our Corporate Secretary at our principal executive offices;

submit a later-dated proxy over the Internet in accordance with the instructions on the Internet voting website; or

if you are a stockholder of record or you obtain a legal proxy from your broker, trustee or nominee, as applicable, you may attend the Annual Meeting and vote in person.

If your proxy is not revoked, we will vote it at the Annual Meeting in accordance with your instructions indicated on the proxy card or voting instruction form or, if submitted over the Internet, as indicated on the submission.

**Q. Where can I find the voting results after the Annual Meeting?**

A. We will announce the preliminary voting results at the Annual Meeting and will report the final voting results in a Current Report on Form 8-K, which we will file with the SEC within four business days after the meeting.

**Q. Who bears the cost of this proxy solicitation?**

A. GrafTech bears all proxy solicitation costs. In addition to solicitations by mail, our Board, our officers and our regular employees, without additional remuneration, may solicit proxies by telephone, fax, electronic

transmission and personal interviews. We will request brokers, banks, custodians and other fiduciaries to forward proxy-soliciting materials to the beneficial owners of Common Stock and will reimburse them for their reasonable out-of-pocket expenses incurred in connection with distributing proxy materials.

**Q. What do I need to do now?**

- A. You should carefully read and consider the information contained in this Proxy Statement. It contains important information about GrafTech that you should consider before voting.

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Additional Information

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act ) requires our directors, executive officers and persons who own more than ten percent (10%) of a registered class of our equity securities to file reports of ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC. SEC rules also require such officers, directors and ten percent (10%) stockholders to furnish us with copies of all Section 16(a) reports they file. We reviewed copies of the forms we received or written representations from certain reporting persons that they were not required to file a Form 5. Based solely on that review, we believe that, during the fiscal year ended December 31, 2018, our officers, directors and ten percent (10%) stockholders complied with all Section 16(a) filing requirements applicable to them, other than (i) David J. Rintoul, who filed a late Form 4 with respect to two transactions and (ii) Brian L. Acton, Michel J. Dumas and Anthony R. Taccone, who each filed a late Form 4 with respect to a single transaction.

### **Proposals of Stockholders**

Pursuant to Rule 14a-8 of the Exchange Act, we must receive any stockholder proposal intended to be presented at our 2020 Annual Meeting of Stockholders (the 2020 Annual Meeting ) by no later than November 27, 2019 if it is to be included in the proxy statement and form of proxy relating to the meeting. Any such proposal must also comply with the other requirements of Rule 14a-8.

Under the advance notice provisions in our By-Laws, if you want to submit a proposal for the 2020 Annual Meeting for presentation at the meeting pursuant to Delaware corporate law (as opposed to inclusion in the proxy statement under Rule 14a-8) or intend to nominate a person as a candidate for election to the Board directly, the Corporate Secretary must receive the proposal or nomination between December 31, 2019 and the close of business on January 30, 2020, which are 120 days and 90 days, respectively, before the one-year anniversary of the 2019 Annual Meeting.

If the date of the 2020 Annual Meeting has been changed more than 30 days from the date of the 2019 Annual Meeting, the Corporate Secretary must receive any such proposal or nomination no earlier than the 120th day before the 2020 Annual Meeting and by the later of the close of business of (a) the 90th day before the 2020 Annual Meeting; or (b) the tenth day following the day on which the date of the 2020 Annual Meeting is first disclosed publicly by the Company. In addition, any proposals must comply with the other requirements of our By-Laws.

If you want to present a proposal before the 2020 Annual Meeting but do not wish to have it included in the proxy statement and proxy card, you must also give us written notice in accordance with the procedures and deadlines set forth in our By-Laws. Please address such correspondence to: GrafTech International Ltd., 982 Keynote Circle, Brooklyn Heights, OH 44131, Attention: Corporate Secretary.

### **Annual Report on Form 10-K**

**If you would like to receive, free of charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the SEC, excluding exhibits please write to us at the following address: GrafTech International Ltd., 982 Keynote Circle, Brooklyn Heights, OH 44131, Attention: Investor Relations. You can also view the Form 10-K by visiting the Investors section of our website, [www.graftech.com](http://www.graftech.com). Information on, or accessible through, our website is not part of this Proxy Statement. We have included our website only as an inactive textual reference and do not intend it to be an active link to our website.**



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### Appendix A: Non-GAAP Financial Measures

We have provided certain financial measures that are not in accordance with GAAP. EBITDA from continuing operations and adjusted EBITDA from continuing operations are non-GAAP financial measures. We define EBITDA from continuing operations, a non-GAAP financial measure, as net income or loss plus interest expense, minus interest income, plus income taxes, discontinued operations and depreciation and amortization from continuing operations. We define adjusted EBITDA from continuing operations as EBITDA from continuing operations plus any pension and OPEB plan expenses, impairments, rationalization-related charges, IPO expenses, acquisition and proxy contest costs, non-cash gains or losses from foreign currency remeasurement of non-operating liabilities in our foreign subsidiaries where the functional currency is the U.S. dollar, related party Tax Receivable Agreement expense, stock-based compensation and non-cash fixed asset write-offs. Adjusted EBITDA from continuing operations is the primary metric used by our management and our board of directors to establish budgets and operational goals for managing our business and evaluating our performance.

We monitor adjusted EBITDA from continuing operations as a supplement to our GAAP measures, and believe it is useful to present to investors, because we believe that it facilitates evaluation of our period-to-period operating performance by eliminating items that are not operational in nature, allowing comparison of our recurring core business operating results over multiple periods unaffected by differences in capital structure, capital investment cycles and fixed asset base. In addition, we believe adjusted EBITDA from continuing operations and similar measures are widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in our industry as a measure of financial performance and debt-service capabilities.

Our use of adjusted EBITDA from continuing operations has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

adjusted EBITDA from continuing operations does not reflect changes in, or cash requirements for, our working capital needs;

adjusted EBITDA from continuing operations does not reflect our cash expenditures for capital equipment or other contractual commitments, including any capital expenditure requirements to augment or replace our capital assets;

adjusted EBITDA from continuing operations does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;

adjusted EBITDA from continuing operations does not reflect tax payments that may represent a reduction in cash available to us;

adjusted EBITDA from continuing operations does not reflect expenses relating to our pension and OPEB plans;

adjusted EBITDA from continuing operations does not reflect impairment of long-lived assets and goodwill;

adjusted EBITDA from continuing operations does not reflect the non-cash gains or losses from foreign currency remeasurement of non-operating liabilities in our foreign subsidiaries where the functional currency is the U.S. dollar;

adjusted EBITDA from continuing operations does not reflect IPO expenses;

adjusted EBITDA from continuing operations does not reflect acquisition and proxy costs;

adjusted EBITDA from continuing operations does not reflect related party Tax Receivable Agreement expense;

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adjusted EBITDA from continuing operations does not reflect rationalization-related charges, stock-based compensation or the non-cash write-off of fixed assets; and

other companies, including companies in our industry, may calculate EBITDA from continuing operations and adjusted EBITDA from continuing operations differently, which reduces its usefulness as a comparative measure.

In evaluating EBITDA from continuing operations and adjusted EBITDA from continuing operations, you should be aware that in the future, we will incur expenses similar to the adjustments in this presentation. Our presentations of EBITDA from continuing operations and adjusted EBITDA from continuing operations should not be construed as suggesting that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider EBITDA from continuing operations and adjusted EBITDA from continuing operations alongside other financial performance measures, including our net income and other GAAP measures.

The following table reconciles our non-GAAP key financial measures to the most directly comparable GAAP measures:

<b>(in thousands)</b>	<b>For the year ended December 31, 2018</b>
<b>Net income</b>	<b>\$ 854,219</b>
Add:	
Discontinued operations	(331)
Depreciation and amortization	66,413
Interest expense	135,061
Interest income	(1,657)
Income taxes	48,920
<b>EBITDA from continuing operations</b>	<b>1,102,625</b>
Adjustments:	
Pension and OPEB plan expenses <sup>(1)</sup>	3,893
IPO expenses <sup>(3)</sup>	5,173
Non-cash loss (gain) on foreign currency remeasurement <sup>(4)</sup>	818
Stock-based compensation <sup>(5)</sup>	1,152
Non-cash fixed asset write-off <sup>(6)</sup>	4,882
Related party Tax Receivable Agreement expense <sup>(7)</sup>	86,478
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 1,205,021</b>

(1) Service and interest cost of our OPEB plans. Also includes a mark-to-market loss for plan assets as of December.

(2) Costs associated with rationalizations in our graphite electrode manufacturing operations and in the corporate structure. They include severance charges, contract termination charges, write-off of equipment and

- (gain)/loss on sale of manufacturing sites.
- (3) Legal, accounting, printing and registration fees associated with the initial public offering.
  - (4) Non-cash (gain) loss from foreign currency remeasurement of non-operating liabilities of our non-U.S. subsidiaries where the functional currency is the U.S. dollar.
  - (5) Non-cash expense for stock-based compensation grants.
  - (6) Non-cash fixed asset write-off recorded for obsolete manufacturing equipment.
  - (7) Non-cash expense for future payment to the selling stockholder for tax assets that are expected to be utilized.

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