# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

## CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): November 30, 2010**

# GRAFTECH INTERNATIONAL LTD.
**(Exact Name of Registrant as Specified in its Charter)**

| **Delaware** | **1-13888** | **27-2496053** |
|---|---|---|
| **(State or Other Jurisdiction of Incorporation)** | **(Commission File Number)** | **(I.R.S. Employer Identification Number)** |

**12900 Snow Road**
**Parma, Ohio 44130**
**(Address of Principal Executive Offices, including Zip Code)**
**Registrant's Telephone Number, including Area Code: 216-676-2000**

**GrafTech Holdings Inc.**
**(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01. Entry into a Material Definitive Agreement.**

**Item 2.01. Completion of Acquisition or Disposition of Assets.**

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off- Balance Sheet Arrangement of a Registrant.**

**Item 3.02. Unregistered Sales of Equity Securities.**

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

**Item 8.01. Other Events.**

On November 30, 2010 (the "Closing Date"), the transactions contemplated by (i) that certain Agreement and Plan of Merger, dated as of April 28, 2010, by and among GrafTech International Ltd., GrafTech Holdings Inc., GrafTech Delaware I Inc., GrafTech Delaware II Inc., Seadrift Coke L.P. ("Seadrift") and certain partners of Seadrift (the "Seadrift Merger Agreement"), and (ii) that certain Agreement and Plan of Merger, dated as of April 28, 2010, by and among GrafTech International Ltd., GrafTech Holdings Inc., GrafTech Delaware III Inc., C/G Electrodes LLC ("C/G") and certain members of C/G (the "C/G Merger Agreement") were consummated. The entry by GrafTech International Ltd. and GrafTech Holdings Inc. into the Seadrift Merger Agreement and the C/G Merger Agreement was previously reported in Item 5 "Other Information" of Part II of GrafTech International Ltd.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed on April 29, 2010. The terms of the Seadrift Merger Agreement and the C/G Merger Agreement are also more thoroughly described in the Prospectus, dated November 19, 2010, which is a part of Amendment No. 2 to the Registration Statement on Form S-4 (Registration No. 333-167446) filed by GrafTech Holdings Inc. with the Securities and Exchange Commission (the "S-4 Registration Statement").

**The Reorganization**

Immediately prior to effectuating the reorganization of its holding company structure, on November 30, 2010, GrafTech International Ltd. ("Old GTI") amended its existing Restated Certificate of Incorporation to eliminate the previously designated 1,000,000 shares of Series A Junior Participating Preferred Stock. No shares of Series A Junior Participating Preferred stock were ever issued by Old GTI. A copy of the Certificate of Elimination of Series A Junior Participating Preferred Stock (the "Certificate of Elimination") as filed by Old GTI with the Secretary of State of Delaware as filed as Exhibit 3.1.0 to this Current Report on Form 8-K.

Following the filing of the certificate of Elimination, on the Closing Date, Old GTI and GrafTech Holdings Inc. ("New GTI") reorganized their holding company structure (the "Reorganization") pursuant to Section 251(g) of the Delaware General Corporation Law ("DGCL") and the provisions of the Seadrift Merger Agreement. In connection with the Reorganization, New GTI became the parent public reporting company and changed its name to GrafTech International Ltd. In addition, the former public reporting company, Old GTI, changed its name to GrafTech Holdings Inc. and became a wholly-owned subsidiary of New GTI.

As part of the Reorganization, each outstanding share of common stock, par value $.01 per share, of Old GTI was converted into one share of common stock, par value $.01 per share, of New GTI having the same rights, powers, preferences, qualifications, limitations and restrictions as the common stock of Old GTI.

The certificate of incorporation and bylaws of New GTI immediately following consummation of the Reorganization are identical to those of Old GTI immediately prior to the consummation of the Reorganization (other than provisions regarding certain technical matters, as permitted by Section 251(g) of the DGCL), and the directors and officers of New GTI immediately following consummation of the Reorganization are identical to the directors and officers of Old GTI immediately prior to consummation of the Reorganization. Copies of the Amended and Restated Certificate of Incorporation of New GTI and the Amended and Restated Bylaws of New GTI as effective immediately following consummation of the Reorganization are filed as Exhibits 3.2.0 and 3.3.0, respectively, to this Current Report on Form 8-K. The shares of common stock of New GTI have been listed on the New York Stock Exchange in lieu of the shares of common stock of Old GTI and will continue to trade under the same "GTI" symbol and the same CUSIP Number (384313201).

New GTI is deemed the successor to Old GTI pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934 (the "Exchange Act"), and the common stock of New GTI is deemed to be registered under Section 12(b) of the Exchange Act. New GTI will be deemed a large accelerated filer for purposes of Rule 12b-2 under the Exchange Act. New GTI has succeeded to Old GTI's Commission file number and will continue to file reports thereunder.

In connection with the Reorganization, all outstanding equity awards, including options, restricted stock, performance-based units or other rights to receive shares of common stock of Old GTI under the GrafTech International Ltd. 2005 Equity Incentive Plan, the GrafTech International Ltd. Management Stock Incentive Plan (Senior Management Version), the GrafTech International Ltd. Management Stock Incentive Plan (Mid-Management Version) and the GrafTech International Ltd. Management Stock Incentive Plan (Original Version), each as amended (collectively, the "Equity Compensation Plans"), were converted into equity awards, including options, restricted stock, performance-based units or other rights, respectively, for the same number of shares of common stock of New GTI upon the same terms and conditions as the existing equity awards. New GTI also assumed all of old GTI's obligations with respect to shares registered on Form S-8 for distribution pursuant to outstanding awards, and awards to be granted, under the Equity Compensation Plans.

New GTI assumed all obligations of Old GTI under each of the Severance Compensation Agreements with certain executives of Old GTI and its subsidiaries (the "Severance Agreements") as well as the GrafTech International Ltd. Incentive Compensation Plan and the GrafTech International Ltd. Executive Incentive Compensation Plan (collectively, the "Cash Incentive Plans"). Each outstanding award under the Cash Incentive Plans was converted into the right to receive the same benefit from New GTI under the same terms and conditions as the existing awards. Each executive who was a party to a Severance Agreement consented to the assumption of the agreement by New GTI and the clarifications made under the agreements relating to Section 409A of the Internal Revenue Code.

New GTI also assumed all obligations of Old GTI under each of the Indemnification Agreements entered into between Old GTI and certain directors and officers of Old GTI.

**Acquisitions of Seadrift and C/G**

Immediately following the consummation of the Reorganization, New GTI consummated the acquisitions of Seadrift and C/G pursuant to the Seadrift Merger Agreement and the C/G Merger Agreement, respectively.

Pursuant to the Seadrift Merger we acquired from the equity holders of Seadrift the 81.1% of the equity interests in Seadrift that we did not already own. Seadrift is one of the world's largest manufacturers of petroleum-based needle coke and owns the world's only known stand-alone petroleum-based needle coke plant, located in Port Lavaca, Texas. The plant's capacity in 2009 was approximately 150,000 metric tons per year. In addition to calcined needle coke, the plant produces naphtha, gas oil and electricity as by-products. We believe that Seadrift produces approximately 17% of the world's needle coke supply. Needle coke is the key raw material used to make graphite electrodes, including premium UHP graphite electrodes, which are critical consumables in electric arc furnace ("EAF") steel production. Seadrift shipped approximately 144,000 metric tons and 148,000 metric tons of needle coke in 2007 and 2008, respectively. In 2009, shipments declined dramatically in light of the global economic crisis to 39,000 metric tons. Seadrift's manufacturing facility is located on approximately 450 acres of land. The plant occupies approximately 80 of those acres. At December 31, 2009, Seadrift had approximately 150 employees.

Pursuant to the C/G Merger we acquired from the equity holders of C/G 100% of the equity interests in C/G. C/G is a manufacturer of large diameter UHP graphite electrodes used in the EAF steel making process.

The principal products produced by C/G are UHP graphite electrodes ranging in diameter from 18 to 30 inches, in length from 72 to 120 inches and in weight from 1,200 to over 5,000 pounds. C/G ships graphite electrodes to more than 55 EAF steel mills worldwide. C/G estimates that it supplied approximately 1% of all graphite electrodes purchased worldwide in 2009. While graphite electrodes comprise 95% of C/G's net revenues, C/G also sells various other graphite-related products, including specialty graphite blocks, granular graphite and partially processed electrodes. C/G's production facility is located in St. Mary's, Pennsylvania. It is comprised of 20 buildings located on approximately 150 acres and has a current shipment capacity of 26,500 metric tons of electrodes per year. At December 31, 2009, C/G had 155 employees.

For financial information concerning Seadrift and C/G, see Item 9.01, "Financial Statements and Exhibits" of this Current Report on Form 8-K.

The consideration paid for Seadrift consisted of $90.0 million in cash (including working capital adjustments), approximately 12,000,000 shares of New GTI common stock and $100 million in aggregate face amount of non-interest bearing senior subordinated promissory notes of New GTI due 2015. The consideration paid for C/G consisted of $160.6 million in cash (including working capital adjustments), approximately 12,000,000 shares of New GTI common stock and $100 million in aggregate face amount of non-interest bearing senior subordinated promissory notes of New GTI due 2015. Of the aggregate cash consideration, approximately $165 million was funded through borrowings under New GTI's principal revolving credit facility (the "Revolving Facility"). The balance of the cash portion of the purchase price, approximately $86 million, was paid from cash on hand.

**Promissory Notes**

The senior subordinated promissory notes issued to holders of equity in Seadrift and C/G on the Closing Date (the "Promissory Notes") as part of the consideration for the acquisitions of Seadrift and C/G are substantially identical. Each Promissory Note will mature on the fifth anniversary the Closing.

The Promissory Notes are non-interest bearing and are subordinated on a senior subordinated basis to senior debt of New GTI and certain of its subsidiaries (including Seadrift and C/G). Senior debt includes: (i) indebtedness, obligations and guarantees under the Revolving Facility in an aggregate principal amount of up to $390 million; (ii) indebtedness and obligations under foreign liquidity facilities in an aggregate principal amount of up to $145 million; and (iii) other indebtedness for borrowed money (and related guarantees of subsidiaries) if, on the date of incurrence (or, if earlier, the date of entry into the agreement with respect to such indebtedness or guarantee) and after giving pro forma effect thereto, New GTI's leverage ratio (its ratio of consolidated net debt to consolidated EBITDA) would not exceed 4:00 to 1:00. If any indebtedness for borrowed money described in clause (iii) of the preceding sentence is incurred and after giving pro forma effect thereto New GTI's leverage ratio would exceed 4:00 to 1:00, New GTI and its subsidiaries will grant the holders of the Promissory Notes a security interest on a pari passu basis with any security interest granted to the holders of such indebtedness.

New GTI's significant U.S. subsidiaries ("Subsidiary Guarantors"), including Seadrift and C/G, have provided senior subordinated guarantees of the Promissory Notes, which are subordinated and secured to the same extent as New GTI's obligations under the Promissory Notes.

New GTI may redeem the Promissory Notes at any time, upon 30 days' notice, at 100% of the principal amount of the Promissory Notes.

The Promissory Notes may be accelerated upon the occurrence of certain events of default, and the Promissory Notes will be automatically accelerated upon an insolvency event of default with respect to New GTI or any of the Subsidiary Guarantors. The holders of a majority in outstanding principal amount of the Promissory Notes may accelerate the Promissory Notes upon the occurrence of the following events of default:

the failure of New GTI or any of the Subsidiary Guarantors to comply with any term under the Promissory Notes for 30 days after written notice of default; the acceleration of senior debt of New GTI, any significant subsidiary or any Subsidiary Guarantor in excess of $50 million; or a change in control.

For purposes of the Promissory Notes, a change in control generally occurs on the date on which:

- any person or group becomes the beneficial owner of more than 35% of New GTI's outstanding common stock or voting securities (not including securities held by its employee benefit plans or related trusts);
- any person or group acquires the right to vote on any matter, by proxy or otherwise, with respect to more than 35% of New GTI's outstanding common stock or voting securities (not including securities held by its employee benefit plans or related trusts);
- New GTI's stockholders approve a plan of dissolution or complete or substantially complete liquidation or its Board approves such a plan other than in connection with a reorganization, recapitalization or similar transaction following which all or a majority of the business of New GTI and its subsidiaries (taken as a whole) are continued by New GTI or any successor thereto;
- any consummation of a merger or other business combination unless, following such business combination, the beneficial owners of the common stock and the voting securities of New GTI prior to such business combination beneficially own more than 50% of the common equity and voting securities of the surviving entity in substantially the same proportions as prior to such business combination, no person or group (excluding its employee benefit plans or related trusts) beneficially owns more than 50% of the common equity or voting securities of the surviving entity and at least a majority of the members of the board of directors of the surviving entity were members of New GTI's Board prior to such business combination; or
- any consummation of a sale, lease or other transfer of all or substantially all of the assets of New GTI, whether held directly or indirectly through one or more subsidiaries (excluding a grant of security interest, sale-leaseback or similar transaction in the ordinary course of business, or in connection with a credit facility or other financing, but including any foreclosure sale).

A change in control will not be deemed to have occurred for purposes of the Promissory Notes, however, to the extent that the Milikowsky Holders (as defined under "Registration Rights and Stockholders' Agreement" below) and their related parties initiate or participate in an event or circumstance prescribed by the standstill provisions of the Registration Rights and Stockholders' Agreement, regardless of whether it would be permitted thereby.

The holders of a majority in outstanding principal amount of the Promissory Notes have the sole right to waive any default and any such waiver is binding on all holders. No holder of a Promissory Note may institute against New GTI, or join with or assist any person in instituting against New GTI, any bankruptcy or similar action.

The foregoing description of the Promissory Notes does not purport to be complete and is qualified in its entirety by reference to the form of Promissory Note filed as Exhibit 10.1.0 to this Current Report on Form 8-K.

**Issuance of Unregistered Shares of New GTI Common Stock**

In connection with the Closing of the Seadrift Merger and the C/G Merger, New GTI issued to the equity holders of Seadrift and the equity holders of C/G an aggregate of approximately 24,000,000 shares of New GTI common stock as part of the merger consideration. The shares were issued in reliance on the exemption set forth

in Section 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder. No cash proceeds were received from the issuance of these shares of common stock.

**Registration Rights and Stockholders' Agreement**

On the Closing Date, New GTI entered into a Registration Rights and Stockholders' Agreement, dated as of the Closing Date, with certain of the equity holders of Seadrift and C/G who received shares of common stock of New GTI as part of the consideration for their equity interests in Seadrift and C/G. The Registration Rights and Stockholders' Agreement contains lock-up and standstill provisions, transfer restrictions, director nomination rights and registration rights with respect to the shares of New GTI common stock, par value $0.01 per share, issued to the equity holders of Seadrift and C/G. As used herein, the term "Milikowsky Holders" means Nathan Milikowsky, Daniel Milikowsky, The Rebecca and Nathan Milikowsky Family Foundation, The Daniel and Sharon Milikowsky Family Foundation, Inc., NMDM Investments LLC, Rebecca Milikowsky, Brina Milikowsky, Shira Milikowsky, Daniel Milikowsky Family Holdings, LLC and Seadrift Coke LLC.

***Lock-up and Standstill Provisions***

Each of the Milikowsky Holders agreed, for two (2) years following consummation of the Seadrift Merger and thereafter until six (6) months after the later of (i) the termination of the Milikowsky Holders' right to nominate an individual for election as a director of New GTI (see, ***"Board Nomination Rights"*** , below) and (ii) the date on which any such nominated director ceases to be a member of New GTI's Board, that:

- it will not enter into, and will not permit any of its controlled affiliates or related parties to enter into, any contract to purchase, sell, borrow, lend, pledge, or otherwise acquire or transfer, directly or indirectly, any securities of New GTI; and
- it will not enter into, and will not permit any of its controlled affiliates or related parties to enter into, any economic or voting derivative, swap or other contract that transfers to, or acquires from, any other person any of the voting rights or economic consequences of ownership of any securities of New GTI or the value of which is measured or determined by, or with respect to, the value of any securities of New GTI.

The foregoing lock-up terminates upon (i) a change in control as described below (except that the percentage thresholds in the first two bullets of the definition of change in control shall be 50% (and not 35%)); (ii) bankruptcy of New GTI or any of its significant subsidiaries; (iii) New GTI's failure to comply in any material respect with the board nomination rights; (iv) the delisting of New GTI's common stock from the New York Stock Exchange (other than in connection with relisting on another national or international exchange); or (v) the transfer by the Milikowsky Holders and their related parties of at least 90% of the New GTI common stock owned by them to persons other than related parties.

Each of the Milikowsky Holders agreed not to take any of the following actions for a period of two (2) years following consummation of the Seadrift Merger and thereafter until six (6) months after the later of (i) the termination of the Milikowsky Holders' right to nominate an individual for election as a director of New GTI and (ii) the date on which any such nominated director ceases to be a member of New GTI's Board (the "standstill"):

- initiate or participate in any solicitation of proxies to vote any securities of New GTI;
- advise or influence any person (other than a related party) with respect to the voting of any securities of New GTI;

- take any action to change, control or influence the management (including the composition of New GTI's Board) or policies of New GTI (except in connection with the exercise of the fiduciary duties of the board nominee of the Milikowsky Holders if he is then serving as a member of New GTI's Board) or to obtain representation on the Board (except for the board designation rights in the Registration Rights and Stockholders' Agreement);
- make any public announcement with respect to, submit a public proposal for or make any public offer as to any extraordinary transaction involving New GTI;
- form, assist or participate in a group in connection with any of the foregoing;
- enter into any discussions, arrangements or contracts with any other person regarding any of the foregoing; or
- take any action that would require New GTI under applicable laws, due to fiduciary duties, or otherwise, to make any public announcement relating to any of the foregoing or any extraordinary transaction.

The standstill provisions terminate upon (i) a change in control as described below (except that the percentage thresholds in the first two bullets of the definition of change in control shall be 50% (and not 35%)); (ii) bankruptcy of New GTI or any of its significant subsidiaries; (iii) New GTI's failure to comply in any material respect with the board nomination rights; or (iv) the delisting of New GTI's common stock from the New York Stock Exchange (other than in connection with relisting on another national or international exchange).

Notwithstanding the lock-up and standstill provisions, Nathan Milikowsky and Rebecca Milikowsky may transfer up to an aggregate of 1,600,000 shares (as adjusted for any stock split, stock dividend, combination or other recapitalization or reclassification transactions by us) of New GTI common stock to The Rebecca and Nathan Milikowsky Family Foundation and Daniel Milikowsky and Daniel Milikowsky Family Holdings LLC may transfer up to an aggregate of 1,600,000 shares (as adjusted for any stock split, stock dividend, combination or other recapitalization or reclassification transactions by us) of New GTI common stock to The Daniel and Sharon Milikowsky Family Foundation, Inc. Following the transfer of any such shares to one of such foundations ("Exempt Shares"), the applicable foundation may transfer such shares without restriction under the lock-up and standstill provisions.

Notwithstanding the lock-up and standstill provisions, at any time after six (6) months following the consummation of the Seadrift Merger, each of Nathan Milikowsky (and his affiliates and related parties) and Daniel Milikowsky (and his affiliates and related parties) may sell New GTI common stock in transactions exempt from registration under the Securities Act under Rule 144, or otherwise, or in a public offering; provided, that the aggregate number of shares each such group may sell in any three (3) month period may not exceed one percent (1%) of the outstanding shares of New GTI common stock (but excluding Exempt Shares for these purposes).

Notwithstanding the lock-up and standstill provisions, (a) if New GTI issues additional shares of its common stock or securities convertible into or exercisable or exchangeable for shares of its common stock, each of the Milikowsky Holders has the right to purchase, in connection with the offering thereof or thereafter in the open market, up to such additional number of shares of New GTI common stock or such securities so that its relative percentage of beneficial ownership of New GTI common stock is the same, after giving effect to such purchase, as it was immediately prior to such issuance and (b) each Seadrift equity holder and C/G equity holder who received shares of New GTI common stock in the Seadrift Merger or C/G Merger, respectively, has the right to transfer shares of New GTI common stock (i) in connection with the consummation of, or otherwise pursuant to, a merger, tender offer, exchange offer or other business combination, so long as such transaction has been approved or recommended by New GTI's Board, (ii) as required pursuant to any law or order, or (iii) two (2) years following consummation of the Seadrift Merger.

For purposes of the Registration Rights and Stockholders' Agreement, a change in control generally occurs on the date on which:

- any person or group becomes the beneficial owner of more than 35% of the then outstanding common stock or voting securities of New GTI (not including securities held by its employee benefit plans or related trusts);

- any person or group acquires the right to vote on any matter, by proxy or otherwise, with respect to more than 35% of the then outstanding common stock or voting securities of New GTI (not including securities held by its employee benefit plans or related trusts);
- stockholders approve a plan of dissolution or complete or substantially complete liquidation of New GTI or its Board approves such a plan other than in connection with a reorganization, recapitalization or similar transaction following which all or a majority of the business of New GTI and its subsidiaries (taken as a whole) shall be continued by New GTI or any successor thereto;
- any consummation of a merger or other business combination unless, following such business combination, the beneficial owners of the common stock and the voting securities of New GTI prior to such business combination beneficially own more than 50% of the common equity and voting securities of the surviving entity in substantially the same proportions as prior to such business combination, no person or group (excluding its employee benefit plans or related trusts) beneficially owns more than 50% of the common equity or voting securities of the surviving entity and at least a majority of the members of the board of directors of the surviving entity were members of New GTI's Board prior to such business combination; or
- any consummation of a sale, lease or other transfer of all or substantially all of the assets of New GTI, whether held directly or indirectly through one or more subsidiaries (excluding a grant of security interest, sale-leaseback or similar transaction in the ordinary course of business or in connection with a credit facility or other financing, but including any foreclosure sale).

***Registration Rights***

New GTI granted customary registration rights to the Seadrift equity holders and C/G equity holders, which include up to four (4) demand registrations (two (2) of which may be underwritten offerings) exercisable at any time after sixty (60) days prior to the second anniversary of the Closing and piggyback rights on certain registrations by New GTI (whether for its own account or for the account of other stockholders). New GTI agreed to (a) within five (5) days following the Closing, include in any shelf registration statement which it may file to register resales of New GTI common stock by directors and officers of New GTI, shares of New GTI common stock issued in connection with the Seadrift Merger to the Milikowsky Holders (and their related parties and affiliates), (b) within five (5) days following the Closing, file a registration statement covering the shares of New GTI common stock issued in connection with the Seadrift Merger to the other equity holders of Seadrift, and each such other equity holder agreed to use its best efforts to limit sales under such registration statement to not more than (i) 50,000 shares per week (to the extent such equity holder holds less than 200,000 shares of New GTI common stock) and (ii) 125,000 shares per week (to the extent such equity holder holds at least 200,000 shares of New GTI common stock) and (c) within five (5) days following the Closing, file a registration statement covering the shares of New GTI common stock issued in connection with the C/G Merger to the other equity holders of C/G, and each such other equity holders agreed to use best efforts to limit sales under such registration statement to not more than (i) 50,000 shares per week (to the extent such equity holder holds less than 200,000 shares of New GTI common stock) and (ii) 125,000 shares per week (to the extent such equity holder holds at least 200,000 shares of New GTI common stock). The Registration Rights and Stockholders' Agreement contains customary registration procedures and indemnification provisions relating to the registration rights, and New GTI agreed to pay all expenses (other than commissions, discounts and stock transfer taxes) relating to such registrations. The registration rights provisions (other than the indemnification provisions) terminate on the earlier of (a) the date that the Seadrift equity holders and the C/G equity holders no longer beneficially own any registrable securities and (b) the consummation of a change in control unless New GTI (or any successor thereto as a result of the change in control) is a reporting company under the Exchange Act.

***Board Nomination Rights***

Following the acquisitions of Seadrift and C/G, and pursuant to the Registration Rights and Stockholders' Agreement, we agreed to (i) increase the size of our Board of Directors by one (1) and elect a representative of the Milikowsky Holders (and their related parties and affiliates) to our Board of Directors and (ii) nominate such representative for re-election in subsequent years, provided the Milikowsky Holders (and their related parties and affiliates) continue to hold in the aggregate at least twelve million shares of our common stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification transactions by us). If at least three years have passed since the initial representative (or a then prior designee) was elected to our Board of Directors or, if prior to such three year period, such initial representative (or prior designee) ceases to serve due to death, disability or mandatory retirement, the Milikowsky Holders (and their related parties and affiliates) may designate a different representative to be nominated to our Board of Directors, provided, that such replacement representative is reasonably acceptable to our Board of Directors. The representative of the Milikowsky Holders (and their related parties and affiliates) must meet the requirements of an "independent director" under the listing rules of the New York Stock Exchange and must otherwise satisfy the requirements of our corporate policies relating to directors. Mr. Nathan Milikowsky will be elected to our Board of Directors as the initial representative of the Milikowsky Holders. Our obligations with respect to the board nomination rights shall terminate upon the consummation of a change in control (except that the percentage thresholds in the first two bullets of the definition of change in control shall be 67% (and not 35%)).

The foregoing description of the Registration Rights and Stockholders' Agreement does not purport to be complete and is qualified in its entirety by reference to the Registration Rights and Stockholders' Agreement filed as Exhibit 10.2.0 to this Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(b) **Pro Forma Financial Information.** The following Unaudited Pro Forma Condensed Combined Financial Information of GrafTech, Seadrift and C/G is filed as part of this Current Report on Form 8-K:



(c) **Shell company transactions.**

Not applicable.

(d) **Exhibits.**

The following exhibits are filed as part of this Current Report on Form 8-K:

| | |
|---|---|
| Exhibit 2.1.0 | Agreement and Plan of Merger, dated as of April 28, 2010, by and among GrafTech International Ltd., GrafTech Holdings Inc., GrafTech Delaware I Inc., GrafTech Delaware II Inc., Seadrift Coke L.P. and certain partners of Seadrift Coke L.P. (incorporated by reference to Exhibit 2.9.0 to the Registration Statement on Form S-4 filed by GrafTech Holdings Inc. with the Securities and Exchange Commission on June 10, 2010 (Registration No. 333-167446)). |
| Exhibit 2.2.0 | Agreement and Plan of Merger, dated as of April 28, 2010, by and among GrafTech International Ltd., GrafTech Holdings Inc., GrafTech Delaware III Inc., C/G Electrodes LLC and certain members of C/G Electrodes LLC (incorporated by reference to Exhibit 2.10.0 to the Registration Statement on Form S-4 filed by GrafTech Holdings Inc. with the Securities and Exchange Commission on June 10, 2010 (Registration No. 333-167446)). |
| Exhibit 3.1.0 | Certificate of Elimination of Series A Junior Participating Preferred Stock of GrafTech International Ltd. |
| Exhibit 3.2.0 | Amended and Restated Certificate of Incorporation of GrafTech International Ltd. |
| Exhibit 3.3.0 | Amended and Restated Bylaws of GrafTech International Ltd. |
| Exhibit 10.1.0 | Form of Senior Subordinated Promissory Note. |
| Exhibit 10.2.0 | Registration Rights and Stockholders' Agreement, dated as of November 30, 2010, by and among GrafTech International Ltd. and each of the stockholders party thereto. |
| Exhibit 23.1.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of Seadrift Coke L.P. and Subsidiary as of December 31, 2009 and 2008 and for two years then ended. |
| Exhibit 23.2.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of Seadrift Coke L.P. and Subsidiary as of December 31, 2008 and 2007 and for two years then ended. |
| Exhibit 23.3.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of C/G Electrodes LLC and Subsidiary as of December 31, 2009 and 2008 and for two years then ended. |
| Exhibit 23.4.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of C/G Electrodes LLC and Subsidiary as of December 31, 2008 and 2007 and for two years then ended. |
| Exhibit 99.1.0 | Press release issued by GrafTech International Ltd. on November 30, 2010, relating to the acquisitions of Seadrift Coke L.P. and C/G Electrodes LLC. Such press release shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be incorporated by reference in any filing under the Securities Act of 1933 except as shall be expressly set forth by specific reference in such filing. |

## Independent Auditors' Report

**To the Partners**
**Seadrift Coke, L.P.**
Port Lavaca, Texas

We have audited the accompanying consolidated balance sheets of Seadrift Coke, L.P. and Subsidiary as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in partners' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Seadrift Coke, L.P. and Subsidiary as of December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Alpern Rosenthal
Pittsburgh, Pennsylvania
March 17, 2009

## SEADRIFT COKE, L.P. AND SUBSIDIARY

### Consolidated Balance Sheets

| December 31 | 2008 | 2007 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 354,000 | $ 7,308,151 |
| Accounts receivable (includes related party accounts receivable of $2,027,157 in 2007—Note 9) | 26,838,531 | 16,297,200 |
| Inventories—Note 2 | 21,626,725 | 28,100,063 |
| Prepaid inventory | — | 3,122,902 |
| Prepaid expenses and other current assets | 541,249 | 591,392 |
| **Total Current Assets** | 49,360,505 | 55,419,708 |
| **Property, Plant and Equipment** —Net of accumulated depreciation—Note 3 | 76,174,301 | 41,044,482 |
| **Other Assets** —Note 4 | 362,958 | 594,345 |
| **Total Assets** | $125,897,764 | $97,058,535 |
| **LIABILITIES AND PARTNERS' EQUITY** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt—Note 5 | $ 22,216 | $ 6,036,861 |
| Line of credit—Note 5 | — | — |
| Accounts payable | 5,402,371 | 6,673,038 |
| Accrued maintenance costs | — | 3,600,000 |
| Accrued manufacturing costs | 557,019 | 603,818 |
| Accrued property taxes | 1,093,805 | 945,928 |
| Accrued vacation | 619,670 | 425,809 |
| Accrued expenses and other current liabilities | 1,048,196 | 978,555 |
| **Total Current Liabilities** | 8,743,277 | 19,264,009 |
| **Long-term Liabilities** | | |
| Line of credit—Note 5 | 31,343,470 | 210,529 |
| Long-term debt—net of current portion—Note 5 | — | 20,272,216 |
| Interest rate swap liability—Note 10 | 1,288,483 | 662,100 |
| Commitments and contingent liabilities—Note 12 | 800,000 | 800,000 |
| Other long-term liabilities | 242,204 | — |
| **Total Liabilities** | 42,417,434 | 41,208,854 |
| **Partners' Equity** —Note 6 | | |
| Partners' capital | 9,781,100 | 9,780,100 |
| Retained earnings | 73,699,230 | 46,731,681 |
| Accumulated other comprehensive loss | — | (662,100) |
| **Total Partners' Equity** | 83,480,330 | 55,849,681 |
| **Total Liabilities and Partners' Equity** | $125,897,764 | $97,058,535 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Income**

| For the Years Ended December 31 | 2008 | 2007 |
|---|---|---|
| **Net Sales** | | |
| Net sales (Includes related party net sales of $37,936,198 in 2008 and $23,419,750 in 2007—Note 9) | $329,681,560 | $239,203,121 |
| **Cost of Sales** (Includes related party cost of sales of $26,614,198 in 2008 and $15,962,229 in 2007—Note 9) | 269,061,424 | 163,033,978 |
| **Gross Profit** | 60,620,136 | 76,169,143 |
| **Operating Expenses** | 13,171,965 | 11,839,778 |
| **Income From Operations** | 47,448,171 | 64,329,365 |
| **Other Expenses** | | |
| Interest expense—net | 1,198,983 | 3,621,246 |
| Fair value adjustment—interest rate swap—Note 10 | 1,288,483 | — |
| Loss on extinguishment of debt—Note 5 | — | 1,543,318 |
| **Total Other Expenses** | 2,487,466 | 5,164,564 |
| **Net Income** | $ 44,960,705 | $ 59,164,801 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Changes in Partners' Equity**
**For the Years Ended December 31, 2008 and 2007**

| | Partners' Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|
| **Balance** —January 1, 2007 | $9,889,200 | $ 4,332,572 | $ — | | $ 14,221,772 |
| Partner distributions | — | (15,642,692) | — | | (15,642,692) |
| Partner units issued for services—Note 6 | 16,000 | 160,000 | — | | 176,000 |
| Purchase of partnership units—Note 6 | (125,100) | (1,283,000) | — | | (1,408,100) |
| Comprehensive income | | | | | |
| Change in fair value of interest rate swap—Note 10 | — | — | (662,100) | $ (662,100) | (662,100) |
| Net income | — | 59,164,801 | — | 59,164,801 | 59,164,801 |
| Comprehensive income | — | — | — | $58,502,701 | |
| **Balance** —December 31, 2007 | 9,780,100 | 46,731,681 | (662,100) | | 55,849,681 |
| Partner distributions | — | (18,065,156) | — | | (18,065,156) |
| Partner units issued for services—Note 6 | 1,000 | 72,000 | — | | 73,000 |
| Comprehensive income | | | | | |
| Amount reclassified to income—unrealized loss on interest rate swap—Note 10 | | | 662,100 | $ 662,100 | 662,100 |
| Net income | — | 44,960,705 | — | 44,960,705 | 44,960,705 |
| Comprehensive income | — | — | — | $45,622,805 | |
| **Balance** —December 31, 2008 | $9,781,100 | $ 73,699,230 | $ — | | $ 83,480,330 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Cash Flows**

| For the Years Ended December 31 | 2008 | 2007 |
|---|---|---|
| **Cash Provided by (Used for) Operating Activities** | | |
| Net income | $ 44,960,705 | $ 59,164,801 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 3,522,274 | 3,641,972 |
| LIFO inventory reserves | 5,327,796 | 7,385,682 |
| Loss on extinguishment of debt | — | 1,543,318 |
| Unrealized losses on interest rate swap | 1,288,483 | — |
| Noncash line-of-credit fees | 96,664 | 239,399 |
| Partnership units issued for services | 73,000 | 176,000 |
| Accretion of debt discount | — | 95,240 |
| Changes in | | |
| Accounts receivable | (10,541,331) | (4,661,686) |
| Inventories | 1,145,542 | (14,051,386) |
| Accounts payable and accrued liabilities | (4,263,883) | 8,955,183 |
| Other assets | 3,213,005 | (1,306,275) |
| **Net Cash Provided by Operating Activities** | 44,822,255 | 61,182,248 |
| **Cash Used for Investing Activities** | | |
| Purchases of property, plant and equipment | (37,263,536) | (10,228,790) |
| Capitalized interest on machinery under construction | (1,107,439) | (126,879) |
| **Net Cash Used for Investing Activities** | (38,370,975) | (10,355,669) |
| **Cash Provided by (Used for) Financing Activities** | | |
| Net proceeds (payments) on line of credit | 6,382,941 | (19,952,941) |
| Proceeds from long-term debt | 14,903,336 | — |
| Payments on long-term debt | (16,536,861) | (6,504,601) |
| Loan acquisition fees | (89,691) | (49,475) |
| Purchase of partnership units | — | (1,408,100) |
| Partner distributions | (18,065,156) | (15,642,692) |
| **Net Cash Used for Financing Activities** | (13,405,431) | (43,557,809) |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Cash Flows (Continued)**

| For the Years Ended December 31 | 2008 | 2007 |
|---|---|---|
| **Increase (Decrease) in Cash and Cash Equivalents** | (6,954,151) | 7,268,770 |
| **Cash and Cash Equivalents** —Beginning of year | 7,308,151 | 39,381 |
| **Cash and Cash Equivalents** —End of year | $ 354,000 | $ 7,308,151 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid during the year for interest | $ 2,132,676 | $ 3,399,870 |
| **Supplemental Disclosures of Noncash Investing and Financing Activities** | | |
| Proceeds from note payable—line of credit | $24,750,000 | $ 1,333,889 |
| Proceeds from note payable—bank | $ — | $19,500,000 |
| Payment of note payable—bank | $24,750,000 | $ — |
| Payment of subordinated note payable | $ — | $19,071,440 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## Note 1—Summary of Significant Accounting Policies

### *A. Organization and Basis of Consolidation*

Seadrift Coke, L.P. and its wholly owned subsidiary, Seadrift Coke Export, Inc., a Delaware limited partnership (collectively the Partnership) is primarily engaged in the manufacturing and distribution of needle coke for sale to customers in the steel and aluminum manufacturing industries. The Partnership's principal operating location is in Port Lavaca, Texas. The Partnership sells to customers primarily in North America, Europe and Asia.

The accompanying consolidated financial statements include the accounts of Seadrift Coke, L.P and its wholly owned subsidiary, Seadrift Coke Export Inc., an Interest Charge Domestic International Sales Corporation (IC-DISC). All material intercompany balances and transactions have been eliminated in consolidation.

### *B. Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *C. Cash and Cash Equivalents*

The Partnership considers all highly liquid investments with original maturities of less than three months as cash equivalents. All of the Partnership's cash is maintained in one financial institution located in Texas.

### *D. Accounts Receivable*

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it believes that realization losses on balances outstanding at year end will be immaterial. Accordingly, no allowance for doubtful accounts is deemed necessary.

Six customers accounted for approximately 83% of gross sales in 2008 and four customers accounted for approximately 64% of gross sales in 2007. Accounts receivable relating to these customers represented approximately 64% of total accounts receivable at December 31, 2008 and 77% at December 31, 2007.

Total sales to customers located in foreign countries were approximately 36% of 2008 sales and 42% of 2007 sales. Needle coke sales to customers in foreign countries were approximately 49% of 2008 needle coke sales and 57% of 2007 needle coke sales.

### *E. Revenue Recognition*

Sales and related costs of sales are generally recorded when goods are shipped and title, ownership and risk of loss has passed to the customer, all of which occurs upon shipment or delivery of the product based upon the applicable shipping terms. The shipping terms may vary depending on the nature of the customer, domestic or foreign, and the type of transportation used. Shipping and handling costs are recognized as a component of cost of sales as sales occur.

***F. Inventories***

Inventories are stated at the lower of cost or market. For all of the Partnership's inventory, except certain by-products and its supplies inventory, costs have been determined by the last-in, first-out (LIFO) method. The remainder of the Partnership's inventory cost is determined using the first-in, first-out (FIFO) method.

***G. Property, Plant and Equipment***

Property, plant and equipment are recorded at cost including expenditures for additions and major improvements. Maintenance and repairs which are not considered to extend the useful lives of assets are charged to operations as incurred. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other (income) expenses for the year.

For financial reporting, depreciation of property, plant and equipment is computed using the straight-line method at rates calculated to amortize costs over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

| | Years |
|---|---|
| Buildings and leasehold improvements | 5 - 25 |
| Machinery and equipment | 5 - 20 |
| Computer software | 5 - 10 |

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Partnership has determined there is no impairment at December 31, 2008 and 2007.

***H. Other Assets***

Loan acquisition fees are capitalized and are being amortized on a straight-line basis over the term of the related debt (Note 4).

Non-compete and licensing agreements are being amortized on a straight-line basis over the term of the related agreements (Note 4).

***I. Financial Instruments***

The Partnership accounts for its derivative activity in accordance with Statement of Financial Accounting Standards No. 133 (SFAS 133), *Accounting for Derivative Instruments and Hedging Activities* , as amended, which establishes accounting and financial reporting standards for certain derivative instruments and certain hedging activities. The Partnership's derivative instrument, an interest rate swap, is recognized as an asset or liability in the consolidated balance sheets at its fair value with subsequent changes in fair value reported in net income or other comprehensive income based on the effectiveness of the hedged transaction. Changes in fair value are also reflected as an adjustment to reconcile net income to net cash provided by operating activities in the consolidated statements of cash flows.

During 2007, the Partnership elected hedge accounting for its derivative financial instrument and, therefore, changes in fair value were recorded in other comprehensive income (loss).

During 2008, substantive amendments were made to the Partnership's credit agreement (Note 5) and, as a result of the amendments, hedge accounting was not elected for the derivative financial instrument and changes

in fair value were recorded in the consolidated statements of income. Amounts previously accounted for in other comprehensive income (loss) during 2007 related to the prior credit agreement have been reclassified to the consolidated statements of income as a component of other expense.

***J. Income Taxes***

As a limited partnership, the Partnership is not subject to income taxes. The taxable income or loss of the Partnership is includible in the individual income tax returns of its partners based upon their percentage of ownership. The IC-DISC is not subject to Federal or state income taxes. Consequently, no provision for income taxes is provided in the accompanying consolidated financial statements.

***K. Stock-based Compensation***

The Partnership has a unit award plan and has accounted for the award plan in accordance with the provisions of Statement of Financial Accounting Standards No. 123(R) (SFAS 123(R)), *Share-based Payment* . SFAS 123(R) requires companies to measure the cost of employee services rendered in exchange for unit awards based on a fair value calculation at the grant date. Stock-based compensation represents the cost related to stock-based awards granted to employees. The Partnership measures compensation expense at the grant date based on the fair value of the award and recognizes the cost as expense on a straight-line basis over the employee requisite service period, which is generally the vesting period, as required by SFAS 123(R). The Partnership estimates the fair value of its unit awards using a market approach for transactions involving identical unit awards.

***L. Planned Major Maintenance Expenses***

The Partnership accounts for their planned major maintenance expenses using the direct expensing method where actual costs incurred are expensed directly when maintenance is performed. The Partnership recognized planned major maintenance expenses, which are included in cost of sales, of approximately $14,500,000 during 2008 and $3,100,000 during 2007.

***M. Fair Value Measurements***

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements* . SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Certain provisions of SFAS 157 were effective for the Partnership in 2008 and the remaining provisions are effective in 2009. The Partnership does not expect that the provisions of SFAS 157 will have a significant impact on its financial position, results of operations and cash flows.

SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

The three levels of the fair value hierarchy under SFAS 157 are described below:

- Level 1—Observable inputs such as quoted prices in active markets.

- Level 2—Inputs, other than quoted prices in active markets, that are observable either directly or indirectly.
- Level 3—Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Partnership's financial instruments within the fair value hierarchy as prescribed by SFAS 157 are more fully disclosed in Note 10 of the consolidated financial statements.

***N. Recent Pronouncements***

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109* . FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes* . This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The Interpretation was originally effective for nonpublic entities for fiscal years beginning after December 15, 2006. FASB Staff Position No. FIN 48-3 permits nonpublic entities to defer the effective date of FIN 48 until fiscal years beginning after December 15, 2008. The Partnership has elected to defer the application of FIN 48 and is evaluating the impact of the provisions of FIN 48 on the Partnership's consolidated financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 (SFAS 161), *Disclosure About Derivative Instruments and Hedging Activities* . SFAS 161 requires enhanced disclosures regarding an entity's derivative and hedging activities. SFAS 161 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2008. The Partnership is currently evaluating the impact of adopting SFAS 161 on its consolidated financial statements.

***O. Reclassifications***

Certain reclassifications have been made to the 2007 financial statements to conform with the 2008 presentation.

**Note 2—Inventories**

Inventories consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Raw materials | $18,632,045 | $18,950,415 |
| Work-in-process | 10,586,412 | 3,310,637 |
| Finished goods | 7,076,231 | 15,458,752 |
| Supplies | 2,721,873 | 2,442,299 |
| | 39,016,561 | 40,162,103 |
| Less: Amount to reduce certain inventories to LIFO value | 17,389,836 | 12,062,040 |
| Total inventories | $21,626,725 | $28,100,063 |

The use of LIFO decreased net income by approximately $5,328,000 in 2008 and $7,386,000 in 2007.

Approximately 91% and 81% of the Partnership's inventories at December 31, 2008 and 2007 are costed at the lower of LIFO cost or market.

**Note 3—Property, Plant and Equipment**

Property, plant and equipment consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Land | $ 207,388 | $ 207,388 |
| Buildings and leasehold improvements | 1,679,491 | 1,183,487 |
| Machinery and equipment | 43,750,904 | 36,539,740 |
| Computer software | 1,513,559 | 127,750 |
| Machinery under construction | 39,432,640 | 10,154,642 |
| | 86,583,982 | 48,213,007 |
| Less: Accumulated depreciation | 10,409,681 | 7,168,525 |
| | $76,174,301 | $41,044,482 |

Depreciation expense, included in cost of sales and operating expenses, amounted to approximately $3,241,000 for 2008 and $2,894,000 for 2007. Capitalized interest on machinery under construction amounted to approximately $1,107,000 in 2008 and $127,000 in 2007.

**Note 4—Other Assets**

Other assets consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Intangible assets | $ 129,617 | $ 129,617 |
| Deferred loan origination costs | 947,847 | 858,156 |
| Other—non-amortizable | 53,280 | 93,240 |
| | 1,130,744 | 1,081,013 |
| Less: Accumulated amortization | 767,786 | 486,668 |
| | $ 362,958 | $ 594,345 |

Intangible assets consist of non-compete, licensing agreements and other intangibles. Amortization expense of intangibles, included in operating expenses, amounted to approximately $26,000 in 2008 and 2007.

Amortization of debt-related costs, included in interest expense, amounted to approximately $255,000 in 2008 and $722,000 in 2007. Included in the amortization of debt-related costs in 2007 is approximately $497,000 relating to the write off of deferred loan origination costs in connection with the payoff of the subordinated notes payable (Note 5) and the write off of capitalized costs related to an interest rate cap (Note 10).

The estimated amortization expense for intangible assets and deferred loan origination costs subsequent to December 31, 2008 is as follows:

| Year Ending | Amount |
|---|---|
| 2009 | $238,000 |
| 2010 | 72,000 |
| Total | $310,000 |

**Note 5—Line of Credit and Long-term Debt**

The Partnership has a credit agreement (the agreement) with a bank which provides for a working capital revolving line of credit and provided for a term loan. The agreement grants the bank a first lien security interest in substantially all of the Partnership's assets.

***Line of Credit***

Prior to February 1, 2008, the agreement provided for maximum borrowings on the line of credit of $25,000,000.

On February 1, 2008, the existing agreement was amended and restated to refinance the previously existing line of credit and term loan (see below). The amended and restated agreement (the new agreement) provides for maximum borrowings of $60,000,000 on a line of credit through January 15, 2011. Borrowings under the line cannot exceed $30,000,000 plus 85% of eligible accounts receivable and 65% of the eligible inventory less reserves. The maximum borrowing commitment has been reduced by $7,500,000 at December 31, 2008 and will be reduced by an additional $7,500,000 at December 31, 2009.

The Partnership has the option of selecting a base interest rate plus an applicable margin or the London Interbank Offered Rate (LIBOR) plus an applicable margin for the revolving line of credit. The Partnership elected LIBOR, which is 1.423% at December 31, 2008, plus the applicable margin of 1.375%. For 2007, the Partnership elected the base rate which is prime, 7 1/4% at December 31, 2007 minus 1 3/4%.

The new agreement provides for the issuance of letters of credit, which are not to exceed certain amounts as defined in the agreement. At December 31, 2008, the Partnership has $2,000,000 of letters of credit outstanding.

The Partnership must pay an unused line fee on each payment date at a rate of 1/8% per annum on the daily average unused amount. The new agreement contains various covenants which, among other things, require the Partnership to maintain minimum financial ratios including a fixed coverage ratio, debt to EBITDA (earnings before interest, taxes, depreciation and amortization) ratio, and tangible net worth.

***Long-term Debt***

Long-term debt consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Term loan | $ — | $26,250,000 |
| Capital lease payable | 22,216 | 59,077 |
| | 22,216 | 26,309,077 |
| Less: Current portion | 22,216 | 6,036,861 |
| | $ — | $20,272,216 |

***Term Loan***

The Partnership had a term loan which required a quarterly payment of $750,000 on April 1, 2007. The term loan agreement required payments of $1,500,000, plus interest, commencing on July 1, 2007. The remaining principal balance was due on April 1, 2010. On February 1, 2008, the term loan was paid off as part of the new agreement (see above).

On July 2, 2008, the new agreement was further amended and restated to provide for a new term loan in the amount of $15,000,000. The new term loan required three equal installments of $5,000,000, commencing on August 31, 2008. The final unpaid principal balance, including accrued and unpaid interest, was due and paid on December 31, 2008. The new term loan incurred interest at 2%.

***Subordinated Note Payable***

The Partnership had a subordinated note payable that was prepaid in full, including a prepayment fee of $600,000, on May 1, 2007 with proceeds from an increase in the Partnership's term loan of $19,500,000 and an additional draw on the Partnership's line of credit of $1,333,889.

The subordinated note was issued with 15,000 units representing limited partnership interests in the Partnership. The units were valued at $1,500,000 at the date of issuance. The subordinated note, in the face amount of $20,000,000, was discounted for the fair value of these units. The note was being accreted to its face value over its term. The subordinated note was accreted to its face value at the date of prepayment of the note. The loss on extinguishment of the debt includes approximately $929,000 related to the accretion, $600,000 related to prepayment fees and other costs of approximately $14,000.

In addition, 3,500 units were purchased by the issuer of the subordinated debt as an equity interest in the Partnership interest in 2005. The Partnership entered into a put option, which was exercisable by the subordinated debt issuer beginning May 1, 2011. The put option provided for purchase of each unit based on fair value at the date of the put notice; however, in July 2008, the subordinated debt issuer sold their ownership interest in the Partnership to a third party at a price of $7,300 per unit.

**Note 6—Partners' Equity**

Partners' equity consisted of the following at December 31, 2008 and 2007:

| | Partners' Capital | Retained Earnings |
|---|---|---|
| **At December 31, 2008** | | |
| General Partner | $ 92,700 | $ 698,439 |
| Limited Partners | 9,688,400 | 73,000,791 |
| Total | $9,781,100 | $73,699,230 |
| | | |
| **At December 31, 2007** | | |
| General Partner | $ 92,700 | $ 451,705 |
| Limited Partners | 9,687,400 | 45,617,876 |
| Total | $9,780,100 | $46,069,581 |

***Employee Unit Purchase Plan***

During January 2006, the Partnership established an employee unit purchase plan (the Employee Plan) for certain employees, selected at the discretion of the Board of Directors of the Partnership. Under the terms of the Employee Plan, employees had options to purchase up to 3,000 limited partnership units at a price of $100 per unit, the estimated fair value of a unit at the grant date. The employees exercised options to purchase 1,392 units before the Employee Plan and the unexercised partnership units expired on January 31, 2006.

The Employee Plan has a call option which provides for the Partnership to acquire the units upon the employees' termination. The Employee Plan also contains a put option that provides, at the discretion of the employee, at termination of employment for other than cause as defined, to require the Partnership to purchase all of the units held by the employee. The call option and the put option provide for the purchase of each unit based on fair value as determined by the Partnership at the date of the put notice.

***Employee Equity Award Plan***

During January 2007, the Partnership established an employee equity award plan (the Equity Plan). The Equity Plan awarded 160 partnership units to selected employees as compensation for service. The employees were immediately vested in the award. As a condition for receiving the awards, the employees entered into a non-compete agreement with the Partnership. The partnership units were valued by the Partnership at the grant date at $1,100 per unit using a market approach for transactions involving identical unit awards.

During July 2008, the Partnership issued an additional 10 units to an employee under the Equity Plan. The employee was immediately vested in the award. As a condition for receiving the award, the employee entered into a non-compete agreement with the Partnership. The partnership units were valued by the Partnership at the grant date at $7,300 per unit using a market approach for transactions involving identical unit awards.

The Equity Plan has a call option which provides for the Partnership to acquire the units upon the employees' termination. The Equity Plan also contains a put option that provides, at the discretion of the employee, at termination of employment for other than cause as defined, to require the Partnership to purchase all of the units held by the employee. The call option and the put option provide for the purchase of each unit based on a fair value as determined by the Partnership at the date of the put notice.

***Other***

The Partnership purchased 931 partnership units at a price of $1,100 per unit from the majority partner in January 2007 and 320 partnership units at a price of $1,200 per unit from a partner in June 2007.

**Note 7—Retirement Plan**

The Partnership maintains a defined contribution profit sharing plan in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees. The plan provides for employee elective contributions and Partnership matching contributions. Partnership matching contributions were approximately $708,000 for 2008 and $659,000 for 2007.

**Note 8—Profit Sharing Plan**

On January 1, 2007, the Partnership established a bonus profit sharing plan. The Partnership is required to contribute to the profit sharing plan if various pre-established goals are achieved. Partnership contributions relating to the bonus profit sharing plan were approximately $861,000 for 2008 and $825,000 for 2007.

**Note 9—Related Party Transactions**

The Partnership has sales to C/G Electrodes LLC (C/G), a related party through common ownership and control. Sales to C/G were approximately $37,936,000, excluding freight revenue of approximately $3,857,000, in 2008 and $23,420,000 in 2007. There were no outstanding receivables from C/G at December 31, 2008. Accounts receivable from C/G amounted to approximately $2,027,000 at December 31, 2007.

**Note 10—Fair Value of Financial Instruments**

In management's opinion, the carrying value of the Partnership's financial instruments, primarily accounts receivable, accounts payable and bank debt, approximates fair value. The carrying values of the Partnership's variable rate credit facilities approximate fair value given that the interest rates of the debt reset periodically based on market interest rates.

On May 1, 2007, the Partnership entered into an interest rate swap (the swap) with the intent of managing its exposure to fluctuations in the Partnership's variable rate debt instrument. The swap fixed the interest rate on a portion of the Partnership's variable rate debt from LIBOR to a fixed rate of 5.125%. The swap expires on May 1, 2012.

The swap is measured at fair value as determined on a discounted cash flow method using the applicable inputs from forward interest rate yield curves (Level 2—significant other observable inputs) with the differential between the forward rate and the original stated interest rate of the swap discounted back from the settlement date of the swap contract to December 31, 2008. The fair value of the swap is a liability at December 31, 2008 and 2007. The fair value of the swap resulted in unrealized losses of approximately $626,000 in 2008 and $662,100 in 2007. During 2007, unrealized losses related to the fair value of the swap were recorded in other comprehensive income (loss).

During 2008, as a result of substantive amendments to the Partnership's credit agreement (Note 5), hedge accounting was not elected for the derivative financial instrument and changes in fair value were recorded in the consolidated statements of income. Amounts previously accounted for in other comprehensive income (loss) during 2007 have been reclassified as a component of interest expense in the consolidated statements of income.

**Note 11—Major Suppliers**

The Partnership purchased approximately $127,380,000 in 2008 and $104,137,000 in 2007 of its raw material inventory through two brokers. Management believes that there are alternative sources that could provide these raw materials on similar terms without any interruption in business operations.

**Note 12—Product Supply Agreement**

In October 2006, the Partnership and one of its customers entered into a product supply agreement to provide 17,000 metric tons of needle coke during 2008 and 19,000 metric tons of needle coke during 2009 for a fixed-base price plus annual adjustment. In addition, the supply agreement contains a calculation for oil surcharges based on changes in commodity prices underlying the Partnership's raw materials.

**Note 13—Commitments and Contingencies**

The operations of the Partnership generate both hazardous and non-hazardous wastes. The treatment, storage, transportation and disposals of these materials are subject to various local, state and Federal laws relating to the protection of the environment.

The Partnership accounts for its environmental remediation expenses in accordance with Statement of Position 96-1, *Environmental Remediation Liabilities* . Environmental remediation expenses are accrued as period costs and included in results from operations when the Partnership's liability is probable and costs are reasonably estimable.

During 2007, the Partnership identified contaminated soil within their production facility. The Partnership is currently in the process of investigating the impact of this contamination and is developing a remediation plan for the affected locations at the Partnership's production facility. The Partnership has incurred costs of approximately $408,000 in 2008 and $177,000 in 2007, which are included in operating expenses, related to the investigation of the oil contamination. At this stage, the Partnership estimates the total loss that will result from remediation to be approximately $1,000,000 to be incurred over a period of up to 10 years. The Partnership has discounted the estimated liability at 6 1/2% over the estimated period. The discounted amount of $800,000 is recorded in accrued expenses and other current liabilities.

## Independent Auditors' Report

**To the Partners**
**Seadrift Coke, L.P. and Subsidiary**
Port Lavaca, Texas

We have audited the accompanying consolidated balance sheets of Seadrift Coke, L.P. and Subsidiary as of December 31, 2009 and 2008, and the related consolidated statements of operations, changes in partners' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Seadrift Coke, L.P. and Subsidiary as of December 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Alpern Rosenthal
Pittsburgh, Pennsylvania
March 15, 2010, except for Note 13, as to which the date is May 21, 2010

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Balance Sheets**

| December 31 | 2009 | 2008 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 3,329 | $ 354,000 |
| Accounts receivable (includes related party accounts receivable of $3,686,063 in 2009—Note 9) | 14,253,160 | 26,838,531 |
| Inventories—Note 2 | 15,970,063 | 21,626,725 |
| Prepaid expenses and other current assets | 470,554 | 541,249 |
| **Total Current Assets** | 30,697,106 | 49,360,505 |
| **Property, Plant and Equipment** —Net of accumulated depreciation—Note 3 | 70,999,630 | 76,174,301 |
| **Other Assets** —Note 4 | 217,387 | 362,958 |
| **Total Assets** | $101,914,123 | $125,897,764 |
| **LIABILITIES AND PARTNERS' EQUITY** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt—Note 5 | $ 12,039,578 | $ 22,216 |
| Line of credit—Note 5 | 2,985,928 | — |
| Accounts payable | 778,580 | 5,402,371 |
| Accrued property taxes | 1,180,580 | 1,093,805 |
| Accrued vacation | 466,833 | 619,670 |
| Accrued expenses and other current liabilities | 774,479 | 1,605,215 |
| **Total Current Liabilities** | 18,225,978 | 8,743,277 |
| **Long-term Liabilities** | | |
| Line of credit—Note 5 | — | 31,343,470 |
| Long-term debt—net of current portion—Note 5 | 172,464 | — |
| Interest rate swap liability—Note 10 | 686,947 | 1,288,483 |
| Commitments and contingent liabilities—Note 12 | 800,000 | 800,000 |
| Other long-term liabilities | 726,613 | 242,204 |
| **Total Liabilities** | 20,612,002 | 42,417,434 |
| **Partners' Equity** —Note 6 | | |
| Partners' capital | 9,781,100 | 9,781,100 |
| Retained earnings | 71,521,021 | 73,699,230 |
| **Total Partners' Equity** | 81,302,121 | 83,480,330 |
| **Total Liabilities and Partners' Equity** | $101,914,123 | $125,897,764 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Operations**

| For the Years Ended December 31 | 2009 | 2008 |
|---|---|---|
| **Net Sales** | | |
| Net sales (Includes related party net sales of $7,003,489 in 2009 and $37,936,198 in 2008—Note 9) | $74,309,395 | $329,681,560 |
| **Cost of Sales** (Includes related party cost of sales of $5,208,831 in 2009 and $26,614,198 in 2008—Note 9) | 55,631,682 | 269,061,424 |
| **Gross Profit** | 18,677,713 | 60,620,136 |
| **Operating Expenses** | 7,044,743 | 13,171,965 |
| **Income From Operations** | 11,632,970 | 47,448,171 |
| **Other (Income) Expenses** | | |
| Loss on abandonment of machinery under construction—Note 3 | 11,640,190 | — |
| Interest expense—net | 1,955,591 | 1,198,983 |
| Fair value adjustment—interest rate swap—Note 10 | (601,536) | 1,288,483 |
| **Total Other Expenses** | 12,994,245 | 2,487,466 |
| **Net Income (Loss)** | $ (1,361,275) | $ 44,960,705 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Changes in Partners' Equity**
**For the Years Ended December 31, 2009 and 2008**

| | Partners' Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|
| **Balance** —January 1, 2008 | $9,780,100 | $ 46,731,681 | $ (662,100) | | $ 55,849,681 |
| Partner distributions | — | (18,065,156) | — | | (18,065,156) |
| Partner units issued for services—Note 6 | 1,000 | 72,000 | — | | 73,000 |
| Comprehensive income | | | | | |
| Amount reclassified to income—unrealized loss on interest rate swap—Note 10 | — | — | 662,100 | $ 662,100 | 662,100 |
| Net income | — | 44,960,705 | — | 44,960,705 | 44,960,705 |
| Comprehensive income | — | — | — | $45,622,805 | |
| **Balance** —December 31, 2008 | 9,781,100 | 73,699,230 | — | | 83,480,330 |
| Partner distributions | — | (816,934) | — | | (816,934) |
| Comprehensive loss | | | | | |
| Net loss | — | (1,361,275) | — | $ (1,361,275) | (1,361,275) |
| Comprehensive loss | — | — | — | $ (1,361,275) | |
| **Balance** —December 31, 2009 | $9,781,100 | $ 71,521,021 | $ — | | $ 81,302,121 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## SEADRIFT COKE, L.P. AND SUBSIDIARY

### Consolidated Statements of Cash Flows

| For the Years Ended December 31 | 2009 | 2008 |
|---|---|---|
| **Cash Provided by (Used for) Operating Activities** | | |
| Net income (loss) | $ (1,361,275) | $ 44,960,705 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities | | |
| Loss on abandonment of machinery under construction | 11,640,190 | — |
| Depreciation and amortization | 4,167,896 | 3,522,274 |
| LIFO inventory reserves | 2,330,919 | 5,327,796 |
| (Gains) losses on interest rate swap | (601,536) | 1,288,483 |
| Noncash line-of-credit fees | — | 96,664 |
| Partnership units issued for services | — | 73,000 |
| Changes in | | |
| Accounts receivable | 12,585,371 | (10,541,331) |
| Inventories | 3,325,743 | 1,145,542 |
| Accounts payable and accrued liabilities | (5,036,180) | (4,263,883) |
| Other assets | 110,656 | 3,213,005 |
| **Net Cash Provided by Operating Activities** | 27,161,784 | 44,822,255 |
| **Cash Used for Investing Activities** | | |
| Purchases of property, plant and equipment | (9,744,359) | (37,263,536) |
| Capitalized interest on machinery under construction | (305,141) | (1,107,439) |
| **Net Cash Used for Investing Activities** | (10,049,500) | (38,370,975) |
| **Cash Provided by (Used for) Financing Activities** | | |
| Net proceeds (payments) on line of credit | (28,357,542) | 6,382,941 |
| Proceeds from long-term debt | 12,000,000 | 14,903,336 |
| Payments on long-term debt | (31,731) | (16,536,861) |
| Loan acquisition fees | (256,748) | (89,691) |
| Partner distributions | (816,934) | (18,065,156) |
| **Net Cash Used for Financing Activities** | (17,462,955) | (13,405,431) |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Cash Flows (Continued)**

| For the Years Ended December 31 | 2009 | 2008 |
|---|---|---|
| **Decrease in Cash and Cash Equivalents** | (350,671) | (6,954,151) |
| **Cash and Cash Equivalents** —Beginning of year | 354,000 | 7,308,151 |
| **Cash and Cash Equivalents** —End of year | $ 3,329 | $ 354,000 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid during the year for interest | $1,878,410 | $ 2,132,676 |
| **Supplemental Disclosures of Noncash Investing and Financing Activities** | | |
| Capital lease obligation incurred for the acquisition of equipment | $ 221,557 | $ — |
| Proceeds from note payable—line of credit | $ — | $24,750,000 |
| Payment of note payable—bank | $ — | $24,750,000 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## Note 1—Summary of Significant Accounting Policies

### *A. Organization and Basis of Consolidation*

Seadrift Coke, L.P. and its wholly owned subsidiary, Seadrift Coke Export, Inc., a Delaware limited partnership (collectively, the Partnership), is primarily engaged in the manufacture and distribution of needle coke for sale to customers in the graphite electrode manufacturing industry. The Partnership's principal operating location is in Port Lavaca, Texas. The Partnership sells to customers in North America, Europe and Asia.

The accompanying consolidated financial statements include the accounts of Seadrift Coke, L.P and its wholly owned subsidiary, Seadrift Coke Export, Inc., an Interest Charge Domestic International Sales Corporation (IC-DISC). All material intercompany balances and transactions have been eliminated in consolidation.

### *B. Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *C. Cash and Cash Equivalents*

The Partnership considers all highly liquid investments with original maturities of less than three months as cash equivalents. All of the Partnership's cash is maintained in one financial institution located in Texas.

### *D. Accounts Receivable*

Trade accounts receivable are stated at the amount expected to be collected from outstanding customer balances at year end. Based on management's assessment of the credit history with the Partnership's customers, it believes that realization losses on balances outstanding at year end will not be material. Accordingly, no allowance for doubtful accounts is deemed necessary.

Four customers accounted for approximately 80% of gross sales in 2009 and six customers accounted for approximately 80% of gross sales in 2008. Accounts receivable relating to these customers represented approximately 98% of total accounts receivable at December 31, 2009 and 65% at December 31, 2008.

Sales to customers located in foreign countries were approximately 52% of 2009 total sales and 36% of 2008 total sales.

### *E. Revenue Recognition*

Sales and related costs of sales are generally recorded when goods are shipped and title, ownership and risk of loss have passed to the customer, all of which occurs upon shipment or delivery of the product based on applicable shipping terms. The shipping terms may vary depending on the nature of the customer, domestic or foreign, and the type of transportation used. Shipping and handling costs are recognized as a component of cost of sales.

***F. Taxes on Revenue Producing Transactions***

Taxes assessed by governmental authorities on revenue producing transactions, including sales, excise and use taxes, are recorded on a net basis (excluded from revenue) in the consolidated statements of operations.

***G. Inventories***

Inventories are stated at the lower of cost or market. Elements of cost in inventories include raw materials, direct labor and manufacturing overhead. For all of the Partnership's inventory, except certain by-products and its supplies inventory, costs have been determined by the last-in, first-out (LIFO) method. The remainder of the Partnership's inventory cost is determined using the first-in, first-out (FIFO) method.

***H. Property, Plant and Equipment***

Property, plant and equipment are recorded at cost including expenditures for additions and major improvements. Maintenance and repairs which are not considered to extend the useful lives of assets are charged to operations as incurred. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in other (income) expenses for the year.

For financial reporting, depreciation of property, plant and equipment is computed using the straight-line method at rates calculated to amortize costs over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

| | Years |
|---|---|
| Buildings and leasehold improvements | 5 - 25 |
| Machinery and equipment | 5 - 20 |
| Computer software | 5 - 10 |

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Partnership has determined there is no impairment at December 31, 2009 and 2008.

***I. Other Assets***

Loan acquisition fees are capitalized and are being amortized on a straight-line basis over the term of the related debt (Note 4).

Non-compete and licensing agreements are being amortized on a straight-line basis over the term of the related agreements (Note 4).

***J. Derivative Financial Instruments***

During 2009, the Partnership adopted new accounting standards which require additional disclosures about the Partnership's objectives and strategies for using derivative instruments, how the derivative instruments and related hedged items are accounted for, and how the derivative instruments and related hedged item affect the consolidated financial statements.

The Partnership holds an interest rate swap for the purpose of managing risks related to the variability of future earnings and cash flows caused by changes in interest rates.

The Partnership accounts for its interest rate swap as either an asset or a liability in the consolidated balance sheets and carries it at fair value. Derivatives that are not defined as hedges are adjusted to fair value through earnings. For derivative instruments that hedge the exposure to variability in expected future cash flows, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income (loss) in partners' equity and reclassified into earnings in the same period during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument is recognized in current earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

Prior to 2008, the Partnership elected hedge accounting for its interest rate swap with the effective portion of the interest rate swap accounted for and reported as a component of accumulated other comprehensive income (loss).

During 2008, substantive amendments were made to the Partnership's credit agreement and, as a result of the amendments, management did not redesignate hedge accounting for the related interest rate swap. Changes in fair value of the interest rate swap were recorded in the consolidated statements of operations in 2009 and 2008 as a component of other (income) expense and as an adjustment to reconcile net income (loss) to net cash provided by operating activities in the consolidated statements of cash flows. Amounts previously accounted for in accumulated other comprehensive income (loss) prior to 2008 were reclassified to the 2008 statement of operations.

***K. Income Taxes***

As a limited partnership, the Partnership is not subject to income taxes. The taxable income or loss of the Partnership is includible in the individual income tax returns of its partners based upon their percentage of ownership. The IC-DISC is not subject to Federal or state income taxes. Consequently, no provision for income taxes is provided in the accompanying consolidated financial statements.

The Partnership adopted the accounting standard for uncertain tax positions as of January 1, 2009. The standard requires a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is more likely than not that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is 50% likely of being realized upon settlement with a taxing authority. The adoption of this accounting standard did not have an effect on the Partnership's consolidated financial statements.

***L. Stock-based Compensation***

The Partnership has established employee unit award plans for certain employees of the Partnership. Under the plans, employees are either awarded units at the discretion of the Board of Directors or are granted options to purchase partnership units. The fair value of the units is determined using a market approach for transactions involving similar unit awards at the grant date. The Partnership recognizes the fair value of the unit award's compensation expense on a straight-line basis over the employee's requisite service period which is generally the vesting period.

***M. Planned Major Maintenance Expenses***

The Partnership accounts for planned major maintenance activities by recognizing costs as incurred. The Partnership recognized approximately $14,500,000 in its consolidated statement of operations as a component of cost of sales in 2008. There were no planned major maintenance activities during 2009.

***N. Fair Value Measurements***

The Partnership applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The Partnership defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Partnership considers the principal or most advantageous market in which the Partnership would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

The Partnership applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

***O. Recently Issued Accounting Standards***

On September 15, 2009, the Financial Accounting Standards Board Accounting Standards Codification (Codification) became the single source of authoritative generally accepted accounting principles in the United States of America. The Codification changed the referencing of financial standards but did not change or alter existing generally accepted accounting principles in the United States of America. The Codification became effective for the Partnership at that date.

***P. Subsequent Events***

Management evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 21, 2010, the day the consolidated financial statements were approved and authorized for issue.

**Note 2—Inventories**

Inventories consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Raw materials | $ 8,267,306 | $18,632,045 |
| Work-in-process | 14,566,573 | 10,586,412 |
| Finished goods | 9,561,921 | 7,076,231 |
| Supplies | 3,295,018 | 2,721,873 |
| | 35,690,818 | 39,016,561 |
| Less: Amount to reduce certain inventories to LIFO value | 19,720,755 | 17,389,836 |
| Total inventories | $15,970,063 | $21,626,725 |

The use of LIFO increased net loss by approximately $2,331,000 in 2009 and decreased net income by approximately $5,328,000 in 2008.

Approximately 88% and 91% of the Partnership's inventories at December 31, 2009 and 2008 are costed at the lower of LIFO cost or market.

**Note 3—Property, Plant and Equipment**

Property, plant and equipment consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Land | $ 207,388 | $ 207,388 |
| Buildings and leasehold improvements | 1,679,491 | 1,679,491 |
| Machinery and equipment | 57,186,408 | 43,750,904 |
| Computer software | 1,535,896 | 1,513,559 |
| Machinery under construction | 24,605,666 | 39,432,640 |
| | 85,214,849 | 86,583,982 |
| Less: Accumulated depreciation | 14,215,219 | 10,409,681 |
| | $70,999,630 | $76,174,301 |

During 2009, management chose to abandon two projects that were being constructed and classified as machinery under construction in 2008. The abandonment of machinery under construction resulted in a loss of approximately $11,640,000, included in other expenses.

Depreciation expense, included in cost of sales and operating expenses, amounted to approximately $3,806,000 for 2009 and $3,241,000 for 2008. Capitalized interest on machinery under construction amounted to approximately $305,000 in 2009 and $1,107,000 in 2008.

**Note 4—Other Assets**

Other assets consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Intangible assets | $ 129,617 | $ 129,617 |
| Loan acquisition fees | 1,204,595 | 947,847 |
| Other—non-amortizable | 13,319 | 53,280 |
| | 1,347,531 | 1,130,744 |
| Less: Accumulated amortization | 1,130,144 | 767,786 |
| | $ 217,387 | $ 362,958 |

Intangible assets consist of non-compete, licensing agreements and other intangibles. Amortization expense of intangibles, included in operating expenses, amounted to approximately $26,000 in 2009 and 2008.

During 2009, the Partnership incurred approximately $137,000 of loan acquisition fees related to amending its credit agreement and $120,000 of fees related to the issuance of subordinated notes (Note 5). Amortization of loan acquisition fees, included in interest expense, amounted to approximately $336,000 in 2009 and $255,000 in 2008.

The estimated remaining amortization expense for intangible assets and loan acquisition fees subsequent to December 31, 2009 is approximately $204,000 for the year ending December 31, 2010.

**Note 5—Line of Credit and Long-term Debt**

***Line of Credit and Term Loan***

The Partnership has a credit agreement (the agreement) with a bank which provides for a working capital revolving line of credit and a term loan. The agreement grants the bank a first lien security interest in substantially all of the Partnership's assets.

The agreement provided for maximum borrowings on the line of credit of $25,000,000. On February 1, 2008, the agreement was amended to refinance the line of credit and term loan. As of February 1, 2008, the term loan had an outstanding balance of $24,750,000, which was paid off with proceeds from the line of credit. The amended agreement provided for maximum borrowings on the line of credit of $60,000,000 and a term loan in the amount of $15,000,000. The term loan was paid off on December 31, 2008.

On July 10, 2009, the agreement was amended in connection with the Partnership's issuance of subordinated notes (see below). The amended agreement provides for maximum borrowings of $20,000,000 on a line of credit through June 30, 2010. Borrowings under the line of credit cannot exceed 85% of eligible accounts receivable and 65% of eligible inventory less reserves.

The Partnership has the option of selecting a base interest rate plus an applicable margin or the London Interbank Offered Rate (LIBOR) plus an applicable margin for the line of credit. The Partnership elected LIBOR which is 1/4% at December 31, 2009, plus the applicable margin of 4%. For 2008, the Partnership elected LIBOR, which was 1.423% at December 31, 2008, plus the applicable margin of 1.375%.

The agreement provides for the issuance of letters of credit, which are not to exceed certain amounts as defined in the agreement. There are no letters of credit outstanding at December 31, 2009. The Partnership had $2,000,000 of letters of credit outstanding at December 31, 2008.

The Partnership must pay an unused line fee on each payment date at an annual rate of 1/8% on the daily average unused amount. The agreement contains various covenants which, among other things, require the Partnership to maintain minimum financial ratios including a fixed coverage ratio, debt to EBITDA (earnings before interest, taxes, depreciation and amortization) ratio, and tangible net worth.

Long-term debt consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Subordinated notes | $12,000,000 | $ — |
| Capital lease payable | 212,042 | 22,216 |
| | 12,212,042 | 22,216 |
| Less: Current portion | 12,039,578 | 22,216 |
| | $ 172,464 | $ — |

***Subordinated Notes***

On July 2, 2009, the Partnership issued $12,000,000 of notes to three partners of the Partnership. The notes are subordinate to the line of credit. The proceeds from the notes were used to pay down the line of credit. The notes bear interest, which is payable quarterly, at 10% and are due upon demand subject to approval of the senior debt holder.

***Capital Lease Payable***

During 2009, the Partnership entered into an equipment lease agreement which is payable in monthly installments, including interest at 6 1/4%, through July 2014 and is collateralized by equipment with a net book value of approximately $218,000.

Approximate future maturities of long-term debt are as follows:

| Year Ending December 31 | Amount |
|---|---|
| 2010 | $ 40,000 |
| 2011 | 43,000 |
| 2012 | 45,000 |
| 2013 | 48,000 |
| 2014 | 36,000 |
| | $212,000 |

**Note 6—Partners' Equity**

Partners' equity consisted of the following at December 31, 2009 and 2008:

| | Partners' Capital | Retained Earnings |
|---|---|---|
| **At December 31, 2009** | | |
| General Partner | $ 92,700 | $ 677,319 |
| Limited Partners | 9,688,400 | 70,843,702 |
| Total | $9,781,100 | $71,521,021 |
| | | |
| **At December 31, 2008** | | |
| General Partner | $ 92,700 | $ 698,439 |
| Limited Partners | 9,688,400 | 73,000,791 |
| Total | $9,781,100 | $73,699,230 |

***Employee Unit Purchase Plan***

During January 2006, the Partnership established an employee unit purchase plan (the Employee Plan) for certain employees, selected at the discretion of the Board of Directors. Under the terms of the Employee Plan, employees were granted options to purchase up to 3,000 limited partnership units at a price of $100 per unit, the estimated fair value of a unit at the grant date. The employees exercised their options and purchased 1,392 units before the partnership units expired on January 31, 2006.

The Employee Plan has a call option providing for the Partnership to acquire the outstanding units upon an employee's termination. The Employee Plan also contains a put option that requires, at the discretion of the employee, at termination of employment for other than cause, the Partnership to purchase the units held by the employee. The call option and the put option provide for the purchase of each outstanding unit based on the unit's fair value as determined by the Partnership.

***Employee Equity Award Plan***

During January 2007, the Partnership established an employee equity award plan (the Equity Plan). The Equity Plan awarded 160 partnership units to selected employees as compensation for services rendered. The employees were immediately vested in their awards. As a condition for receiving the awards, the employees entered into a non-compete agreement with the Partnership. The partnership units were valued by the Partnership at the grant date at $1,100 per unit using a market approach for transactions involving similar unit awards.

During July 2008, the Partnership issued an additional 10 units to an employee under the Equity Plan. The employee was immediately vested in the award. As a condition for receiving the award, the employee entered into a non-compete agreement with the Partnership. The partnership units were valued by the Partnership at the grant date at $7,300 per unit using a market approach for transactions involving similar unit awards.

The Equity Plan has a call option providing for the Partnership to acquire the outstanding units upon an employee's termination. The Equity Plan also contains a put option that requires, at the discretion of the employee, at termination of employment for other than cause, the Partnership to purchase the units held by the employee. The call option and the put option provide for the purchase of each outstanding unit based on the unit's fair value as determined by the Partnership.

There were no units issued during 2009.

***Other***

The Partnership has issued 18,500 units that provide for a put option that is exercisable beginning May 1, 2011. The put option provides for the purchase of each outstanding unit based on the unit's fair value at the date of the put notice.

**Note 7—Retirement Plan**

The Partnership maintains a defined contribution profit sharing plan in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees. The plan provides for employee elective contributions and Partnership matching contributions. On May 1, 2009, the plan was amended to allow the Partnership's matching contribution to be a discretionary percentage, determined by the Partnership, of the participant's elective deferrals. As of the amendment date, the Partnership suspended its matching contribution until further notice. Partnership matching contributions were approximately $247,000 for 2009 and $708,000 for 2008.

**Note 8—Profit Sharing Plan**

On January 1, 2007, the Partnership established a bonus profit sharing plan. The Partnership is required to contribute to the profit sharing plan if various pre-established goals are achieved. There were no Partnership contributions relating to the bonus profit sharing plan for 2009. Partnership contributions relating to the bonus profit sharing plan were approximately $861,000 for 2008.

**Note 9—Related Party Transactions**

The Partnership has sales to C/G Electrodes LLC (C/G), a related party through common ownership and control. Sales to C/G, excluding freight revenue, were approximately $7,003,000 in 2009 and $37,936,000 in 2008. Accounts receivable from C/G amounted to approximately $3,686,000 at December 31, 2009. There were no outstanding receivables from C/G at December 31, 2008.

**Note 10—Fair Value of Financial Instruments**

The Partnership's liability for its interest rate swap is measured at fair value on a recurring basis using Level 2 inputs at December 31, 2009 and 2008.

On May 1, 2007, the Partnership entered into an interest rate swap (the swap) with the intent of managing its cash flow exposure to fluctuations in the Partnership's variable rate line of credit. The notional amount of the swap was $30,000,000 which is reduced by $1,500,000 at the end of each fiscal quarter. The swap provides for the Partnership to receive interest based on a variable LIBOR interest rate and pay interest at a fixed rate of 5.125%. The swap expires on May 1, 2012.

The fair value of the swap is determined on a recurring basis by using a discounted cash flow method using the applicable inputs from forward interest rate yield curves with the differential between the forward rate and the original stated interest rate of the swap discounted back from the settlement date of the swap contract to December 31, 2009 and 2008. The fair value of the swap liability amounted to approximately $687,000 as of December 31, 2009 and $1,288,000 as of December 31, 2008, and resulted in a gain of approximately $601,000 in 2009 and loss of approximately $626,000 in 2008. Changes in fair value of the swap previously accounted for in other comprehensive income (loss) prior to 2008 were reclassified in the 2008 consolidated statement of operations in other (income) expenses.

The carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates fair value because of the short-term maturity of those instruments.

The fair value of the Partnership's debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Partnership for debt of the same remaining maturities. The carrying value of the Partnership's debt approximates fair value.

**Note 11—Major Suppliers**

The Partnership purchased approximately 75% of its raw material inventory through two suppliers in 2009 and 80% through three suppliers in 2008. Management believes that there are alternative sources that could provide these raw materials on similar terms without any interruption in business operations.

**Note 12—Commitments and Contingent Liabilities**

The operations of the Partnership generate both hazardous and non-hazardous wastes. The treatment, storage, transportation and disposals of these materials are subject to various local, state and Federal laws relating to the protection of the environment.

Environmental remediation expenses are accrued as period costs and included in results from operations when the Partnership's liability is probable and costs are reasonably estimable.

During 2007, the Partnership identified contaminated soil within its production facility. The Partnership is currently in the process of investigating the impact of this contamination and is developing a remediation plan for the affected locations at the Partnership's production facility. The Partnership has incurred costs of approximately $273,000 in 2009 and $408,000 in 2008, which are included in operating expenses, related to the investigation of the oil contamination. At this stage, the Partnership estimates the total costs of remediation to be approximately $1,000,000 to be incurred over a period of 10 years. The Partnership has discounted the estimated liability at 6 1/2% over the estimated period. The estimated liability is included in long-term liabilities in the consolidated balance sheets since management has estimated no substantial costs will be incurred during 2010.

**Note 13—Subsequent Events**

On March 31, 2010, the Partnership's credit agreement was amended to provide for prepayment of its subordinated notes. Concurrent with the amendment, the subordinated notes were paid in full.

During April, 2010, the Partnership's credit agreement was amended to provide for an extension on the line of credit through March 15, 2011 along with certain other provisions adjusting the borrowing base for the Partnership's trade accounts receivable and inventory.

On April 28, 2010, the Partnership entered into an agreement and plan of merger with GrafTech International, Ltd. and certain of its subsidiaries (GTI) that currently holds a 18.9% ownership interest in the Partnership, to sell its remaining equity interests to GTI.

The consideration expected to be received by Seadrift will consist of $78.5 million in cash less debt (subject to working capital adjustments), 12 million new GTI shares, and non-interest, senior subordinated promissory notes for $100 million.

The acquisition is subject to certain anti-trust regulatory provisions which are currently pending. The financial statements have not been adjusted to reflect this transaction.

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Balance Sheets**

| | September 30, 2010 (Unaudited) | December 31, 2009 (Derived From Audited Statements) |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 5,408,250 | $ 3,329 |
| Accounts receivable (includes related party accounts receivable of $1,301,170 in 2010 and $3,686,063 in 2009) | 22,252,136 | 14,253,160 |
| Inventories | 22,598,941 | 15,970,063 |
| Prepaid expenses and other current assets | 416,486 | 470,554 |
| **Total Current Assets** | 50,675,813 | 30,697,106 |
| **Property, Plant and Equipment** —Net of accumulated depreciation of $17,163,452 in 2010 and $14,215,219 in 2009 | 72,547,839 | 70,999,630 |
| **Other Assets** | 135,676 | 217,387 |
| **Total Assets** | $123,359,328 | $101,914,123 |
| **LIABILITIES AND PARTNERS' EQUITY** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt | $ 41,472 | $ 12,039,578 |
| Line of credit | — | 2,985,928 |
| Accounts payable | 1,189,115 | 778,580 |
| Accrued manufacturing costs | 6,226,306 | 337,094 |
| Accrued acquisition costs | 1,258,226 | — |
| Accrued property taxes | 1,091,985 | 1,180,580 |
| Accrued vacation | 628,168 | 466,833 |
| Accrued expenses and other current liabilities | 612,082 | 437,385 |
| **Total Current Liabilities** | 11,047,354 | 18,225,978 |
| **Long-term Liabilities** | | |
| Long-term debt—net of current portion | 141,119 | 172,464 |
| Interest rate swap liability | — | 686,947 |
| Commitments and contingent liabilities | 800,000 | 800,000 |
| Accrued bonuses | 1,103,968 | 726,613 |
| **Total Liabilities** | 13,092,441 | 20,612,002 |
| **Partners' Equity** | 110,266,887 | 81,302,121 |
| **Total Liabilities and Partners' Equity** | $123,359,328 | $101,914,123 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SEADRIFT COKE, L.P. AND SUBSIDIARY**

**Consolidated Statements of Income**

| For the Nine Months Ended September 30 | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---|---|
| **Net Sales** (Includes related party net sales of $26,675,386 in 2010 and none in 2009) | $118,958,200 | $46,339,002 |
| **Cost of Sales** (Includes related party cost of sales of $19,455,810 in 2010 and none in 2009) | 80,749,816 | 38,616,090 |
| **Gross Profit** | 38,208,384 | 7,722,912 |
| **Operating Expenses** | 8,110,045 | 5,385,430 |
| **Income From Operations** | 30,098,339 | 2,337,482 |
| **Other Expenses** | | |
| Loss on disposal of assets—net | 433,381 | — |
| Interest expense—net | 700,192 | 757,052 |
| **Total Other Expenses** | 1,133,573 | 757,052 |
| **Net Income** | $ 28,964,766 | $ 1,580,430 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## SEADRIFT COKE, L.P. AND SUBSIDIARY

### Consolidated Statements of Cash Flows

| For the Nine Months Ended September 30 | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---|---|
| **Cash Provided by (Used for) Operating Activities** | | |
| Net income | $ 28,964,766 | $ 1,580,430 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Loss on disposal of assets | 205,023 | — |
| Depreciation and amortization | 3,295,810 | 2,769,110 |
| LIFO inventory reserves | (4,437,522) | 2,613,936 |
| Gains on interest rate swap | (686,947) | (452,463) |
| Changes in | | |
| Accounts receivable | (7,750,023) | 15,911,483 |
| Inventories | (2,391,377) | (790,680) |
| Accounts payable and accrued liabilities | 8,182,765 | (2,785,602) |
| Other assets | 127,127 | 259,184 |
| **Net Cash Provided by Operating Activities** | 25,509,622 | 19,105,398 |
| **Cash Provided by (Used for) Investing Activities** | | |
| Purchases of property, plant and equipment | (5,134,315) | (10,078,013) |
| Proceeds from the sale of assets | 44,993 | — |
| **Net Cash Used for Investing Activities** | (5,089,322) | (10,078,013) |
| **Cash Provided by (Used for) Financing Activities** | | |
| Net payments on line of credit | (2,985,928) | (20,538,971) |
| Proceeds from subordinated debt | — | 12,000,000 |
| Payments on subordinated debt | (12,000,000) | — |
| Payments on long-term debt | (29,451) | (22,216) |
| Partner distributions | — | (816,932) |
| **Net Cash Used for Financing Activities** | (15,015,379) | (9,378,119) |
| **Increase (Decrease) in Cash and Cash Equivalents** | 5,404,921 | (350,734) |
| **Cash and Cash Equivalents** —Beginning of period | 3,329 | 354,000 |
| **Cash and Cash Equivalents** —End of period | $ 5,408,250 | $ 3,266 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid during the period for interest | $ 984,588 | $ 1,129,016 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## Note 1—Summary of Significant Accounting Policies

### *A. Interim Financial Presentation*

These interim consolidated financial statements of Seadrift Coke, L.P. and Subsidiary (the Partnership) are unaudited; however, in the opinion of management, they have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the Partnership's audited consolidated financial statements, including the accompanying notes for the year ended December 31, 2009.

The unaudited consolidated financial statements reflect all adjustments (all of which are of a normal, recurring nature) which management considers necessary for a fair statement of financial position, results of operations and cash flows for the interim periods presented. The results for interim periods are not necessarily indicative of results which may be expected for any other interim period or for the full year.

### *B. Reclassifications*

Certain reclassifications have been made to the December 31, 2009 financial statements to conform with the September 30, 2010 presentation.

## Note 2—Inventories

Inventories consisted of the following at:

| | September 30, 2010 | December 31, 2009 |
|---|---|---|
| Raw materials | $17,864,260 | $ 8,267,306 |
| Work-in-process | 7,767,549 | 14,566,573 |
| Finished goods | 9,049,753 | 9,561,921 |
| Supplies | 3,200,612 | 3,295,018 |
| | 37,882,174 | 35,690,818 |
| Less: Amount to reduce certain inventories to LIFO value | 15,283,233 | 19,720,755 |
| Total inventories | $22,598,941 | $15,970,063 |

## Note 3—Property, Plant and Equipment

During February 2010, the Partnership experienced a fire in part of its production facilities. As a result of this fire, the Partnership sustained losses in certain machinery and equipment which had a net book value of approximately $249,000. The Partnership has completed the process of repairing the damage and replacing equipment. The Partnership has expensed approximately $500,000 related to its retention amounts under its insurance policies for repair and restoration activities which is included in loss on disposal of assets in the consolidated statements of income. The Partnership has currently negotiated a settlement claim with its insurance providers for approximately $521,000, which includes amounts in excess of the net book value of the sustained losses in certain machinery and equipment. At September 30, 2010, the Partnership had collected substantially all of the proceeds.

**Note 4—Line of Credit and Long-term Debt**

During April 2010, the Partnership's credit agreement was amended to provide for an extension on the line of credit through March 15, 2011. The Partnership has the option of selecting a base interest rate plus an applicable margin or the London Interbank Offered Rate (LIBOR) plus an applicable margin for the line of credit. The Partnership elected LIBOR which is 1/4% at September 30, 2010, plus the applicable margin of 3 1/2%.

On March 31, 2010, the Partnership's credit agreement was amended to provide for prepayment of its subordinated notes. Concurrent with the amendment, the subordinated notes were paid in full.

**Note 5—Partners' Equity**

Partners' equity consisted of the following at September 30, 2010 and December 31, 2009:

| | Partners' Capital | Retained Earnings | Partners' Equity |
|---|---|---|---|
| September 30, 2010 | | | |
| General Partner | $ 92,700 | $ 952,426 | $ 1,045,126 |
| Limited Partners | 9,688,400 | 99,533,361 | 109,221,761 |
| Total | 9,781,100 | $100,485,787 | $110,266,887 |
| December 31, 2009 | | | |
| General Partner | $ 92,700 | $ 677,319 | $ 770,019 |
| Limited Partners | 9,688,400 | 70,843,702 | 80,532,102 |
| Total | $ 9,781,100 | $ 71,521,021 | $ 81,302,121 |

**Note 6—Related Party Transactions**

The Partnership has sales to C/G Electrodes LLC (C/G), a related party through common ownership and control. Sales to C/G, excluding freight revenue, were approximately $24,187,000 and the related cost of sales were approximately $17,575,000 for the nine months ended September 30, 2010. There were no sales and related cost of sales to C/G for the nine months ended September 30, 2009. Accounts receivable from C/G amounted to approximately $831,000 at September 30, 2010 and $3,686,000 at December 31, 2009.

The Partnership has sales to GrafTech International, Ltd. (GrafTech), a related party due to a partnership interest, of approximately $2,489,000 and related cost of sales of approximately $1,881,000 for the nine months ended September 30, 2010. There were no sales and related cost of sales to GrafTech for the nine months ended September 30, 2009. Accounts receivable from GrafTech amounted to approximately $470,000 at September 30, 2010. There were no outstanding receivables from GrafTech at December 31, 2009.

**Note 7—Fair Value of Derivative Financial Instruments**

The Partnership's liability for its interest rate swap is measured at fair value on a recurring basis using Level 2 (significant other observable inputs) at December 31, 2009. The interest rate swap expired in May 2010.

The Partnership held an interest rate swap for the purpose of managing its cash flow exposure to fluctuations in the Partnership's variable rate line of credit. The notional amount of the swap was $30,000,000 at the effective date of May 1, 2007. The notional amount was reduced by $1,500,000 at the end of each fiscal quarter. The swap provided for the Partnership to receive interest based on a variable LIBOR interest rate and pay interest at a fixed rate of 5 1/8%.

The fair value of the swap was determined on a recurring basis by using a discounted cash flow method using the applicable inputs from forward interest rate yield curves with the differential between the forward rate and the original stated interest rate of the swap discounted back from the settlement date of the swap contract to December 31, 2009. The fair value of the swap liability amounted to approximately $687,000 as of December 31, 2009. The expiration of the swap and fair value adjustment resulted in a gain of approximately $687,000 for the nine months ended September 30, 2010 and $452,000 for the nine months ended September 30, 2009 which are included in interest expense in the consolidated statements of income and as adjustments to reconcile net income to net cash provided by operating activities in the consolidated statements of cash flows.

The carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates fair value because of the short-term maturity of those instruments.

The fair value of the Partnership's debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Partnership for debt of the same remaining maturities. The carrying value of the Partnership's debt approximates fair value.

**Note 8—Commitments and Contingencies**

The operations of the Partnership generate both hazardous and non-hazardous wastes. The treatment, storage, transportation and disposals of these materials are subject to various local, state and Federal laws relating to the protection of the environment.

Environmental remediation expenses are accrued as period costs and included in results from operations when the Partnership's liability is probable and costs are reasonably estimable.

During 2007, the Partnership had identified contaminated soil within its production facility and has developed a remediation plan and submitted its plan to the Texas Commission on Environmental Quality (TCEQ) for approval. As of September 30, 2010, the Partnership has not received a response from the TCEQ indicating TCEQ's acceptance and approval of management's remediation plan. At this stage, based on current information available to management, management estimates total costs of remediation to be approximately $1,000,000 which will be incurred over a period of 10 years. The Partnership has discounted the estimated liability at 6 1/2% over this estimated period which is reflected in the consolidated balance sheets in the amount of $800,000 at September 30, 2010 and December 31, 2009.

**Note 9—Pending Sale**

On April 28, 2010, the Partnership entered into an agreement and plan of merger with GrafTech and certain of its subsidiaries (GTI) that currently holds an 18.9% ownership interest in the Partnership, to sell its remaining equity interests to GTI.

The consideration expected to be received by the Partnership will consist of $78.5 million in cash subject to working capital and debt adjustments, 12 million new GTI shares, and non-interest, senior subordinated promissory notes for $100 million.

Acquisition costs are accounted for as expenses in the periods in which the costs are incurred. Total legal, accounting, regulatory and other professional costs incurred for the nine months ended September 30, 2010 were approximately $1,461,000 and are included in operating expenses in the consolidated statements of income. Approximately $1,258,000 of these costs are included in accrued acquisition costs in the consolidated balance sheet as of September 30, 2010.

The acquisition is subject to certain anti-trust regulatory provisions which are currently pending. The consolidated financial statements have not been adjusted to reflect this transaction.

## Independent Auditors' Report

**To the Members**
**C/G Electrodes LLC**
St. Marys, Pennsylvania

We have audited the accompanying consolidated balance sheets of C/G Electrodes LLC (a Limited Liability Company) and Subsidiary as of December 31, 2008 and 2007, and the related consolidated statements of income, members' equity (deficit) and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of C/G Electrodes LLC and Subsidiary as of December 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Alpern Rosenthal
Pittsburgh, Pennsylvania
March 20, 2009

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Balance Sheets

| December 31 | 2008 | 2007 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 1,092,987 | $ 1,005,412 |
| Accounts receivable | 15,147,689 | 13,698,077 |
| Inventories—Note 2 | 30,629,959 | 19,719,520 |
| Other current assets—Note 3 | 1,202,569 | 513,910 |
| **Total Current Assets** | 48,073,204 | 34,936,919 |
| **Property, Plant and Equipment** —Net of accumulated depreciation—Note 4 | 39,203,951 | 30,314,001 |
| **Other Assets** —Note 5 | 1,917,816 | 772,604 |
| **Total Assets** | $ 89,194,971 | $66,023,524 |
| **LIABILITIES AND MEMBERS' EQUITY (DEFICIT)** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt—Note 7 | $ 176,110 | $ 4,646,590 |
| Accounts payable (includes related party accounts payable of $2,027,157 in 2007)—Note 10 | 3,383,690 | 6,560,737 |
| Accrued expenses and other current liabilities | 7,258,693 | 4,549,452 |
| Note payable—line of credit | — | 8,393,500 |
| **Total Current Liabilities** | 10,818,493 | 24,150,279 |
| **Long-term Debt** —Net of current portion—Note 7 | 113,124,116 | 16,802,079 |
| **Total Liabilities** | 123,942,609 | 40,952,358 |
| **Members' Equity (Deficit)** —Note 8 | (34,747,638) | 25,071,166 |
| **Total Liabilities and Members' Equity (Deficit)** | $ 89,194,971 | $66,023,524 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Statements of Income

| For the Years Ended December 31 | 2008 | 2007 |
|---|---|---|
| **Net Sales** | $142,782,801 | $114,283,029 |
| **Cost of Sales** (Includes related party cost of sales of $37,936,198 in 2008 and $23,419,750 in 2007)—Note 10 | 97,665,641 | 79,632,163 |
| **Gross Profit** | 45,117,160 | 34,650,866 |
| **Operating Expenses** | 8,704,832 | 6,644,688 |
| **Income From Operations** | 36,412,328 | 28,006,178 |
| **Other Income (Expense)** | | |
| Interest expense | (4,898,810) | (2,362,317) |
| Scrap sales | 689,974 | 432,642 |
| Gain on EURO currency hedge settlement | 651,439 | — |
| Other | 565,124 | 249,722 |
| **Total Other Expense** | (2,992,273) | (1,679,953) |
| **Net Income** | $ 33,420,055 | $ 26,326,225 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**C/G ELECTRODES LLC AND SUBSIDIARY**

**Consolidated Statements of Members' Equity (Deficit)**
**For the Years Ended December 31, 2008 and 2007**

| | |
|---|---|
| **Balance** —January 1, 2007 | $ 18,741,155 |
| Unit awards | 102,794 |
| Purchase of member units | (1,744,700) |
| Member distributions | (18,354,308) |
| Net income | 26,326,225 |
| **Balance** —December 31, 2007 | 25,071,166 |
| Unit awards | 940,692 |
| Purchase of member units | (19,950,000) |
| Member distributions | (74,229,551) |
| Net income | 33,420,055 |
| **Balance** —December 31, 2008 | $(34,747,638) |

*The accompanying notes are an integral part of these consolidated financial statements.*

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Statements of Cash Flows

| For the Years Ended December 31 | 2008 | 2007 |
|---|---|---|
| **Cash Provided by (Used for) Operating Activities** | | |
| Net income | $ 33,420,055 | $ 26,326,225 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 4,828,543 | 3,460,889 |
| Compensation expense—unit awards | 940,692 | 102,794 |
| LIFO inventory reserves | 5,257,906 | 7,029,237 |
| Interest rate swap | 2,852,651 | 421,446 |
| EURO hedge fair value | (204,587) | — |
| Changes in | | |
| Accounts receivable | (1,449,612) | (5,994,205) |
| Inventories | (16,168,345) | (8,067,123) |
| Accounts payable | (3,177,047) | 2,807,814 |
| Other | (627,482) | 1,317,843 |
| **Net Cash Provided by Operating Activities** | 25,672,774 | 27,404,920 |
| **Cash Used for Investing Activities** | | |
| Purchases of property, plant and equipment | (13,343,228) | (9,900,658) |
| **Cash Provided by (Used for) Financing Activities** | | |
| Net borrowings on line of credit | 86,999,327 | 6,093,500 |
| Proceeds from long-term debt | — | 1,150,000 |
| Payments on long-term debt | (3,541,270) | (8,558,993) |
| Loan acquisition fees | (1,520,477) | — |
| Purchase of units | (19,950,000) | (1,744,700) |
| Member distributions | (74,229,551) | (18,354,308) |
| **Net Cash Used for Financing Activities** | (12,241,971) | (21,414,501) |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 87,575 | (3,910,239) |
| **Cash and Cash Equivalents** —Beginning of year | 1,005,412 | 4,915,651 |
| **Cash and Cash Equivalents** —End of year | $ 1,092,987 | $ 1,005,412 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**C/G ELECTRODES LLC AND SUBSIDIARY**

**Consolidated Statements of Cash Flows (Continued)**

| For the Years Ended December 31 | 2008 | 2007 |
|---|---|---|
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid during the year for interest | $2,184,030 | $2,386,413 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## Note 1—Summary of Significant Accounting Policies

### *A. Organization and Basis of Consolidation*

C/G Electrodes LLC and its wholly owned subsidiary, C/G Electrodes Export, Inc., a Delaware Limited Liability Company (collectively, the Company), whose members have limited direct liability for Company operations, is engaged primarily in the manufacture, distribution and sale of electrodes for the steel industry. The Company sells to customers throughout America, Europe, Russia, the Middle East and the Peoples Republic of China.

The accompanying consolidated financial statements include the accounts of C/G Electrodes LLC and its wholly owned subsidiary, C/G Electrodes Export, Inc., an Interest Charge Domestic International Sales Corporation (IC-DISC). The IC-DISC commenced business on June 6, 2008. All material intercompany balances and transactions have been eliminated in consolidation.

### *B. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *C. Cash and Cash Equivalents*

The Company considers all highly liquid investments with original maturities of less than three months as cash equivalents. Substantially all of the Company’s cash is with a financial institution located in Cleveland, Ohio.

### *D. Accounts Receivable*

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management’s assessment of the credit history with customers having outstanding balances and current relationships with them, it believes that realization losses on balances outstanding at year end will be immaterial. Accordingly, no allowance for doubtful accounts is deemed necessary.

Four customers accounted for approximately 27% of sales in 2008 and 28% of sales in 2007. Five customers accounted for approximately 71% of accounts receivable at December 31, 2008 and 54% at December 31, 2007.

The Company does not believe it has significant exposure to the effects of the risk of fluctuations in foreign currency on receivables denominated in other than U.S. dollars.

### *E. Inventories*

Inventories are stated at the lower of cost or market. The raw material component of inventory costs has been determined by the last-in, first-out (LIFO) method. The remainder of the Company’s inventory cost is determined using the first-in, first-out (FIFO) method.

***F. Property, Plant and Equipment***

Property, plant and equipment are recorded at cost including expenditures for additions and major improvements. Maintenance and repairs which are not considered to extend the useful lives of assets are charged to operations as incurred. The cost of assets sold or retired and related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income from operations for the year.

For financial reporting, depreciation of property, plant and equipment is computed using the straight-line method at rates calculated to amortize costs over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

| | Years |
|---|---|
| Buildings | 20 - 40 |
| Machinery and equipment | 3 - 20 |

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company has determined there is no impairment at December 31, 2008.

***G. Other Assets***

Loan acquisition fees are capitalized and are being amortized on a straight-line basis over the term of the related debt.

Non-compete and licensing agreements are being amortized on a straight-line basis over 10 years.

***H. Financial Instruments***

The Company accounts for its derivative activity in accordance with Statement of Financial Accounting Standards No. 133 (SFAS 133), *Accounting for Derivative Instruments and Hedging Activities* , as amended, which establishes accounting and financial reporting standards for certain derivative instruments and certain hedging activities. The Company's derivative instruments are recognized as assets or liabilities at their fair value with subsequent changes in fair value reported in net income or other comprehensive income based on the effectiveness of the hedged transaction.

The Company has not elected hedge accounting treatment for its derivative financial instruments and, therefore, changes in fair value are marked to market in the statements of income.

***I. Income Taxes***

As a limited liability company, the Company is treated as a partnership for income tax purposes and is not subject to income taxes. The taxable income or loss of the Company is included in the individual income tax returns of its members based upon their percentage of ownership. Consequently, no provision for income taxes is required in the accompanying financial statements.

***J. Foreign Currency***

The Company sells to European customers. These sales are invoiced in EUROs. Foreign currency exchange gains and losses, including the effect of the translation of year-end accounts receivable balances from EUROs to dollars, are included in net income. As a result of foreign currency fluctuations of the Company's trade accounts

receivables, the Company recognized a net foreign currency translation loss in net income of approximately $152,000 in 2008 and a net foreign currency translation gain in net income of approximately $157,000 in 2007.

***K. Revenue Recognition***

The Company recognizes revenue when title, ownership, and risk of loss pass to the customer, all of which occurs upon shipment or delivery of the product based on the applicable shipping terms. The shipping terms may vary depending on the nature of the customer, domestic or foreign, and the type of transportation used.

***L. Stock-based Compensation***

The Company has employee unit award plans and has accounted for the award plans in accordance with the provisions of Statement of Financial Accounting Standards No. 123(R) (SFAS 123(R)), *Share-based Payment* . Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures compensation expense for its member unit awards at the grant date based on the fair value of the awards and recognizes the compensation expense over the employee's requisite service period, which is generally the vesting period, as required by SFAS 123(R). The Company estimates the fair value of the units granted using a discounted cash flow valuation model.

***M. Fair Value Measurements***

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, *Fair Value Measurements* . SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. Certain provisions of SFAS No. 157 were effective for the Company in 2008 and the remaining provisions are effective in 2009. The Company does not expect that the provisions of SFAS No. 157 will have a significant impact on its financial position, results of operations and cash flows.

SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs).

The three levels of the fair value hierarchy under SFAS 157 are described below:

- Level 1—Observable inputs such as quoted prices in active markets.
- Level 2—Inputs, other than quoted prices in active markets, that are observable either directly or indirectly.
- Level 3—Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's financial instruments within the fair value hierarchy as prescribed by SFAS No. 157 are more fully disclosed in Note 11 of the consolidated financial statements.

***N. Recent Accounting Pronouncements***

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109* . FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with SFAS 109, *Accounting for Income Taxes* . This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The Interpretation was originally effective for nonpublic entities for fiscal years beginning after December 15, 2006. FASB Staff Position No. FIN 48-3 permits nonpublic entities to defer the effective date of FIN 48 until fiscal years beginning after December 15, 2008. The Company has elected to defer the application of FIN 48 and is evaluating the impact of the provisions of FIN 48 on the Company's consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosure About Derivative Instruments and Hedging Activities* . SFAS 161 requires enhanced disclosures regarding an entity's derivative and hedging activities. SFAS 161 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2008. The Company is currently evaluating the impact of adopting SFAS 161 on its consolidated financial statements.

**Note 2—Inventories**

Inventories consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Raw materials | $11,337,775 | $ 6,653,501 |
| Work in process | 24,332,132 | 17,639,001 |
| Finished goods | 6,447,813 | 2,123,894 |
| Supplies | 4,556,774 | 4,239,753 |
| Inventory valuation allowance | — | (150,000) |
| | 46,674,494 | 30,506,149 |
| Less amount to reduce certain inventories to LIFO value | 16,044,535 | 10,786,629 |
| Total inventories | $30,629,959 | $19,719,520 |

The use of LIFO decreased net income by approximately $5,258,000 in 2008 and $7,029,000 in 2007.

Approximately 73% and 69% of the Company's inventories at December 31, 2008 and 2007 are costed at the lower of LIFO cost or market.

**Note 3—Other Current Assets**

Other current assets consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Value-added tax receivable | $ 568,020 | $291,810 |
| EURO hedge fair value (Note 12) | 204,587 | — |
| Prepaid expenses | 318,904 | 214,470 |
| Other | 111,058 | 7,630 |
| | $1,202,569 | $513,910 |

**Note 4—Property, Plant and Equipment**

Property, plant and equipment consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Land | $ 206,801 | $ 53,030 |
| Buildings | 6,052,187 | 2,993,278 |
| Machinery and equipment | 36,983,002 | 29,600,822 |
| Construction in progress | 7,297,933 | 4,549,566 |
| | 50,539,923 | 37,196,696 |
| Accumulated depreciation | (11,335,972) | (6,882,695) |
| Net property, plant and equipment | $ 39,203,951 | $30,314,001 |

Depreciation expense, included in cost of goods sold and operating expenses, amounted to approximately $4,453,000 for 2008 and $3,160,000 for 2007.

**Note 5—Other Assets**

Other assets consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Loan acquisition fees | $1,610,795 | $ 922,036 |
| Non-compete agreements—Note 8 | 500,000 | 500,000 |
| Licensing agreement | 39,032 | 39,032 |
| Other—nonamortizable | 41,424 | 41,424 |
| | 2,191,251 | 1,502,492 |
| Accumulated amortization | (273,435) | (729,888) |
| Net other assets | $1,917,816 | $ 772,604 |

Amortization expense, included in operating expenses, amounted to approximately $375,000 for 2008 and $300,000 for 2007.

The approximate amortization expense for other assets subject to amortization for the five years subsequent to December 31, 2008 is as follows:

| Year Ending December 31 | Amount |
|---|---|
| 2009 | $ 364,000 |
| 2010 | 364,000 |
| 2011 | 364,000 |
| 2012 | 364,000 |
| 2013 | 288,000 |
| Thereafter | 132,000 |
| | $1,876,000 |

**Note 6—Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consisted of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Accrued interest rate swap (Note 12) | $3,176,978 | $ 324,327 |
| Accrued compensation | 2,485,621 | 1,934,249 |
| Accrued utilities | 777,998 | 1,163,485 |
| Other | 818,096 | 1,127,391 |
| | $7,258,693 | $4,549,452 |

**Note 7—Long-term Debt**

Long-term debt consists of the following at December 31:

| | 2008 | 2007 |
|---|---|---|
| Revolving line of credit | $112,000,000 | $ — |
| Notes payable—Key Bank (see below) | | |
| Note payable | — | 12,345,260 |
| Capital expenditure loan A | — | 4,083,333 |
| Capital expenditure loan B | — | 3,500,000 |
| Mortgage note payable—Pennsylvania Industrial Development Authority—due in monthly payments of $12,085, including interest at 3%, matures in November 2018, collateralized by the Company's property | 1,233,627 | 1,339,906 |
| Capital lease obligations—due in monthly installments including interest of 6.51% through 7%, maturing through October 2009 | 66,599 | 180,170 |
| | 113,300,226 | 21,448,669 |
| Less: Current portion | 176,110 | 4,646,590 |
| | $113,124,116 | $16,802,079 |

In September 2008, the Company entered into a credit agreement (the Agreement) with various financial institutions. The Agreement provides for a revolving line of credit (the line) with maximum borrowings of $130 million, inclusive of a swingline facility of $15 million. The line includes $1 million for standby letters of credit. Borrowings under the line bear interest at a base rate. The base rate is the greater of lender's Prime Rate

(3 1/4% at December 31, 2008) or the Federal funds rate (.06% at December 31, 2008) plus 1/2%. The Company has the option to lock in a fixed rate one month LIBOR (.63 at December 31, 2008) plus a margin on a qualifying portion of the borrowings at 3-month intervals, as defined in the Agreement. At December 31, 2008, $75 million of the outstanding borrowings were locked in and bear interest at 3.88%, with the remaining outstanding borrowings of $37 million bearing interest at 5.00%.

The line expires in September 2013 and is collateralized by substantially all of the Company's assets along with certain of the Company's member units. The Company's wholly owned subsidiary, C/G Electrodes Export, Inc., is a guarantor of the Agreement. In addition, the Agreement contains certain restrictive covenants which, among other things, require the Company to maintain minimum financial ratios.

The notes payable - Key Bank were paid in full in September 2008 as part of the new refinancing. Noncash activities of the refinancing included payment of approximately $13.5 million on a revolving line of credit and approximately $16.6 million on term notes.

Approximate future maturities of long-term debt are as follows:

| Year Ending December 31 | Amount |
|---|---|
| 2009 | $ 176,000 |
| 2010 | 113,000 |
| 2011 | 116,000 |
| 2012 | 120,000 |
| 2013 | 112,123,000 |
| Thereafter | 652,000 |
| | $113,300,000 |

**Note 8—Members' Equity**

The following is the number of units outstanding at December 31:

| | 2008 | 2007 |
|---|---|---|
| Series A | 37,680 | 5,834 |
| Series B | 11,991 | 1,713 |
| Series D | 6,581 | 868 |

In October 2008, the Company split all outstanding member units 7 for 1. During 2008, the Company repurchased 3,305 Series A management units and 195 Series D units at $5,700 per unit.

***Series A Units***

The Series A units have full voting rights. The units contain various restrictions as to transfers and dilution.

On October 1, 2008, the Company established an employee unit award plan. The plan authorized 175 Series A units and awarded 1 unit to 147 non-management employees. The awarded units vested immediately. The fair value of the vested units at the grant date was approximately $838,000 based on the Company's estimated fair value determined by a discounted cash flow valuation model. The Company recorded compensation expense of approximately $747,000 in cost of sales and $91,000 in operating expenses. The plan terminates December 31, 2011. There were no outstanding rights to purchase the member units under this plan.

***Series B Units***

Series B units have the same rights and privileges as Series A—management units.

***Series D Units***

On January 1, 2006, the Company established an employee unit award plan. The plan awarded 1,000 Series D units to 11 members of the Company's management. The units were valued at the grant date based on the underlying discounted cash flow of the Company's enterprise fair value. As of December 31, 2008, all units were awarded. The final forfeiture restrictions, as defined in the plan, were released in 2008 and 2007 and the Company recorded compensation expense of approximately $103,000 in 2008 and 2007 which is included in operating expenses in the statements of income.

In addition, as required by the Series D unit agreement, each employee was required to sign a non-compete agreement. The non-compete agreements were valued at $500,000 based on the Company's estimated fair value determined by a discounted cash flow valuation model and are being amortized on a straight-line basis over 10 years. The non-compete agreements are included in other assets on the balance sheet (Note 5).

The Series A and Series D unit agreements include a call option that allows the Company to acquire the units upon the employees' termination. The agreements also contain a put option which provides the employee or the estate of the employee the option at the employee's death, permanent disability, or the retirement of the employee after the age of 60, to require the Company to purchase all of the outstanding Series A - non-management and Series D units held by the employees. The put option provides for the purchase of the units based on the fair value of the units as determined by the Company's Board of Directors at the date of the put notice.

The Limited Liability Agreement provides for the allocation of income and distributions to the members, including distributions for the members' income taxes. In January 2009, the Company declared and paid a distribution of approximately $3,972,000.

**Note 9—Employee Benefit Plan**

The Company has a 401(k) plan. The Plan generally covers al employees meeting certain age and service requirements and provides for employee and elective contributions and company contributions. The Company's contributions to the 401(k) plan were approximately $398,000 in 2008 and $326,000 in 2007.

**Note 10—Related Party Transactions**

The Company purchases a major portion of its raw materials from Seadrift Coke L.P (Seadrift). Seadrift is related through common ownership and control. Total purchases from Seadrift were approximately $37,936,000 in 2008 and $23,420,000 in 2007. There were no accounts payable to Seadrift at December 31, 2008. Accounts payable to Seadrift amounted to approximately $2,027,000 at December 31, 2007.

**Note 11—Major Suppliers**

The Company purchases all of its premium and super premium coke from two suppliers. The management of the Company believes that these two suppliers are adequate for the Company's requirements. The management of the Company confirms that the loss of these suppliers would interrupt business operations. One of the suppliers is a related party (Note 10).

**Note 12—Fair Value of Financial Instruments**

In management's opinion, the carrying value of the Company's financial instruments, primarily accounts receivable, accounts payable and bank debt, approximates fair value. The carrying values of the Company's variable rate credit facilities approximate fair value given that the interest rates of the debt reset periodically based on market interest rates.

From time to time, the Company enters into interest rate swaps that exchange floating interest rates for fixed rates with the intent of managing its exposure to interest rate risk. At December 31, 2008, the Company had the following interest rate swaps, which fixed the interest rates in the collateralized credit agreement to the extent of the notional amounts of the swap, as noted in the table below:

| Notional Amount | Swap Rate | Exchanged For | Effective Date | Termination Date |
|---|---|---|---|---|
| $ 5,000,000 | 4.37% | LIBOR | December 1, 2004 | December 1, 2009 |
| $ 2,500,000 | 4.68% | LIBOR | June 1, 2006 | June 1, 2011 |
| $50,000,000 | 3.54% | LIBOR | October 1, 2008 | October 1, 2011 |
| $ 4,375,000 | 5.47% | LIBOR | January 1, 2006 | January 1, 2013 |

The Company's interest rate swaps are measured at fair value as determined on a discounted cash flow method using the applicable inputs from the forward interest rate yield curves (Level 2 - significant other observable inputs) with the differential between the forward rate and the original stated interest rate of the swap discounted back from the settlement date of the contract to December 31, 2008. The fair value of the interest rate swaps is a liability. The mark to market of the fair values of the interest rate swaps resulted in unrealized losses of approximately $2,529,000 for 2008 and $421,000 for 2007 and are included in interest expense in the consolidated statements of income and as an adjustment to reconcile net income to net cash provided by operating activities in the consolidated statement of cash flows.

In January 2009, the Company entered into an additional interest rate swap as follows:

| Notional Amount | Swap Rate | Exchanged For | Effective Date | Termination Date |
|---|---|---|---|---|
| $40,000,000 | 1.98% | LIBOR | February 1, 2009 | February 1, 2012 |

The Company has EURO currency hedge contracts that exchange floating currency rates for fixed rates with the intent of managing its exposure to EURO exchange rate risk. At December 31, 2008, the Company had the following EURO currency hedge contracts:

| Face Amount | Contract Rate | Mark Price | Effective Date | Termination Date |
|---|---|---|---|---|
| $2,953,309 | 1.392 | 1.432 | December 18, 2008 | April 30, 2009 |
| $2,316,955 | 1.392 | 1.433 | December 18, 2008 | March 31, 2009 |
| $ 624,830 | 1.392 | 1.433 | December 18, 2008 | February 27, 2009 |
| $1,268,992 | 1.392 | 1.434 | December 18, 2008 | January 30, 2009 |

The Company's EURO currency hedge contracts are measured at fair value as determined by quoted market prices. The valuation of the Company's EURO currency hedge contracts are based on quoted prices of the forward exchange rates for foreign currency contracts in effect at the time the contracts are valued (Level 1 input - quoted price in an active market). The fair value of the EURO currency hedges were approximately $205,000 at December 31, 2008 (Note 3) and is included in other income in the consolidated statement of income

and as an adjustment to reconcile net income to net cash provided by operating activities in the consolidated statement of cash flows. The fair value of the hedges was not material to the financial statements at December 31, 2007.

**Note 13—Contingency and Commitment**

The Company is, from time to time, involved in lawsuits arising in the ordinary course of its business. In the opinion of management, resolution of these lawsuits will not have a material effect on the Company's financial position or results of operations.

## Independent Auditors' Report

**To the Members**
**C/G Electrodes LLC**
St. Marys, Pennsylvania

We have audited the accompanying consolidated balance sheets of C/G Electrodes LLC (a Limited Liability Company) and Subsidiary as of December 31, 2009 and 2008, and the related consolidated statements of income, members' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of C/G Electrodes LLC and Subsidiary as of December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Alpern Rosenthal
Pittsburgh, Pennsylvania
March 2, 2010, except for Note 14, as to
which the date is May 21, 2010

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Balance Sheets

| December 31 | 2009 | 2008 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 175,030 | $ 1,092,987 |
| Accounts receivable—trade | 9,281,658 | 15,147,689 |
| Notes receivable—trade | 1,152,480 | — |
| Inventories—Note 2 | 20,574,193 | 30,629,959 |
| Other current assets | 232,787 | 1,202,569 |
| **Total Current Assets** | 31,416,148 | 48,073,204 |
| **Property, Plant and Equipment** —Net of accumulated depreciation—Note 3 | 37,776,624 | 39,203,951 |
| **Other Assets** —Note 4 | 1,863,201 | 1,917,816 |
| **Total Assets** | $ 71,055,973 | $ 89,194,971 |
| **LIABILITIES AND MEMBERS' DEFICIT** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt—Note 6 | $ 112,842 | $ 176,110 |
| Accounts payable (includes related party accounts payable of $3,686,063 in 2009)—Note 9 | 4,996,491 | 3,383,690 |
| Accrued expenses and other current liabilities—Note 5 | 6,066,850 | 7,258,693 |
| **Total Current Liabilities** | 11,176,183 | 10,818,493 |
| **Long-term Debt** —Net of current portion—Note 6 | 86,393,284 | 113,124,116 |
| **Total Liabilities** | 97,569,467 | 123,942,609 |
| **Members' Deficit** —Note 7 | (26,513,494) | (34,747,638) |
| **Total Liabilities and Members' Deficit** | $ 71,055,973 | $ 89,194,971 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Statements of Income

| For the Years Ended December 31 | 2009 | 2008 |
|---|---|---|
| **Net Sales** | $76,420,082 | $142,782,801 |
| **Cost of Sales** (Includes related party cost of sales of $7,003,489 in 2009 and $37,936,198 in 2008)—Note 9 | 47,859,564 | 97,665,641 |
| **Gross Profit** | 28,560,518 | 45,117,160 |
| **Operating Expenses** | 5,830,515 | 8,704,832 |
| **Income From Operations** | 22,730,003 | 36,412,328 |
| **Other Income (Expense)** | | |
| Interest expense | (5,989,605) | (4,898,810) |
| Scrap sales | 13,825 | 689,974 |
| Gain on EURO currency hedge settlement | — | 651,439 |
| Other | 517,241 | 565,124 |
| **Total Other Expense** | (5,458,539) | (2,992,273) |
| **Net Income** | $17,271,464 | $ 33,420,055 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**C/G ELECTRODES LLC AND SUBSIDIARY**

**Consolidated Statements of Members' Deficit**
**For the Years Ended December 31, 2009 and 2008**

| | |
|---|---|
| **Balance** —January 1, 2008 | $ 25,071,166 |
| Unit awards | 940,692 |
| Purchase of member units | (19,950,000) |
| Member distributions | (74,229,551) |
| Net income | 33,420,055 |
| **Balance** —December 31, 2008 | (34,747,638) |
| Unit awards | 5,400 |
| Purchase of member units | (5,600) |
| Member distributions | (9,037,120) |
| Net income | 17,271,464 |
| **Balance** —December 31, 2009 | $(26,513,494) |

*The accompanying notes are an integral part of these consolidated financial statements.*

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Statements of Cash Flows

| For the Years Ended December 31 | 2009 | 2008 |
|---|---|---|
| **Cash Provided by (Used for) Operating Activities** | | |
| Net income | $ 17,271,464 | $ 33,420,055 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 5,412,779 | 4,828,543 |
| Compensation expense—unit awards | 5,400 | 940,692 |
| LIFO inventory reserves | (428,035) | 5,257,906 |
| Interest rate swap | (275,540) | 2,852,651 |
| EURO hedge fair value | 204,587 | (204,587) |
| Changes in | | |
| Accounts and notes receivable | 4,713,551 | (1,449,612) |
| Inventories | 10,483,801 | (16,168,345) |
| Accounts payable | 1,612,801 | (3,177,047) |
| Other | (151,108) | (627,482) |
| **Net Cash Provided by Operating Activities** | 38,849,700 | 25,672,774 |
| **Cash Used for Investing Activities** | | |
| Purchases of property, plant and equipment | (3,572,256) | (13,343,228) |
| **Cash Provided by (Used for) Financing Activities** | | |
| Line of credit—net | (26,617,990) | 86,999,327 |
| Payments on long-term debt | (176,110) | (3,541,270) |
| Loan acquisition fees | (358,581) | (1,520,477) |
| Purchase of units | (5,600) | (19,950,000) |
| Member distributions | (9,037,120) | (74,229,551) |
| **Net Cash Used for Financing Activities** | (36,195,401) | (12,241,971) |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | (917,957) | 87,575 |
| **Cash and Cash Equivalents** —Beginning of year | 1,092,987 | 1,005,412 |
| **Cash and Cash Equivalents** —End of year | $ 175,030 | $ 1,092,987 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**C/G ELECTRODES LLC AND SUBSIDIARY**

**Consolidated Statements of Cash Flows (Continued)**

| For the Years Ended December 31 | 2009 | 2008 |
|---|---|---|
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid during the year for interest | $4,873,607 | $2,184,030 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## Note 1—Summary of Significant Accounting Policies

### *A. Organization and Basis of Consolidation*

C/G Electrodes LLC and its wholly owned subsidiary, C/G Electrodes Export, Inc., a Delaware Limited Liability Company (collectively, the Company), whose members have limited direct liability for Company operations, is engaged primarily in the manufacture, distribution and sale of graphite electrodes for the steel industry. The Company sells to customers throughout America, Europe, Russia, the Middle East and the Peoples Republic of China.

The accompanying consolidated financial statements include the accounts of C/G Electrodes LLC and its wholly owned subsidiary, C/G Electrodes Export, Inc., an Interest Charge Domestic International Sales Corporation (IC-DISC). All material intercompany balances and transactions have been eliminated in consolidation.

### *B. Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *C. Cash and Cash Equivalents*

The Company considers all highly liquid investments with original maturities of less than three months as cash equivalents. Substantially all of the Company’s cash is with a financial institution located in Cleveland, Ohio.

### *D. Accounts and Note Receivable*

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management’s assessment of the credit history with the Company’s customers it believes that realization losses on balances outstanding at year end will not be material. Accordingly, no allowance for doubtful accounts is deemed necessary.

Five customers accounted for approximately 52% of sales in 2009 and four customers accounted for approximately 27% of sales in 2008. Five customers accounted for approximately 45% of accounts receivable at December 31, 2009 and 71% at December 31, 2008.

Included in accounts receivable at December 31, 2009 is a note receivable due from a customer totaling approximately $1,152,000. The note bears interest at 12% with payments to be received monthly through December 31, 2010.

### *E. Revenue Recognition*

Sales and related costs of sales are generally recorded when goods are shipped and title, ownership and risk of loss have passed to the customer, all of which occurs upon shipment or delivery of the product based on applicable shipping terms. The shipping terms may vary depending on the nature of the customer, domestic or foreign, and the type of transportation used. Shipping and handling costs are recognized as a component of cost of sales.

***F. Taxes on Revenue Producing Transactions***

Taxes assessed by governmental authorities on revenue producing transactions, including sales, value added, excise and use taxes, are recorded on a net basis (excluded from revenue) in the income statement.

***G. Inventories***

The Company's inventories are stated at the lower of cost or market. The raw material component of inventory costs has been determined by the last-in, first-out (LIFO) method. The remainder of the Company's inventory costs are determined using the first-in, first-out (FIFO) method.

***H. Property, Plant and Equipment***

Property, plant and equipment are recorded at cost including expenditures for additions and major improvements. Maintenance and repairs which are not considered to extend the useful lives of assets are charged to operations as incurred. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income from operations for the year.

For financial reporting, depreciation of property, plant and equipment is computed using the straight-line method at rates calculated to amortize costs over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

| | Years |
|---|---|
| Buildings | 20 - 40 |
| Machinery and equipment | 5 - 15 |

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable.

***I. Other Assets***

Loan acquisition fees are capitalized and are being amortized on a straight-line basis over the term of the related debt.

Non-compete and licensing agreements are being amortized on a straight-line basis over 10 years.

***J. Derivative Financial Instruments***

During 2009, the Company adopted new accounting standards which require additional disclosures about the Company's objectives and strategies for using derivative instruments, how the derivative instruments and related hedged items are accounted for, and how the derivative instruments and related hedged items affect the consolidated financial statements.

The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value. Derivatives that are not defined as hedges are adjusted to fair value through earnings. For derivative instruments that hedge the exposure to variability in expected future cash flows, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income in stockholders' equity and reclassified into earnings in the same period during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument is recognized in current

earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions. The Company has determined that its interest rate swaps do not qualify for hedge accounting.

***K. Income Taxes***

As a limited liability company, the Company is treated as a partnership for income tax purposes and is not subject to income taxes. The taxable income or loss of the Company is included in the individual income tax returns of its members based upon their percentage of ownership. The IC-DISC is not subject to Federal or state income taxes. Consequently, no provision for income taxes is required in the accompanying consolidated financial statements.

The Company adopted the accounting standard for uncertain tax positions as of January 1, 2009. The standard requires a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is more likely than not that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is 50% likely of being realized upon settlement with a taxing authority. The adoption of this accounting standard did not have an effect on the Company's consolidated financial statements.

***L. Foreign Currency***

The Company sells to European customers. These sales are invoiced in EUROs. Foreign currency exchange gains and losses, including the effect of the translation of the year-end accounts receivable balances from EUROs to U.S. dollars, are included in net income. As a result of foreign currency fluctuations of the Company's trade accounts receivable, the Company recognized a net foreign currency translation loss in net income of approximately $36,000 in 2009 and $152,000 in 2008.

The Company does not believe it has significant exposure to the effects of the risk of fluctuations in foreign currency on receivables denominated in other than U.S. dollars.

***M. Stock-based Compensation***

The Company has employee unit award plans. The Company measures compensation expense for its member unit awards at the grant date based on the fair value of the awards and recognizes the compensation expense over the employee's requisite service period, which is generally the vesting period. The Company estimates the fair value of the units granted using a discounted cash flow valuation model.

***N. Fair Value Measurements***

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

*Level 1* —Quoted prices in active markets for identical assets or liabilities.

*Level 2* —Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* —Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

***O. Recent Accounting Pronouncements***

On September 15, 2009, the Financial Accounting Standards Board Accounting Standards Codification (Codification) became the single source of authoritative generally accepted accounting principles in the United States of America. The Codification changed the referencing of financial standards but did not change or alter existing generally accepted accounting principles in the United States of America. The Codification became effective for the Company at that date.

***P. Subsequent Events***

Management evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 21, 2010, the day the consolidated financial statements were approved and authorized for issue.

**Note 2—Inventories**

Inventories consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Raw materials | $ 7,808,250 | $11,337,775 |
| Work in process | 20,955,393 | 24,332,132 |
| Finished goods | 2,750,089 | 6,447,813 |
| Supplies | 4,676,961 | 4,556,774 |
| | 36,190,693 | 46,674,494 |
| Less amount to reduce certain inventories to LIFO value | 15,616,500 | 16,044,535 |
| Total inventories | $20,574,193 | $30,629,959 |

The use of LIFO increased net income by approximately $428,000 in 2009 and decreased net income by approximately $5,258,000 in 2008.

Approximately 65% and 73% of the Company's inventories at December 31, 2009 and 2008 are costed at the lower of LIFO cost or market.

**Note 3—Property, Plant and Equipment**

Property, plant and equipment consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Land | $ 206,801 | $ 206,801 |
| Buildings | 7,344,600 | 6,052,187 |
| Machinery and equipment | 40,042,257 | 36,983,002 |
| Construction in progress | 6,518,521 | 7,297,933 |
| | 54,112,179 | 50,539,923 |
| Accumulated depreciation | (16,335,555) | (11,335,972) |
| Net property, plant and equipment | $ 37,776,624 | $ 39,203,951 |

Depreciation expense, included in cost of goods sold and operating expenses, amounted to approximately $5,000,000 for 2009 and $4,453,000 for 2008.

**Note 4—Other Assets**

Other assets consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Loan acquisition fees | $1,969,377 | $1,610,795 |
| Non-compete agreements | 500,000 | 500,000 |
| Licensing agreement | 39,032 | 39,032 |
| Other—nonamortizable | 41,424 | 41,424 |
| | 2,549,833 | 2,191,251 |
| Accumulated amortization | (686,632) | (273,435) |
| Net other assets | $1,863,201 | $1,917,816 |

Amortization expense, included in operating expenses, amounted to approximately $413,000 for 2009 and $375,000 for 2008.

The approximate amortization expense for other assets subject to amortization for the five years subsequent to December 31, 2009 is as follows:

| Year Ending December 31 | Amount |
|---|---|
| 2010 | $ 448,000 |
| 2011 | 448,000 |
| 2012 | 448,000 |
| 2013 | 346,000 |
| 2014 | 59,000 |
| Thereafter | 73,000 |
| | $1,822,000 |

**Note 5—Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consisted of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Interest rate swap | $2,901,438 | $3,176,978 |
| Accrued interest | 1,102,303 | — |
| Accrued compensation | 745,610 | 2,485,621 |
| Accrued utilities | 581,695 | 777,998 |
| Other accrued expenses | 735,804 | 818,096 |
| | $6,066,850 | $7,258,693 |

**Note 6—Long-term Debt**

Long-term debt consists of the following at December 31:

| | 2009 | 2008 |
|---|---|---|
| Revolving line of credit | $85,382,010 | $112,000,000 |
| Mortgage note payable—Pennsylvania Industrial Development Authority—due in monthly payments of $12,085, including interest at 3%, matures in November 2018, collateralized by the Company's property | 1,124,116 | 1,233,627 |
| Capital lease obligations—paid in full in 2009 | — | 66,599 |
| | 86,506,126 | 113,300,226 |
| Less: Current portion | 112,842 | 176,110 |
| | $86,393,284 | $113,124,116 |

The Company has a credit agreement (the Agreement) with various financial institutions. The Agreement provides for a revolving line of credit (the line) with maximum borrowings of $100 million, and includes a swingline facility of $10 million and $1 million for standby letters of credit.

Borrowings under the line bear interest at a base rate. The base rate is the greater of lender's Prime Rate (3 1/4% at December 31, 2009) plus a margin or the Federal funds rate (.05% at December 31, 2009) plus 1/2%. The Company has the option to lock in a fixed rate three-month LIBOR (.31% at December 31, 2009) plus a margin on a qualifying portion of the borrowings, as defined in the Agreement. At December 31, 2009, $75 million of the outstanding borrowings were locked in and bear interest at 4.31%, with the remaining outstanding borrowings bearing interest at 6 1/4%.

The line expires in September 2012 and is collateralized by substantially all of the Company's assets along with certain of the Company's member units. The Company's wholly owned subsidiary, C/G Electrodes Export, Inc., is a guarantor of the Agreement. In addition, the Agreement contains certain restrictive covenants which, among other things, require the Company to maintain minimum financial ratios.

Approximate future maturities of long-term debt are as follows:

| Year Ending December 31 | Amount |
|---|---|
| 2010 | $ 113,000 |
| 2011 | 116,000 |
| 2012 | 85,502,000 |
| 2013 | 123,000 |
| 2014 | 127,000 |
| Thereafter | 525,000 |
| | $86,506,000 |

**Note 7—Members' Deficit**

The Company's amended and restated limited liability agreement provides for the allocation of income and distributions to the members, including distributions for the members' income taxes. In January 2010, the Company declared and paid a distribution of approximately $934,000.

***Series A Units***

On October 1, 2008, the Company established the Series A employee unit award plan. The plan authorized 175 Series A units to be issued to non-management employees. The awarded units vested immediately. The units were valued at the grant date based on the underlying discounted cash flow of the Company's enterprise fair value. The plan terminates December 31, 2011. There were no outstanding rights to purchase the member units under this plan.

The Series A units have full voting rights. The units contain various restrictions as to transfers and dilution.

***Series B Units***

Series B units have the same rights and privileges as Series A.

***Series D Units***

The Company has a Series D employee unit award plan. The units were valued at the grant date based on the underlying discounted cash flow of the Company's enterprise fair value. As of December 31, 2009, all units were awarded. The final forfeiture restrictions, as defined in the plan, were released in 2008 and the Company recorded compensation expense of approximately $103,000 which is included in operating expenses in the statements of income.

In addition, as required by the Series D unit agreement, each employee was required to sign a non-compete agreement. The non-compete agreements were valued at $500,000 based on the Company's estimated fair value determined by a discounted cash flow valuation model and are being amortized on a straight-line basis over 10 years. The non-compete agreements are included in other assets on the balance sheet.

The Series A and Series D unit agreements include a call option that allows the Company to acquire the units upon the employees' termination. The agreements also contain a put option which provides the employee or the estate of the employee the option at the employee's death, permanent disability, or the retirement of the

employee after the age of 60, to require the Company to purchase all of the outstanding Series A—non-management and Series D units held by the employees. The put option provides for the purchase of the units based on the fair value of the units as determined by the Company's Board of Directors at the date of the put notice.

In August 2009, the Company entered into agreements to purchase 1,190 of Series D units from four former members. Payments for the units will be made starting June 30, 2010 for five consecutive years.

**Note 8—Retirement Plan**

The Company has a 401(k) plan. The plan generally covers all employees meeting certain age and service requirements and provides for employee elective contributions and Company contributions. The Company's contributions to the 401(k) plan were approximately $265,000 in 2009 and $398,000 in 2008.

**Note 9—Related Party Transactions**

The Company purchases a major portion of its raw materials from Seadrift Coke L.P (Seadrift). Seadrift is related through common ownership and control. Total purchases from Seadrift were approximately $7,003,000 in 2009 and $37,936,000 in 2008. Accounts payable to Seadrift amounted to approximately $3,686,000 at December 31, 2009. There were no accounts payable to Seadrift at December 31, 2008.

**Note 10—Major Suppliers**

The Company purchases all of its premium and super premium coke from two suppliers. Management of the Company believes these two suppliers are adequate for the Company's production requirements; however, the loss of either supplier would interrupt business operations in the short term. One of the suppliers is Seadrift.

**Note 11—Derivative Financial Instruments**

The Company holds derivative financial instruments for the purpose of managing risks related to the variability of future earnings and cash flows caused by changes in interest rates. The Company enters into interest rate swap agreements to manage interest rate risk associated with the Company's variable-rate borrowings. The Company's interest rate swap agreements involve agreements to pay a fixed rate and receive a variable rate, at specified intervals, calculated on an agreed-upon notional amount. At December 31, 2009 and 2008, all derivative instruments are designated as hedges of underlying exposures. The Company does not use any of these instruments for trading or speculative purposes.

At December 31, 2009, the Company had the following interest rate swaps, which fixed the interest rates in the collateralized credit agreement to the extent of the notional amounts of the swap, as noted in the table below:

| Notional Amount | Swap Rate | Exchanged For | Effective Date | Termination Date |
|---|---|---|---|---|
| $ 1,500,000 | 4.68% | LIBOR | June 1, 2006 | June 1, 2011 |
| $ 3,303,572 | 5.47% | LIBOR | January 1, 2006 | January 1, 2013 |
| $50,000,000 | 3.54% | LIBOR | October 1, 2008 | October 1, 2011 |
| $40,000,000 | 2.19% | LIBOR | January 1, 2009 | February 1, 2012 |

The fair value of the swap liability included in accrued expenses and other current liabilities amounted to approximately $2,901,000 as of December 31, 2009 and $3,177,000 as of December 31, 2008. This resulted in a

gain of approximately $276,000 in 2009 and a loss of approximately $3,177,000 in 2008 which is included in interest expense in the consolidated statements of income and as an adjustment to reconcile net income to net cash provided by operating activities in the consolidated statements of cash flows.

**Note 12—Fair Value of Financial Instruments**

The fair value of the interest rate swap contracts is determined on a recurring basis by using a discounted cash flow method using the applicable inputs from the forward interest rate yield curves with the differential between the forward rate and the original stated interest rate of the swap discounted back from the settlement date of the contract to December 31, 2009 within the fair value hierarchy (Level 2 - significant other observable inputs).

The carrying value of cash and cash equivalents, accounts receivable and note receivable and accounts payable approximates fair value because of the short-term maturity of those instruments.

The fair value of the Company's debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The carrying value of debt approximates fair value.

**Note 13—Contingency and Commitment**

The Company is, from time to time, involved in lawsuits arising in the ordinary course of its business. In the opinion of management, resolution of these lawsuits will not have a material effect on the Company's financial position or results of operations.

**Note 14—Subsequent Event**

On April 28, 2010, the Company entered into an agreement and plan of merger with GrafTech International, Ltd. and certain of its subsidiaries (GTI) to sell all of the Members' interests of the Company. GTI also entered into a similar agreement to purchase Seadrift.

Members of the Company will receive $152.5 million in cash less debt (subject to working capital adjustments), 12 million new GTI Shares and non-interest bearing, senior subordinated promissory notes of $100 million. The acquisition by GTI is also subject to the consummation of the Seadrift acquisition and certain anti-trust regulatory provisions which are currently pending. The financial statements have not been adjusted to reflect this transition.

**C/G ELECTRODES LLC AND SUBSIDIARY**

**Consolidated Balance Sheets**

| | September 30, 2010 (Unaudited) | December 31, 2009 (Derived From Audited Statements) |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 773,968 | $ 175,030 |
| Accounts receivable—trade | 12,032,785 | 9,281,658 |
| Note receivable—trade | 235,136 | 1,152,480 |
| Inventories | 19,687,191 | 20,574,193 |
| Other current assets | 288,074 | 232,787 |
| **Total Current Assets** | 33,017,154 | 31,416,148 |
| **Property, Plant and Equipment** —Net of accumulated depreciation of $20,029,576 in 2010 and $16,335,555 in 2009 | 36,421,709 | 37,776,624 |
| **Other Assets** | 1,526,910 | 1,863,201 |
| **Total Assets** | $ 70,965,773 | $ 71,055,973 |
| **LIABILITIES AND MEMBERS' DEFICIT** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt | $ 115,406 | $ 112,842 |
| Accounts payable (includes related party accounts payable of $831,468 in 2010 and $3,686,063 in 2009) | 5,372,159 | 4,996,491 |
| Interest rate swap liabilities | 2,681,386 | 2,901,438 |
| Accrued payroll | 1,414,467 | 845,265 |
| Accrued utilities | 1,078,604 | 581,695 |
| Accrued interest | 712,138 | 1,102,303 |
| Accrued expenses and other current liabilities | 373,489 | 636,149 |
| **Total Current Liabilities** | 11,747,649 | 11,176,183 |
| **Long-term Debt** —Net of current portion | 75,978,675 | 86,393,284 |
| **Total Liabilities** | 87,726,324 | 97,569,467 |
| **Members' Deficit** | (16,760,551) | (26,513,494) |
| **Total Liabilities and Members' Deficit** | $ 70,965,773 | $ 71,055,973 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Statements of Income

| For the Nine Months Ended September 30 | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---|---|
| **Net Sales** | $95,115,556 | $59,107,310 |
| **Cost of Sales** (Includes related party cost of sales of $24,187,036 in 2010 and none in 2009) | 66,924,411 | 35,835,589 |
| **Gross Profit** | 28,191,145 | 23,271,721 |
| **Operating Expenses** | 6,673,078 | 4,230,972 |
| **Income From Operations** | 21,518,067 | 19,040,749 |
| **Other Income (Expense)** | | |
| Interest expense | (4,223,694) | (4,763,604) |
| Other income | 658,171 | 586,691 |
| **Total Other Expense** | (3,565,523) | (4,176,913) |
| **Net Income** | $17,952,544 | $14,863,836 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## C/G ELECTRODES LLC AND SUBSIDIARY

### Consolidated Statements of Cash Flows

| For the Nine Months Ended September 30 | 2010 (Unaudited) | 2009 (Unaudited) |
|---|---|---|
| **Cash Provided by (Used for) Operating Activities** | | |
| Net income | $ 17,952,544 | $ 14,863,836 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 4,030,312 | 4,040,813 |
| LIFO inventory reserves | (285,510) | (428,035) |
| Interest rate swap | (220,052) | (84,784) |
| EURO hedge fair value | — | 204,587 |
| Changes in | | |
| Accounts and note receivable | (1,833,783) | 8,225,147 |
| Inventories | 1,172,512 | 13,532,702 |
| Accounts payable | 375,668 | (2,711,068) |
| Accrued expense and other current liabilities | 413,286 | (749,293) |
| Other | (55,287) | 826,746 |
| **Net Cash Provided by Operating Activities** | 21,549,690 | 37,720,651 |
| **Cash Used for Investing Activities** | | |
| Purchases of property, plant and equipment | (2,339,106) | (3,400,413) |
| **Cash Used for Financing Activities** | | |
| Line of credit—net | (10,327,732) | (25,728,256) |
| Payments on long-term debt | (84,313) | (139,470) |
| Loan acquisition fees | — | (358,582) |
| Purchase of units | (1,800) | (3,600) |
| Member distributions | (8,197,801) | (9,034,310) |
| **Net Cash Used for Financing Activities** | (18,611,646) | (35,264,218) |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 598,938 | (943,980) |
| **Cash and Cash Equivalents** —Beginning of period | 175,030 | 1,092,987 |
| **Cash and Cash Equivalents** —End of period | $ 773,968 | $ 149,007 |

### Supplemental Disclosure of Cash Flow Information

| | | |
|---|---|---|
| Cash paid during the period for interest | $ 4,223,694 | $ 4,763,604 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## Note 1—Summary of Significant Accounting Policies

### *A. Interim Financial Presentation*

These interim consolidated financial statements of C/G Electrodes LLC and Subsidiary (the Company) are unaudited; however, in the opinion of management, they have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements, including the accompanying notes, for the year ended December 31, 2009.

The unaudited consolidated financial statements reflect all adjustments (all of which are of a normal, recurring nature) which management considers necessary for a fair statement of financial position, results of operations and cash flows for the interim periods presented. The results for the interim periods are not necessarily indicative of results which may be expected for any other interim period or for the full year.

### *B. Foreign Currency*

The Company sells to European customers. These sales are invoiced in EUROs. Foreign currency exchange gains and losses, including the effect of the translation of the September 30, 2010 and December 31, 2009 year-end accounts receivable balances from EUROs to U.S. dollars, are included in net income as a component of sales. As a result of foreign currency fluctuations on the Company's trade accounts receivable, the Company recognized a net foreign currency translation loss in net income of approximately $221,000 for the nine-month period ended September 30, 2010 and a net foreign currency translation gain in net income of approximately $6,000 for the nine-month period ended September 30, 2009.

The Company does not believe it has significant exposure to the effects of the risk of fluctuations in foreign currency on receivables denominated in other than U.S. dollars.

### *C. Reclassifications*

Certain reclassifications have been made to the December 31, 2009 financial statements to conform with the September 30, 2010 presentation.

## Note 2—Inventories

Inventories consisted of the following at:

| | September 30, 2010 | December 31, 2009 |
|---|---|---|
| Raw materials | $ 5,995,111 | $ 7,808,250 |
| Work-in-process | 21,727,589 | 20,955,393 |
| Finished goods | 2,531,249 | 2,750,089 |
| Supplies | 4,764,232 | 4,676,961 |
| | 35,018,181 | 36,190,693 |
| Less: Amount to reduce certain inventories to LIFO value | 15,330,990 | 15,616,500 |
| Total inventories | $19,687,191 | $20,574,193 |

Cost of sales was decreased by approximately $286,000 for the nine-month period ended September 30, 2010 and $428,000 for the nine-month period ended September 30, 2009 as a result of LIFO liquidations.

Interim LIFO liquidations expected to be replaced at year end have been reflected in the cost of sales as the difference between the LIFO cost and replacement cost for the periods ended September 30, 2010 and 2009.

**Note 3—Long-term Debt**

Long-term debt at September 30, 2010 and December 31, 2009 primarily consists of a line of credit. Borrowings under the line bear interest at a base rate. The base rate is the greater of lender's Prime Rate (3 1/4% at September 30, 2010) plus a margin or the Federal funds rate (.09% at September 30, 2010) plus 1/2%. The Company has the option to lock in a fixed rate at LIBOR rate plus a margin (4.0% at September 30, 2010) on a qualifying portion of the borrowings, as defined in the agreement. At September 30, 2010, the Company has the following outstanding borrowings interest rate locked:

| Outstanding Borrowings | LIBOR | Rate Locked Through |
|---|---|---|
| $70,000,000 | .31% | October 6, 2010 |

The remaining outstanding borrowings on the line bear interest at 6 1/4%.

**Note 4—Members' Deficit**

The Company has declared and paid distributions of approximately $8,198,000 during the nine-month period ended September 30, 2010.

**Note 5—Related Party Transactions**

The Company purchases a major portion of its raw materials from Seadrift Coke, L.P. (Seadrift). Seadrift is related through common ownership and control. Total purchases from Seadrift were approximately $24,187,000 for the nine-month period ended September 30, 2010. There were no purchases for the nine-month period ended September 30, 2009. Accounts payable to Seadrift amounted to approximately $831,000 at September 30, 2010 and $3,686,000 at December 31, 2009.

**Note 6—Derivative Financial Instruments**

The Company holds derivative financial instruments for the purpose of managing risks related to the variability of future earnings and cash flows caused by changes in interest rates. The Company enters into interest rate swap agreements to manage interest rate risk associated with the Company's variable-rate borrowings. The Company's interest rate swap agreements involve agreements to pay a fixed rate and receive a variable rate, at specified intervals, calculated on an agreed-upon notional amount. At September 30, 2010 and December 31, 2009, all derivative instruments are designated as hedges of underlying exposures. The Company does not use any of these instruments for trading or speculative purposes.

At September 30, 2010, the Company had the following interest rate swaps, which fixed the interest rates in the collateralized credit agreement to the extent of the notional amounts of the swap, as noted in the table below:

| Notional Amount | Swap Rate | Exchanged For | Effective Date | Termination Date |
|---|---|---|---|---|
| $ 1,000,000 | 4.68% | LIBOR | June 1, 2006 | June 1, 2011 |
| $ 2,500,000 | 5.47% | LIBOR | January 1, 2006 | January 1, 2013 |
| $50,000,000 | 3.54% | LIBOR | October 1, 2008 | October 1, 2011 |
| $40,000,000 | 2.19% | LIBOR | January 1, 2009 | February 1, 2012 |

The fair value of the swap liability included in interest rate swap liabilities amounted to approximately $2,681,000 as of September 30, 2010 and $2,901,000 as of December 31, 2009. The fair value adjustments for the interest rate swaps resulted in gains of approximately $220,000 for the nine-month period ended September 30, 2010 and losses of approximately $85,000 for the nine-month period ended September 30, 2009. These adjustments offset interest expense in the consolidated statements of income and as an adjustment to reconcile net income to net cash provided by operating activities in the consolidated statements of cash flows.

**Note 7—Fair Value of Financial Instruments**

The fair value of the interest rate swap contracts is determined on a recurring basis by using a discounted cash flow method using the applicable inputs from the forward interest rate yield curves with the differential between the forward rate and the original stated interest rate of the swap discounted back from the settlement date of the contract to September 30, 2010 and December 31, 2009 within the fair value hierarchy (Level 2 - significant other observable inputs).

The carrying value of cash and cash equivalents, accounts receivable, note receivable and accounts payable approximates fair value because of the short-term maturity of those instruments.

The fair value of the Company’s debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The carrying value of debt approximates fair value.

**Note 8—Contingency and Commitment**

The Company is, from time to time, involved in lawsuits arising in the ordinary course of its business. In the opinion of management, resolution of these lawsuits will not have a material effect on the Company’s financial position or results of operations.

**Note 9—Potential Sale**

On April 28, 2010, the Company entered into an agreement and plan of merger with GrafTech International, Ltd. and certain of its subsidiaries (GTI) to sell all of the members’ interests of the Company. GTI also entered into a similar agreement to purchase Seadrift Coke, L.P.

Members of the Company will receive $152.5 million in cash less debt (subject to working capital adjustments), 12 million new GTI shares and non-interest bearing, senior subordinated promissory notes of $100 million. The acquisition by GTI is also subject to the consummation of the Seadrift Coke, L.P. acquisition and certain anti-trust regulatory provisions which are currently pending. The consolidated financial statements have not been adjusted to reflect this transition.

Acquisition costs are accounted for as expense in the periods in which the costs are incurred. Total legal, accounting, regulatory and other professional costs incurred for the nine months ended September 30, 2010 were approximately $1,583,000 and are included in operating expense in the consolidated statements of income. Approximately $1,258,000 of these costs are included in accounts payable in the consolidated balance sheet as of September 30, 2010.

## GRAFTECH, SEADRIFT AND C/G UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheets of GrafTech, Seadrift, and C/G as if the merger took place on September 30, 2010.

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2009 and for the nine months ended September 30, 2010 combine the historical consolidated statements of operations for GrafTech, Seadrift and C/G as if the merger took place on January 1, 2009.

The historical consolidated financial information has been adjusted in the unaudited condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the statements of operations, expected to have a continuing impact on the combined company's results. The pro forma adjustments are described in the accompanying footnotes.

The unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the following historical consolidated financial statements and accompanying notes of GrafTech, Seadrift, and C/G for the applicable periods, which are included in this document:

- Separate unaudited financial statements of GrafTech as of and for the nine months ended September 30, 2010;
- Separate historical financial statements of GrafTech as of and for the year ended December 31, 2009;
- Separate unaudited financial statements of Seadrift as of and for the nine months ended September 30, 2010;
- Separate historical financial statements of Seadrift as of and for the year ended December 31, 2009;
- Separate unaudited financial statements of C/G as of and for the nine months ended September 30, 2010; and
- Separate historical financial statements of C/G as of and for the year ended December 31, 2009.

The unaudited pro forma condensed combined financial information is presented for information purposes only and is not intended to represent or be indicative of the combined results of operations or financial position that we would have reported had the acquisitions been completed as of the date and for the periods presented, and should not be taken as representative of our consolidated results of operations or financial condition following completion of the acquisitions. In addition, the unaudited pro forma condensed combined financial information is not intended to project the future financial position or

results of operations of the combined company. Transactions between Seadrift and either GrafTech or C/G during the periods presented have been eliminated in the unaudited pro forma condensed combined financial information. There were no material transactions between GrafTech and C/G during the periods presented that are required to be eliminated. In the future, to the extent the combined company uses Seadrift coke to manufacture any products, Seadrift's profit will not be recognized until the coke is used to produce a finished product and the associated finished product is delivered to our end customer. Given the manufacturing process time for graphite electrodes, for example, this could result in Seadrift's profits being delayed 3 to 6 months versus Seadrift product sales to third parties.

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting under existing U.S. generally accepted accounting principles ("GAAP"). GrafTech has been treated as the acquirer. The acquisition accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited condensed combined financial information. Differences between these preliminary management estimates (for example estimates as to value of acquired property and equipment and intangibles) and the final acquisition accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma combined financial information does not reflect any cost savings, operational synergies or revenue enhancements that the combined company may achieve as a result of the merger or the costs to combine the operations or the costs necessary to achieve cost savings, operating synergies and revenue enhancements.

**GrafTech International Ltd., Seadrift Coke L.P. and C/G Electrodes LLC**

**Pro Forma Unaudited Condensed Combined Statement of Operations**
**For the Year Ended December 31, 2009**

| | GrafTech | Seadrift | CG | Pro Forma Adjustments | Pro Forma Combined |
|---|---|---|---|---|---|
| | | *(dollars in thousands, except per share information)* | | | |
| Net sales | $659,044 | $74,309 | $76,420 | $ (7,003)(a) | $802,770 |
| Cost of sales | 467,939 | 55,632 | 47,860 | 13,783(b) | 585,214 |
| Gross profit | 191,105 | 18,677 | 28,560 | (20,786) | 217,556 |
| Research and development | 10,168 | 0 | 0 | 0 | 10,168 |
| Selling and administrative expenses | 82,325 | 7,045 | 5,831 | (439)(c) | 94,762 |
| Operating income | 98,612 | 11,632 | 22,729 | (20,347) | 112,626 |
| Equity in losses of non-consolidated affiliates | 55,488 | | | (55,488)(d) | 0 |
| Other (income), net | 1,868 | 11,038 | (531) | 878(e) | 13,253 |
| Interest expense | 5,609 | 1,956 | 5,990 | 7,802(f) | 21,357 |
| Interest income | (1,047) | 0 | 0 | 0 | (1,047) |
| Income (loss) before provision for income taxes | 36,694 | (1,362) | 17,270 | 26,461 | 79,063 |
| Provision for income taxes | 24,144 | 0 | 0 | (26,035)(g) | (1,891) |
| Net income (loss) | $ 12,550 | $ (1,362) | $17,270 | $ 52,496 | $ 80,954 |
| Basic income per common share: | | | | | |
| Net income per share | $ 0.10 | | | | $ 0.56 |
| Weighted average common shares outstanding (in thousands) | 119,707 | | | 24,000(h) | 143,707 |
| Diluted income per common share: | | | | | |
| Net income per share | $ 0.10 | | | | $ 0.56 |
| Weighted average common shares outstanding (in thousands) | 120,733 | | | 24,000(h) | 144,733 |

See the accompanying notes to the unaudited pro forma condensed combined financial statements which are an integral part of these statements. The pro forma adjustments are explained in Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations for the Year Ended December 31, 2009 and for the Nine Months Ended September 30, 2010.

**GrafTech International Ltd., Seadrift Coke L.P. and C/G Electrodes LLC**

**Pro Forma Unaudited Condensed Combined Statement of Operations**
**For the Nine Months Ended September 30, 2010**

| | GrafTech | Seadrift | CG | Pro Forma Adjustments | Pro Forma Combined |
|---|---|---|---|---|---|
| | | *(dollars in thousands, except per share information)* | | | |
| Net sales | $725,754 | $118,958 | $95,116 | $ (26,676)(a) | $913,152 |
| Cost of sales | 507,892 | 80,750 | 66,924 | (19,100)(b) | 636,466 |
| Gross profit | 217,862 | 38,208 | 28,192 | (7,576) | 276,686 |
| Research and development | 9,261 | 0 | 0 | 0 | 9,261 |
| Selling and administrative expenses | 85,412 | 8,110 | 6,673 | (15,457)(c) | 84,738 |
| Operating income | 123,189 | 30,098 | 21,519 | 7,881 | 182,687 |
| Equity in (earnings) of non-consolidated affiliates | (2,326) | 0 | 0 | 2,326(d) | 0 |
| Other (income), net | (1,744) | 433 | (658) | 0 | (1,969) |
| Interest expense | 3,063 | 700 | 4,224 | 6,809(f) | 14,796 |
| Interest income | (1,228) | 0 | 0 | 0 | (1,228) |
| Income (loss) before provision for income taxes | 125,424 | 28,965 | 17,953 | (1,254) | 171,088 |
| Provision for income taxes | 27,962 | 0 | 0 | 15,520(g) | 43,482 |
| Net income (loss) | $ 97,462 | $ 28,965 | $17,953 | $ (16,774) | $127,606 |
| Basic income per common share: | | | | | |
| Net income per share | $ 0.81 | | | | $ 0.88 |
| Weighted average common shares outstanding (in thousands) | 120,484 | | | 24,000(h) | 144,484 |
| Diluted income per common share: | | | | | |
| Net income per share | $ 0.80 | | | | $ 0.88 |
| Weighted average common shares outstanding (in thousands) | 121,242 | | | 24,000(h) | 145,242 |

See the accompanying notes to the unaudited pro forma condensed combined financial statements which are an integral part of these statements. The pro forma adjustments are explained in Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations for the Year Ended December 31, 2009 and for the Nine Months Ended September 30, 2010.

**GrafTech International Ltd., Seadrift Coke L.P. and C/G Electrodes LLC**

**Pro Forma Unaudited Condensed Combined Balance Sheet**
**As of September 30, 2010**

| | GrafTech | Seadrift | C/G | Pro Forma Adjustments | Pro Forma Combined |
|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | |
| **Assets** | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | $ 66,503 | $ 5,408 | $ 774 | $ (66,000)(A) | $ 6,685 |
| Accounts and notes receivable | 158,687 | 22,252 | 12,268 | (831)(B) | 192,376 |
| Inventories, net | 283,337 | 22,599 | 19,687 | 25,529(C) | 351,152 |
| Prepaid expenses and other current assets | 13,371 | 417 | 288 | 4,067(D) | 18,143 |
| Total current assets | 521,898 | 50,676 | 33,017 | (37,235) | 568,356 |
| Property, plant and equipment, net | 392,899 | 72,547 | 36,422 | 237,505(E) | 739,373 |
| Deferred income taxes | 11,125 | 0 | 0 | (7,023)(F) | 4,102 |
| Goodwill | 9,524 | 0 | 0 | 393,351(G) | 402,875 |
| Other assets | 11,998 | 136 | 1,527 | 176,007(H) | 189,668 |
| Investment in nonconsolidated affiliate | 65,641 | 0 | 0 | (65,641)(I) | 0 |
| Restricted cash | 1,161 | 0 | 0 | 0 | 1,161 |
| Total assets | $1,014,246 | $123,359 | $ 70,966 | $ 696,964 | $1,905,535 |
| **Liabilities and Stockholders' Equity** | | | | | |
| Current liabilities | | | | | |
| Accounts payable | $ 41,941 | $ 1,189 | $ 5,372 | $ (831)(B) | $ 47,671 |
| Short-term debt | 9 | 41 | 115 | | 165 |
| Accrued income and other taxes | 34,484 | 1,092 | 0 | 9,589(J) | 45,165 |
| Supply chain financing liability | 25,460 | 0 | 0 | 0 | 25,460 |
| Other current liabilities | 0 | 0 | 0 | 20,000(A) | 20,000 |
| Other accrued liabilities | 92,965 | 8,725 | 6,260 | (2,681)(K) | 105,269 |
| Total current liabilities | 194,859 | 11,047 | 11,747 | 26,077 | 243,730 |
| Long-term debt | 1,383 | 141 | 75,979 | 232,109(L) | 309,612 |
| Other long-term obligations | 104,492 | 1,104 | 0 | 0 | 105,596 |
| Deferred income taxes | 29,097 | 0 | 0 | 51,440(M) | 80,537 |
| Contingencies | 0 | 800 | 0 | 0 | 800 |
| Stockholders' equity | | | | | |
| Preferred stock | 0 | 0 | 0 | 0 | 0 |
| Common stock/capital | 1,247 | 9,781 | 7,913 | (17,454)(N) | 1,487 |
| Additional paid-in capital | 1,309,170 | 0 | 0 | 440,880(N) | 1,750,050 |
| Accumulated other comprehensive loss | (303,597) | 0 | 0 | 0 | (303,597) |
| Accumulated (deficit) earnings | (207,740) | 100,486 | 15,012 | (75,773)(O) | (168,015) |
| Common stock/capital held in treasury and in employee trusts | (114,665) | 0 | (39,685) | 39,685(P) | (114,665) |
| Total stockholders' equity | 684,415 | 110,267 | (16,760) | 387,338 | 1,165,260 |
| Total liabilities and stockholders' equity | $1,014,246 | $123,359 | $ 70,966 | $ 696,964 | $1,905,535 |

See the accompanying notes to the unaudited pro forma condensed combined financial statements which are an integral part of these statements. The pro forma adjustments are explained in Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2010.

## GRAFTECH, SEADRIFT AND C/G NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

### Description of Transaction

On April 28, 2010, we, and certain of our subsidiaries, entered into an agreement and plan of merger with Seadrift Coke, L.P. ("Seadrift"), a Delaware limited partnership, and certain of its partners, to acquire all of the equity interests of Seadrift that we do not already own. We owned limited partnership units constituting approximately 18.9% of the equity interests in Seadrift at the time of the agreement. At the same time, we, and certain of our subsidiaries, entered into an agreement and plan of merger with C/G Electrodes, LLC ("C/G"), a Delaware limited liability company, and certain of its members.

In connection with the acquisitions, GrafTech reorganized into a new holding company structure pursuant to the agreements and plans of merger and Section 251(g) of the General Corporation Law of the State of Delaware. The new holding company ("New GTI") was identical to our then existing holding company, GrafTech ("Old GTI"), in all material respects, including its Board of Directors, management and capital structure. At the closing of the mergers, all outstanding shares of our common stock were automatically converted into identical common stock representing the same percentage ownership of and voting rights in the New GTI, which is also a Delaware corporation. Each Old GTI Share issued and outstanding immediately prior to the reorganization was converted into and exchanged for one share, par value $0.01 per share, of common stock of the New GTI (each, a "New GTI Share"), having the same rights, powers, preferences, qualifications, limitations and restrictions as the Old GTI Shares. Immediately after the merger, the new holding company was renamed GrafTech International Ltd. and the name of Old GTI was changed to GrafTech Holdings Inc.

The consideration paid for Seadrift consisted of $90.0 million in cash (including working capital adjustments), approximately 12 million New GTI Shares and non-interest bearing, senior subordinated promissory notes in an aggregate face amount of $100 million due in 2015. The consideration paid for C/G consisted of $160.6 million in cash (including working capital adjustments), approximately 12 million New GTI Shares and non-interest bearing, senior subordinated promissory notes in an aggregate face amount of $100 million due in 2015. Approximately $165 million of the cash consideration paid in connection with the acquisitions was funded through borrowings under our principal revolving credit facility, as amended and restated on April 28, 2010. The balance of the cash portion of the purchase price, approximately $86 million, was paid from cash on hand. The New GTI Shares were delivered on November 30, 2010, the date that the acquisitions of Seadrift and C/G were completed. GrafTech stockholders did not have dissenters' rights or appraisal rights in connection with this reorganization.

The consummation of the Seadrift and C/G mergers was simultaneous.

### Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting and was based on the historical financial statements of GrafTech, Seadrift and C/G. The acquisition method of accounting is based on Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* , which GrafTech adopted on January 1, 2009 and uses the fair value concepts defined in ASC Topic 820, *Fair Value Measurements and Disclosures* , which GrafTech has adopted as required.

The acquisition method of accounting requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. Financial statements of GrafTech issued after completion of the merger will reflect such fair values, measured as of the acquisition date, which may be different than the estimated fair values included in these unaudited pro forma condensed combined financial statements. The financial statements of GrafTech issued after the completion of the merger will not be retroactively restated to reflect the historical financial position or results of operations of Seadrift and C/G. In addition, the consideration to be transferred is to be measured at the closing date of the merger at the then-current market price, which will likely result in the per share equity and debt components that are different from the amount reflected in these in these unaudited pro forma condensed combined financial statements.

ASC Topic 820 defines the term “fair value”, sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” In addition, market participants are assumed to be unrelated buyers and sellers in the principal (or most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, GrafTech may be required to record assets which are not intended to be used or may be sold and/or to value assets at fair value measures that do not reflect GrafTech’s intended use of those assets. Many of these fair value measurements can be highly subjective and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Acquisition costs (i.e., advisory, legal, valuation, other professional fees, etc.) are accounted for as expenses in the periods in which the costs are incurred. Total advisory, legal, regulatory and valuation costs expected to be incurred by GrafTech are estimated to be approximately $16 million, of which $12.3 million was expensed in the nine months ended September 30, 2010 and an immaterial amount in the year ended December 31, 2009. Total advisory, legal, and other professional fees expensed by Seadrift in the nine months ended September 30, 2010 were $1.5 million; none were expensed in the year ended December 31, 2009. Total advisory, legal, and other professional fees expensed by C/G in the nine months ended September 30, 2010 were $1.6 million; none were expensed in the year ended December 31, 2009.

**Accounting Policies**

Upon completion of the merger, GrafTech will perform a detailed review of Seadrift’s and C/G’s accounting policies. As a result of that review, GrafTech may identify differences between the accounting policies of the three companies that, when conformed, could have a material impact on the combined financial statements. At this time, GrafTech has identified that Seadrift and C/G use the last-in, first-out (“LIFO”) method for costing its raw material inventory. The unaudited pro forma financial information has been adjusted to reflect the assumption that Seadrift and C/G will use the first-in, first-out (“FIFO”) method of valuing inventory.

**Estimate of Consideration Expected to be Transferred**

The following is an estimate of the consideration expected to be transferred to effect the acquisition of the remaining 81.1% of Seadrift and C/G (dollars in thousands):

| | Seadrift | C/G | Total |
|---|---|---|---|
| Cash | | | |
| Agreed amount subject to debt and working capital adjustments | $ 78,500 | $152,500 | $231,000 |
| Debt adjustments | (1,891) | | (1,891) |
| Net working capital adjustments | 13,373 | 8,084 | 21,457 |
| Net cash consideration | 89,982 | 160,584 | 250,566 |
| Fair value of common stock issued (based upon the November 23, 2010 closing price of our common stock—$18.38) | 220,560 | 220,560 | 441,120 |
| Fair value of non-interest bearing, five-year senior subordinated note | 71,299 | 71,299 | 142,598 |
| Total consideration expected to be transferred | $381,841 | $452,443 | $834,284 |

Our acquisition of the remaining units of Seadrift results in our obtaining control. Under ASC Topic 820 we are required to remeasure our previously held equity interest (18.9% ownership) to its fair value at the effective time of the merger. Our estimate of the fair value of our previously held investment of $74.9 million at September 30, 2010 is greater than its carrying value of $65.6 million by $9.3 million. GrafTech will recognize this difference as a gain in the income statement at the effective time of the merger. The unaudited pro forma condensed combined results of operation for the year ended December 31, 2009 and for the nine months ended September 30, 2010 do not include this gain. The unaudited pro forma condensed combined balance sheet reflects an adjustment of retained earnings for the gain—See Note (O) Adjustments to Unaudited Pro Forma Condensed Balance Sheet as of September 30, 2010. Our estimates of fair value and the gain are preliminary and subject to change and could vary materially from the actual amounts on the closing date. A change in the estimated fair value would affect goodwill.

The estimated consideration expected to be transferred reflected in these unaudited pro forma condensed combined financial statements does not purport to represent what the actual consideration that will be transferred when the merger is completed. The fair value of equity securities issued is required to be measured on November 30, 2010, the closing date of the merger, at the then-current market price. This requirement will likely result in a per share equity component different from the $18.38 assumed in these unaudited pro forma condensed combined financial statements and that difference may be material. GrafTech believes that an increase or decrease by as much as $1.00 in the GrafTech common stock price on the closing date of the merger from the common stock price assumed in these unaudited pro forma condensed combined financial statements is reasonably possible based on the recent history of GrafTech common stock price. A change of this magnitude would increase or decrease the consideration expected to be transferred by about $24 million which would be reflected in these unaudited pro forma condensed combined financial statements as an increase or decrease to goodwill.

In addition, the fair value of the unsecured subordinated notes issued is required to be measured using market interest rates as of the closing date. The interest rates used for pro forma purposes are based on current market rates.

**Estimate of Assets to be Acquired and Liabilities to be Assumed**

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by GrafTech in the merger, reconciled to the estimate of consideration expected to be transferred (dollars in thousands):

| | Seadrift | C/G | Total |
|---|---|---|---|
| Total estimated consideration expected to be transferred | $381,841 | $452,443 | $834,284 |
| Fair value of our equity in Seadrift held prior to acquisition (a) | 74,870 | | 74,870 |
| Aggregate value to be allocated to identifiable net assets, with residual to goodwill | 456,711 | 452,443 | 909,154 |
| Allocation to identifiable net assets: | | | |
| Cash | 5,408 | 774 | 6,182 |
| Accounts and notes receivable (b) | 21,421 | 12,268 | 33,689 |
| Inventories (b) | 37,882 | 29,933 | 67,815 |
| Other current assets | 417 | 288 | 705 |
| Property, plant and equipment | 250,000 | 96,475 | 346,475 |
| Customer relationships (c) | 39,313 | 81,000 | 120,313 |
| Technology and know-how | 27,300 | 30,000 | 57,300 |
| Other long-term assets | 0 | 56 | 56 |
| Accounts payable and accrued liabilities (b) | (11,006) | (8,120) | (19,126) |
| Debt and capital lease obligations | (182) | (1,040) | (1,222) |
| Deferred income taxes—liability | (54,197) | (40,283) | (94,480) |
| Other long-term liabilities | (1,904) | 0 | (1,904) |
| Total allocated to identifiable net assets | 314,452 | 201,351 | 515,803 |
| Goodwill | $142,259 | $251,092 | $393,351 |

(a) Includes an estimated gain of $9.3 million resulting from remeasuring GrafTech's previously held equity interests in Seadrift.
(b) Net of related party activity.
(c) Includes derecognition of the C/G customer relationship intangible asset of $4.4 million recognized by Seadrift; however, eliminated as a related party amount when both acquisitions are consummated.

These preliminary estimates of fair value and weighted-average useful life will likely differ from the amounts reported in the final acquisition accounting, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. Once GrafTech and our third party valuation advisors have full access to the specifics of Seadrift's and C/G's long-lived assets, additional insight will be gained that could impact: (i) the estimated total value assigned to long-lived assets; (ii) the estimated allocation of value between finite-lived and indefinite-lived assets and/or (iii) the estimated weighted-average useful life of each category of long-lived assets.

Following is a discussion of the adjustments made to Seadrift's and C/G's assets and liabilities in connection with the preparation of these unaudited pro forma condensed combined financial statements:

*Investment in Non-consolidated Affiliate* : ASC Topic 820 requires that an acquirer remeasure its previously held equity interest in an acquiree at its acquisition date fair value and recognize the resulting gain or loss in earnings. The gain is calculated based on the acquisition date fair value of our 18.9% ownership of Seadrift, which will be determined by discounting the estimated cash flows of Seadrift.

*Property, plant and equipment* : As of the effective time of the merger, property, plant and equipment is required to be measured at fair value, unless those assets are classified as held-for-sale on the acquisition date. The acquired assets can include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. Based on internal assessments for purposes of these unaudited pro forma condensed combined financial statements, it is assumed that all assets will be used in a manner that represents their highest and best use. This estimate of fair value is preliminary and subject to change and could vary materially from the actual adjustment on the closing date. For each $10 million change of fair value adjustment that changes property, plant and equipment, there could be an annual increase or decrease in depreciation expense of approximately $0.6 million per year, assuming a weighted-average useful life of 17.5 years.

*Intangible assets* : As of the effective time of the merger, identifiable intangible assets are required to be measured at fair value and these acquired assets could include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements, it is assumed that all assets will be used in a manner that represents their highest and best use.

The fair value of these intangible assets is normally determined primarily through the use of the "income approach," which requires an estimate or forecast of all the expected future cash flows through the use of either the multi-period excess earnings method or relief-from-royalty method. At this time, GrafTech does not have sufficient information as to the amount, timing and risk of the estimated future cash flows needed to value the customer relationships/contracts and needle coke manufacturing technology and know-how. Some of the more significant assumptions in the development of estimated cash flows, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue, cost of goods sold, sales and marketing expenses, and working capital/contributory asset charges) and the discount rate selected to measure the risks inherent in the future cash flows. However, based on an internal revaluation of the third party valuation when we acquired our 18.9% ownership in Seadrift, as well as internal assessments, GrafTech has identified the following significant intangible assets: customer relationships/contracts and needle coke manufacturing technology and know-how. For purposes of these unaudited pro forma condensed combined financial statements, GrafTech management estimated the fair values of the intangible assets as follows: customer relationships/contracts—$120.3 million with a weighted average useful life of 15 years; and the needle coke and graphite electrode manufacturing technologies and know-how—$57.3 million with a weighted average useful life of 10 years. For each $10 million change of fair value adjustment that changes intangible assets, there could be an annual increase or decrease in amortization expense of approximately $0.8 million per year, assuming a weighted-average useful life of 13 years

*Debt and other long-term obligations* : C/G's bank debt and interest rate swaps will be repaid with a portion of the cash consideration at the time of the merger. We have based our pro forma calculations using the balances at September 30, 2010—bank debt of $75.0 million and interest rate swaps of $2.7 million. We will assume Seadrift's capital lease and C/G's indebtedness to the Pennsylvania Industrial Development Authority and record them at their merger date fair values.

*Deferred taxes* : As of the effective time of the merger, GrafTech will provide deferred taxes and other tax adjustments as part of the accounting for the acquisition, primarily related to the estimated fair value adjustments made to certain assets acquired and liabilities assumed.

*Other long-term liabilities and contingencies* : As of the effective time of the merger, contingencies are required to be measured at fair value if the acquisition-date fair value of the asset or liability arising from the contingency can be determined. If the acquisition-date fair value of the asset or liability cannot be determined, the asset or liability would be recognized at the acquisition date if both of the following criteria are met: (i) it is probable that an asset existed or that a liability had been incurred at the acquisition date, and (ii) the amount of the asset or liability can be reasonably estimated. These criteria are to be applied using the guidance in ASC Topic 405, *Contingencies* . The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement.

*Goodwill* : Goodwill is calculated as the difference between (i) the sum of the acquisition-date fair value of the consideration expected to be transferred and the fair value of the previously held equity interest and (ii) the values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized but rather subject to an annual fair value impairment test.

*Related Party Transactions* : Sales of product from Seadrift to C/G and to GrafTech during the periods presented have been eliminated in the unaudited pro forma condensed combined financial statements. Interest expense on the loan from GrafTech to Seadrift has also been eliminated. There were no other material transactions between GrafTech and Seadrift or C/G during the periods presented.

**Adjustments to GrafTech, Seadrift and C/G Unaudited Pro Forma Condensed Combined Statements of Operations for the Year Ended December 31, 2009 and for the Nine Months Ended September 30, 2010**

(a) To record the elimination of sales of product from Seadrift to C/G and to GrafTech.

| | Year Ended December 31, 2009 | Nine Months Ended September 30, 2010 |
|---|---|---|
| Sales of product from Seadrift to C/G | $ (7,003) | $ (24,187) |
| Sales of product from Seadrift to GrafTech | 0 | (2,489) |
| | $ (7,003) | $ (26,676) |

(b) Reflects the elimination of sales from Seadrift to C/G and to GrafTech and the related party profit pertaining to C/G's inventory; the change in accounting for inventories from the LIFO method to the FIFO method; and increased depreciation and amortization resulting due to recording property, plant and equipment and intangible assets at their fair values. The components of the adjustments to cost of sales are (dollars in thousands):

| | Year Ended December 31, 2009 | Nine Months Ended September 30, 2010 |
|---|---|---|
| Related party eliminations | $ (7,995) | $ (31,761) |
| Reversal of (expense) benefit previously recognized resulting from change in accounting for inventories from LIFO method to FIFO method | (1,903) | (4,723) |
| Increased depreciation and amortization due to recording property, plant and equipment and intangible assets at their fair values | 23,681 | 17,384 |
| | $ 13,783 | $ (19,100) |

(c) The components of the adjustment to selling and administrative expenses are (dollars in thousands):

| | Year Ended December 31, 2009 | Nine Months Ended September 30, 2010 |
|---|---|---|
| Reversal of amortization of other assets—Seadrift | $ (26) | $ (9) |
| Reversal of amortization of other assets—C/G | (413) | (56) |
| Elimination of transaction fees—Seadrift | | (1,461) |
| Elimination of transaction fees—C/G | | (1,583) |
| Elimination of transaction fees—GrafTech | | (12,348) |
| | $ (439) | $ (15,457) |

(d) To eliminate equity in (earnings) losses (including non-cash write-down of investment of $52.8 million in 2009) of non-consolidated affiliate as a result of now owning 100% of Seadrift.

(e) To eliminate gains on interest rate swaps for the year ended December 31, 2009.

(f) Reflects the change in interest expense (dollars in thousands):

| | Year Ended December 31, 2009 | Nine Months Ended September 30, 2010 |
|---|---|---|
| Reversal of interest on debt and interest rate swaps repaid at acquisition | $ (8,222) | $ (5,209) |
| Interest expense on new borrowings under GrafTech credit agreement and amortization of non interest bearing note issued (1) | 16,024 | 12,018 |
| | $ 7,802 | $ 6,809 |

(1) Represents incremental interest expense related to the incurrence of additional indebtedness from (i) borrowings under our revolving credit facility of $165 million, bearing interest at our current interest rate of 2.79% and (ii) the issuance of $142.6 million of non-interest bearing notes with an effective interest rate of 7.0%. The interest rates used for pro forma purposes are based on current market rates. For each 0.125% increase or decrease in the assumed rates with respect to the credit agreement and the notes offered hereby, our annual interest expense would increase or decrease by $0.4 million.

(g) Represents the tax effect, calculated using the U.S. statutory income tax rate of 35%, of the impact of combining Seadrift's results of operations and the adjustments to income before income taxes for the purchase accounting adjustments, primarily related to expenses associated with incremental debt to partially finance the acquisition and increased depreciation and amortization resulting from the estimated fair value adjustments for acquired property, plant and equipment and intangible assets, with the historical financial statements of GrafTech.

The pro forma statements of operations are prepared as if Seadrift were acquired as of January 1, 2009. Accordingly, the pro forma statements of operations include an adjustment to eliminate our equity in (earnings) losses and write-down of investment in non-consolidated affiliate. Because we reversed the 2009 impairment write-down of the investment in non-consolidated affiliate and the related tax effects, we were again in our original net deferred tax liability position. Therefore, we reversed the provision for valuation allowance of $41.4 million.

(h) The approximate 24 million common shares to be issued, while subject to customary standstill provisions and certain restrictions on their sale, are participating shares for the calculations of basic and diluted earnings per share.

**Adjustments to GrafTech, Seadrift and C/G Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2010**

(A) To adjust cash and cash equivalents for amount used to fund the cash consideration paid to owners of Seadrift and C/G (dollars in thousands):

| | |
|---|---|
| Cash on hand paid to owners of Seadrift and C/G at closing (November 30, 2010) | $ 86,000 |
| Cash on hand available at September 30, 2010 to pay owners of Seadrift and C/G | (66,000) |
| Cash on hand paid to owners of Seadrift and C/G reclassified as current liability for pro forma presentation | $ 20,000 |

(B) To eliminate related party balances.

(C) To adjust Seadrift and C/G inventories to their estimated net realizable value. GrafTech believes that fair value approximates net realizable value, which is defined as expected sales price less costs to sell plus a reasonable margin for the selling effort. The adjustment to inventory includes an adjustment to eliminate related party profit in C/G's inventory of $5.1 million and a $30.6 million increase to adjust LIFO inventories to a current cost basis.

(D) To record the release of $4.1 million of valuation allowance for deferred tax assets—short-term. See Note (F) and footnote (2) to Note (O) below for details.

(E) Reflects adjustment of Seadrift and C/G property, plant and equipment to their estimated fair values (dollars in thousands).

| | Seadrift | C/G | Total |
|---|---|---|---|
| Net book value of property, plant and equipment | $ 72,547 | $36,422 | $108,969 |
| Adjustment to record property, plant and equipment at their fair values | 177,453 | 60,052 | 237,505 |
| Estimated fair value of property, plant and equipment | $250,000 | $96,474 | $346,474 |

(F) Reflects adjustments for the following (dollars in thousands):

| | |
|---|---|
| Reversal of valuation allowance previously recognized for GrafTech deferred tax assets | $ 27,732 |
| Change in net long-term deferred tax asset position due to recording acquired assets and liabilities assumed at their fair values | (34,755) |
| | $ (7,023) |

As part of accounting for the acquisition, we recorded deferred income tax liabilities for the fair value adjustments made to certain assets acquired and liabilities assumed. Certain of these deferred tax liabilities are expected to reverse during the same period that certain of our deferred tax assets are expected to reverse. As a result, we reduced our preexisting valuation allowance related to such deferred tax assets. This pro forma adjustment is reflected as an adjustment to deferred income taxes (asset) and retained earnings in the unaudited pro forma condensed combined balance sheet.

See Note (M) and footnote (2) to Note (O) below for additional details.

(G) Reflects goodwill associated with the transaction (dollars in thousands).

| | |
|---|---|
| Difference between the estimated fair values of the net assets acquired and the consideration | $289,642 |
| Recognition of gain on adjustment to fair value of GrafTech's 18.9% ownership of Seadrift at the effective time of the merger | 9,229 |
| Net deferred tax liabilities associated with the estimated fair value adjustments of net assets acquired (1) | 94,480 |
| | $393,351 |

(1) See Note (M).

Goodwill consists of the fair value of Seadrift's and C/G's assembled workforces and buyer-specific synergies.

(H) Reflects adjustments for the following (dollars in thousands):

| | |
|---|---|
| Recognition of intangible asset—customer relationships, Seadrift | $ 39,313 |
| Recognition of intangible asset—technology, Seadrift | 27,300 |
| Recognition of intangible asset—customer relationships, C/G | 81,000 |
| Recognition of intangible asset—technology, C/G | 30,000 |
| Write-off of Seadrift and C/G balances, primarily deferred financing costs and non-compete agreements | (1,606) |
| | $176,007 |

Customer relationships represent the existing customers that are expected to continue to support the business. We estimated the fair values of customer relationships and technology and know-how using an income approach, that is, we determined the present value of the after-tax excess earnings attributable to each intangible asset using an appropriate risk-adjusted rate of return.

The amortization of these intangible assets was estimated using the straight-line method over their estimated lives: customer relationships, 15 years; technology and know-how, 10 years.

(I) To eliminate carrying value of our 18.9% ownership of Seadrift at acquisition of the remaining ownership units.

(J) To record the interim pro forma current tax provision.

(K) Reflects the payment to terminate C/G's interest rate swap at closing of ($2,681) (dollars in thousands).

(L) Reflects adjustments for the following (dollars in thousands):

| | |
|---|---|
| Repayment of C/G's revolving line of credit | $ (75,054) |
| Payment to terminate C/G's interest rate swap | 2,681 |
| Borrowings under our revolving credit facility at our current rate of 2.79% to fund acquisitions | 161,884 |
| Issuance of non-interest bearing, five-year senior subordinated note at its fair value using a current market rate of 7% | 142,598 |
| | $232,109 |

(M) Reflects adjustments for the following (dollars in thousands):

| | |
|---|---|
| Deferred tax liability on net assets acquired | $ 94,480 |
| Reclassification of change in long-term net deferred tax asset/liability position due to recording acquired assets and liabilities assumed at their fair values | (43,040) |
| | $ 51,440 |

For purposes of this unaudited pro forma condensed combined financial information, the United States federal statutory tax rate of 35% has been used in the calculations of the overall tax related to the acquisitions for all periods presented. This rate does not reflect GrafTech's effective tax rate, which includes other tax items, such as state and foreign taxes, as well as other tax charges or benefits and does not take into account any historical or possible future tax events that may impact the combined company.

(N) Reflects adjustments for the following (dollars in thousands):

| | Common stock/ capital | Additional paid-in capital |
|---|---|---|
| Issuance of 24 million shares of common stock, $0.01 par value at fair value of $18.38 per share | $ 240 | $440,880 |
| Elimination of Seadrift's capital accounts | (9,781) | |
| Elimination of C/G's capital accounts | (7,913) | |
| | $(17,454) | $440,880 |

The fair value of the approximate 24 million shares of common stock to be issued is based on the closing price of our common stock on November 23, 2010. An increase or decrease in the price of our common stock on the closing date of the merger of $1.00 from the stock price of $18.38 will increase or decrease the value of the shares issued by $24 million, which would be reflected as an increase or decrease in goodwill.

(O) Reflects adjustments for the following (dollars in thousands):

| | |
|---|---|
| Elimination of Seadrift's retained earnings | $(100,486) |
| Elimination of C/G's retained earnings | (15,012) |
| Recognition of gain on adjustment to fair value of GrafTech's 18.9% ownership of Seadrift at the effective time of the merger (1) | 9,229 |
| Recognition of reversal of valuation allowance for deferred tax assets (2) | 31,799 |
| To reverse previously established deferred tax liability upon acquisition of Seadrift | 8,286 |
| Recognition of provision for current income taxes on pro forma adjustments | (9,589) |
| | $ (75,773) |

(1) Represents our estimated gain as a result of remeasuring our previously held equity interest in Seadrift. The gain will be impacted by transactional activity, such as equity income and distributions, up until the date the merger is completed. Because this pro forma adjustment will not have a continuing impact, it is excluded from the unaudited pro forma condensed combined statements of operations, but is reflected as an adjustment to goodwill and retained earnings in the unaudited pro forma condensed combined balance sheet.

(2) In the pro forma financial statements we eliminate our investment in Seadrift, our equity in its earnings, and our 2009 write-down of the investment. Our pro forma adjustment to income taxes includes the reversal of the net change of the deferred tax liability that we recognized at the acquisition of our investment and the reversal of the provision for valuation allowance ($41.4 million) that we recorded in connection with the impairment write-down of our investment.

(P) To eliminate C/G's units held in treasury.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**GRAFTECH INTERNATIONAL LTD.**

Date: November 30, 2010

By: /s/ Craig S. Shular
Name: Craig S. Shular
Title: Chairman, Chief Executive Officer and President

EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 3.1.0 | Certificate of Elimination of Series A Junior Participating Preferred Stock of GrafTech International Ltd. |
| 3.2.0 | Amended and Restated Certificate of Incorporation of GrafTech International Ltd. |
| 3.3.0 | Amended and Restated Bylaws of GrafTech International Ltd. |
| 10.1.0 | Form of Senior Subordinated Promissory Note. |
| 10.2.0 | Registration Rights and Stockholders' Agreement, dated as of November 30, 2010, by and among GrafTech International Ltd. and each of the stockholders party thereto. |
| 23.1.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of Seadrift Coke L.P. and Subsidiary as of December 31, 2009 and 2008 and for two years then ended. |
| 23.2.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of Seadrift Coke L.P. and Subsidiary as of December 31, 2008 and 2007 and for two years then ended. |
| 23.3.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of C/G Electrodes LLC and Subsidiary as of December 31, 2009 and 2008 and for two years then ended. |
| 23.4.0 | Consent of Alpern Rosenthal for report relating to consolidated financial statements of C/G Electrodes LLC and Subsidiary as of December 31, 2008 and 2007 and for two years then ended. |
| 99.1.0 | Press release issued by GrafTech International Ltd. on November 30, 2010, relating to the acquisitions of Seadrift Coke L.P. and C/G Electrodes LLC. Such press release shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be incorporated by reference in any filing under the Securities Act of 1933 except as shall be expressly set forth by specific reference in such filing. |

**Exhibit 3.1.0**

**CERTIFICATE OF ELIMINATION**

**OF THE**

**SERIES A JUNIOR PARTICIPATING PREFERRED STOCK**

**OF**

**GRAFTECH INTERNATIONAL LTD.**

**(Pursuant to Section 151(g) of the Delaware General Corporation Law)**

GrafTech International Ltd., a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. That, pursuant to Section 151 of the General Corporation Law of the State of Delaware and authority granted in the Certificate of Incorporation of the Corporation, as theretofore restated, the Board of Directors of the Corporation, by resolution duly adopted, authorized the issuance of a series of one million (1,000,000) shares of Series A Junior Participating Preferred Stock, par value $.01 per share (the " Preferred Stock "), and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof, and, on August 18, 1998, filed a Certificate of Designation with respect to the Preferred Stock in the office of the Secretary of State of the State of Delaware.

2. That no shares of the Preferred Stock are outstanding and no shares thereof will be issued subject to such Certificate of Designation.

3. That the Board of Directors of the Corporation has adopted the following resolutions:

WHEREAS, by resolution of the Board of Directors of the Corporation and a Certificate of Designation (the " Certificate of Designation ") filed in the office of the Secretary of State of the State of Delaware on August 18, 1998, the Board of Directors authorized the issuance of a series of one million (1,000,000) shares of Series A Junior Participating Preferred Stock, par value

$.01 per share, of the Corporation (the " Preferred Stock ") and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof; and

WHEREAS, no shares of the Preferred Stock were ever issued by the Corporation; and

WHEREAS, as of the date hereof, no shares of the Preferred Stock are outstanding and no shares of the Preferred Stock will be issued subject to the Certificate of Designation; and

WHEREAS, it is desirable that all matters set forth in the Certificate of Designation with respect to the Preferred Stock be eliminated from the certificate of incorporation, as heretofore amended, of the Corporation; it is:

RESOLVED, that all matters set forth in the Certificate of Designation with respect to the Preferred Stock be eliminated from the certificate of incorporation, as heretofore amended and restated, of the Corporation; and it is further

RESOLVED, that the officers be, and hereby are, authorized and directed to file a certificate with the office of the Secretary of State of the State of Delaware setting forth a copy of these resolutions whereupon all matters set forth in the Certificate of Designation with respect to the Preferred Stock shall be eliminated from the certificate of incorporation, as heretofore amended and restated, of the Corporation.

4. That, accordingly, all matters set forth in the Certificate of Designation with respect to the Preferred Stock be, and hereby are, eliminated from the Certificate of Incorporation, as heretofore restated, of the Corporation.

5. This Certificate of Elimination shall be effective at 8:40 a.m., Eastern Time, on November 30, 2010.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, GrafTech International Ltd. has caused this Certificate of Elimination to be signed by its duly authorized officer this 29th day of November, 2010.

GRAFTECH INTERNATIONAL LTD.

By: /s/ John D. Moran
Name: John D. Moran
Title: Vice President, General Counsel and Secretary

**Exhibit 3.2.0**

**CERTIFICATE OF AMENDMENT**
**TO**
**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**
**OF**
**GRAFTECH HOLDINGS INC.**

I, John D. Moran, hereby certify that:

1. The name of the corporation is GrafTech Holdings Inc. (the " Corporation ").

2. I am the Vice President, General Counsel and Secretary of the Corporation.

3. The Corporation is duly organized and validly existing under the General Corporation Law of the State of Delaware, as amended.

4. The Board of Directors of the Corporation, by resolutions duly adopted, declared it advisable that the Amended and Restated Certificate of Incorporation of the Corporation be amended in order to change the name of the Corporation to GrafTech International Ltd.

5. This Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

6. This Certificate of Amendment shall be effective at 8:41 a.m., Eastern Time, on November 30, 2010.

7. Article FIRST of the Amended and Restated Certificate of Incorporation of the Corporation be, and hereby is, amended in its entirety to be and read as follows:

"FIRST: The name of this corporation is GrafTech International Ltd."

[remainder of page intentionally left blank]

**IN WITNESS WHEREOF** , the undersigned has caused this Certificate of Amendment to be signed by its duly authorized officer this 29th day of November, 2010.

**GRAFTECH HOLDINGS INC.**

By: /s/ John D. Moran
John D. Moran
Vice President, General Counsel and Secretary

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
GRAFTECH HOLDINGS INC.

The undersigned, John D. Moran, hereby certifies that:

1. He is the Vice President, General Counsel and Secretary of the corporation referred to herein.

2. The name of such corporation is GrafTech Holdings Inc. (the " Corporation ").

3. The date on which the original certificate of incorporation of the Corporation was filed with the Secretary of State of the State of Delaware is April 26, 2010 (the " Certificate of Incorporation ").

4. The Corporation is a corporation duly organized and validly existing under the General Corporation Law of the State of Delaware, as amended (the " Law ").

5. The board of directors and sole stockholder of the Corporation, by resolutions duly adopted, have declared it advisable to amend the Certificate of Incorporation so that it is the same as the Certificate of Incorporation of its parent corporation, GrafTech International Ltd. (formerly UCAR International Inc.), a Delaware corporation formed on November 24, 1993 (" UCAR ").

6. Concurrently with the filing of this Amended and Restated Certificate of Incorporation, the by-laws of the Corporation shall be amended so that they are the same as the by-laws of UCAR.

7. This Amended and Restated Certificate of Incorporation of the Corporation was duly adopted in the manner and by the vote prescribed by the Certificate of Incorporation, the by-laws of the Corporation and Section 242 of the Law, and otherwise in the manner prescribed by Section 245 of the Law, and has been adopted.

8. This Amended and Restated Certificate of Incorporation of the Corporation shall be effective at 8:40 a.m., Eastern Time, on November 30, 2010.

9. The provisions of the Certificate of Incorporation, as so amended and restated, are as follows:

FIRST: Name.

The name of this corporation is GrafTech Holdings Inc. (the " Corporation ").

SECOND: Address.

The address, including street number, street, city and county, of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle. The name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

THIRD: Purpose.

The nature of the businesses to be conducted and the purposes to be promoted by the Corporation is engaging in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as amended (the " Law ").

FOURTH: Powers.

In order to conduct its businesses and promote and accomplish its purposes, the Corporation shall have and may exercise all of the powers conferred by the Law upon corporations formed thereunder.

FIFTH: Perpetual Existence.

The Corporation shall have perpetual existence.

SIXTH: Capital Stock .

The aggregate number of shares of all classes of capital stock which the Corporation shall have authority to issue is two hundred thirty-five million (235,000,000), of which two hundred and twenty-five million (225,000,000) shall be common stock, par value $.01 per share (the " Common Stock "), and ten million (10,000,000) shall be preferred stock, par value $.01 per share (the " Preferred Stock ").

The time of filing of this Amended and Restated Certificate of Incorporation (this " Certificate of Incorporation ") with the Secretary of State of the State of Delaware is called the " Effective Time ".

Shares of Preferred Stock may be issued in one or more series. The number of shares included in any series of Preferred Stock and the full or limited voting rights, if any, the cumulative or non-cumulative dividend rights, if any, the conversion, redemption or sinking fund rights, if any and the priorities, preferences and relative, participating, optional and other special rights, if any, in respect of the Preferred Stock, any series of Preferred Stock or any rights pertaining thereto, and the qualification, limitations or restrictions on the Preferred Stock, any series of Preferred Stock or any rights pertaining thereto, shall be those set forth in the resolution or resolutions providing for the issuance of the Preferred Stock or such series of Preferred Stock adopted at any time and from time to time by the affirmative vote of a majority of the total number of directors which the Corporation would have if there were no vacancies on the Board of Directors of the Corporation (the " Board ") at the time of the vote (the " Whole Board ") on such resolution or resolutions and filed with the Secretary of State of the State of Delaware. The Board is hereby expressly vested with authority, to the full extent now or hereafter provided by the Law, to adopt any such resolution or resolutions.

SEVENTH: Directors.

The business and affairs of the Corporation shall be managed by or under the direction of the Board. The number of directors shall, at the Effective Time, be the number of directors then in office and shall thereafter, subject to any limitations which may be set forth in the By-Laws and subject to the right, if any, of holders of shares of Preferred Stock outstanding to elect additional directors expressly set forth in the resolution or resolutions providing for the issuance of such shares, be such number or such greater or lesser number as may be fixed from time to time and at any time by a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board.

Except as otherwise provided in the By-Laws, the election of directors is not required to be conducted by written ballot.

Except for the right, if any, of holders of shares of Preferred Stock then outstanding to remove one or more directors expressly set forth in the resolution or resolutions providing for the issuance of such shares and except as otherwise required by the law **,** directors can be removed only for cause and only upon the affirmative vote of holders of at least 67% of the voting power of all shares of capital stock of the Corporation then outstanding entitled to vote generally for the election of directors.

Except for the right, if any, of holders of shares of Preferred Stock then outstanding to fill such vacancies expressly set forth in the resolution or resolutions providing for the issuance of such shares and except as otherwise required by the law, any vacancies on the Board resulting from an increase in the authorized number of directors, from death, resignation, retirement, disqualification or removal of a director or from any other event can be filled by a majority vote of the directors then in office (even though they constitute less than a quorum), unless no directors are then in office in which (but only in which) event such vacancies can be filled by the stockholders. A director elected to fill such a vacancy shall hold office until the due election and qualification of his successor (which may be such director, if he is re-elected) at the annual meeting of stockholders next following his election or his earlier death, resignation or removal. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

In connection with managing the business and affairs of the Corporation, including, but not limited to, determining whether and to what extent any action may be in the best interests of the Corporation or the stockholders, approving or disapproving any action or determining whether to make any recommendation and what recommendation to make to stockholders with respect to any matter, each director and the Board (and any committee of the Board) may consider: (i) the long-term and short-term interests of the employees, suppliers, creditors and customers of the Corporation and its subsidiaries; (ii) the long-term and short-term interests of the communities in which the Corporation and its subsidiaries conduct any business or other activities; and (iii) the long-term and short-term interests of the Corporation, its subsidiaries and the stockholders, including the possibility that such interests may best be served by the continued independence of the Corporation.

EIGHTH: Voting .

Except for the right, if any, of holders of shares of Preferred Stock then outstanding to cumulate votes expressly set forth in the resolution or resolutions providing for the issuance of such shares, cumulative voting is not permitted with respect to the election of directors.

Except as otherwise permitted with respect to meetings consisting solely of, and actions required or permitted to be taken at meetings consisting solely of, holders of shares of Preferred Stock then outstanding as expressly set forth in the resolution or resolutions providing for the issuance of such shares, (i) any action required or permitted to be taken by the stockholders must be taken at a duly called and convened meeting of stockholders and cannot be taken by consent in writing and (ii) special meetings of stockholders can be called only (a) by or at the direction of the Board pursuant to a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board, (b) by or at the direction of a director affiliated with and nominated or recommended for nomination for election (under a written agreement with GrafTech International Ltd. (formerly UCAR International Inc.), a Delaware corporation formed on November 24, 1993 (" UCAR "), which provides for a right to make such nomination or recommendation and which was in effect at 11:00

a.m. on August 3, 1995 (the " UCAR Effective Time ")) as a director by a person (but only such person) who (x) was a stockholder of UCAR at the UCAR Effective Time or (y) became or becomes a stockholder after the UCAR Effective Time by reason of the transfer of shares of common stock of UCAR or shares of Common Stock, respectively, by a person who (1) was a stockholder of UCAR at the UCAR Effective Time, (2) had the right to make such a nomination or recommendation pursuant to such a written agreement and (3) assigned such right and such written agreement to such stockholder in accordance with its terms in connection with such transfer, (c) by or at the direction of a committee of the Board which has been expressly authorized by the Board pursuant to a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board to call special meetings of stockholders or (d) by the chief executive officer or president of the Corporation. As used herein, " Nominating Stockholder " means a person who has the right to make a nomination or recommendation described in clause (b) of the preceding sentence and who was a stockholder of UCAR at the UCAR Effective Time.

NINTH: By-Laws .

The Amended and Restated By-Laws of the Corporation approved by the stockholder of the Corporation concurrently with approval by the stockholder of this Certificate of Incorporation shall, at the Effective Time, be the By-Laws.

After the Effective Time, all or any part of the By-Laws may be amended or repealed and new By-Laws may be adopted at any time and from time to time pursuant to (but only pursuant to) a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board, but subject to the power of the holders of shares of capital stock of the Corporation then outstanding to adopt, amend or repeal the By-Laws as provided in the next paragraph and to the limitations set forth in the By-Laws immediately after the Effective Time.

Subject to the next sentence, all or any part of the By-Laws may be amended or repealed and new By-Laws may be adopted by the stockholders upon (but only upon) the affirmative vote of holders of at least 67% of the voting power of all shares of capital stock of the Corporation then outstanding entitled to vote generally for the election of directors. The reference to 67% in the preceding sentence shall be deemed to refer to 50% if the Principal Stockholder (as defined below) votes in favor of such amendment, repeal or adoption. As used herein, " Principal Stockholder " means the Nominating Stockholder who, together with its affiliates, held at the UCAR Effective Time more than 50% of the outstanding shares of common stock of UCAR; provided, however, that there shall be no " Principal Stockholder " after such time as such Nominating Stockholder, together with its affiliates, ceases to hold more than 20% of the outstanding shares of common stock of UCAR or shares of Common Stock, respectively.

TENTH: Exculpation.

A director shall not be personally liable to the Corporation or the stockholders for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the duty of loyalty of such director to the Corporation or such holders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Law and (iv) for any transaction from which such director derives an improper personal benefit. If the Law is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the fullest extent permitted by the Law, as so amended. No repeal or modification of this Article TENTH

shall adversely affect any right of or protection afforded to a director prior to such repeal or modification.

ELEVENTH: Amendments.

Subject to the next sentence, notwithstanding any other provision contained in this Certificate of Incorporation and notwithstanding that a lesser percentage may be specified by law, the By-Laws or otherwise, Articles SEVENTH, EIGHTH, NINTH and TENTH of this Certificate of Incorporation and this Article ELEVENTH shall not be amended or repealed, and no provision inconsistent therewith or providing for cumulative voting in the election of directors shall be adopted, unless such adoption, amendment or repeal is approved by the affirmative vote of holders of at least 67% of the voting power of all shares of capital stock of the Corporation then outstanding entitled to vote generally for the election of directors. The reference to 67% in the preceding sentence shall be deemed to refer to 50% if the Principal Stockholder votes in favor of such amendment, repeal or adoption.

Subject to the immediately preceding paragraph of this Article ELEVENTH, the Corporation reserves the right to amend, alter, change or repeal any provision contained herein in the manner now or hereafter prescribed by law.

TWELFTH: Compromise.

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

IN WITNESS WHEREOF, the undersigned corporation has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer this 29th day of November, 2010.

**GRAFTECH HOLDINGS INC.**

By: /s/ John D. Moran
John D. Moran
Vice President, General Counsel and Secretary

**Exhibit 3.3.0**

# AMENDED AND RESTATED BY-LAWS

## GRAFTECH INTERNATIONAL LTD.

**Dated: November 30, 2010**

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(continued)

## ARTICLE I

## MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings .

Subject to the next sentence, all meetings of stockholders shall be held at the registered office of the Corporation in the State of Delaware or at such other places within or without the State of Delaware as may be specified in the notices of such meetings. The Board of Directors (the " Board ") may determine that any or all meetings shall not be held at any place, but shall instead be held solely by means of remote communications in accordance with such guidelines and procedures as may be adopted from time to time by the Board or required by the General Corporation Law of the State of Delaware, as then in effect (the " Law ").

Section 2. Annual Meeting .

An annual meeting of stockholders for the election of directors and the transaction of such other business as may be properly brought before such meeting shall be held (i) at 10:00 a.m., local time, on the second Tuesday of May in each and every year, if that day is a business day, or, if that day is not a business day, on the next following day which is a business day or (ii) at such other hour and date as the Board may from time to time determine, in each case at such place or by remote communications as may be determined by the Board. Any annual meeting of stockholders may from time to time be adjourned, postponed or canceled in accordance with Section 5(c) of this Article I.

Section 3. Special Meetings .

Special meetings of stockholders can be called only as provided in the Certificate of Incorporation of the Corporation, as then in effect (the " Certificate of Incorporation "). In addition (and without limiting the restrictions or provisions of the Certificate of Incorporation), no such meeting shall be called or convened, or be deemed to have been duly called or convened, unless it shall have been called in accordance with these By-Laws.

For a special meeting of stockholders to be duly called or convened, a person or persons permitted by the Certificate of Incorporation to call a special meeting of stockholders must give notice to that effect in writing to the Secretary not more than sixty-five (65) days and not less than thirty five (35) days before the date of such meeting proposed by such person or persons.

Such notice shall state the purpose or purposes of such meeting and propose a place, date and hour of such meeting. The Board or, in the absence of a determination by the Board, the Secretary shall determine the place (or, if so determined by the Board, the remote communications), date and hour of such meeting; provided, however, that such meeting shall not be held at a place, date or hour selected for the purpose of obstructing the purpose or purposes of such meeting and shall be held on or reasonably promptly (taking into account disclosure, filing, notice, logistical and other applicable considerations) after such proposed date. Any special meeting may from time to time be adjourned, postponed or canceled in accordance with Section 5(c) of this Article I.

For purposes of these By-Laws, except as otherwise provided in the relevant provision of these By-Laws, all notices required or permitted to be given to the Secretary must be given either by personal delivery or United States mail, postage prepaid, and in each case addressed to the Secretary at the principal executive office of the Corporation or the registered office of the Corporation in the State of Delaware. No such notice shall be deemed to have been duly given until actual receipt at such address.

Section 4. Record Date .

(a) In order to determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date is adopted by the Board and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board fixes such a record date, such record date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice of such meeting is given or, if such notice is waived, the close of business on the day next preceding the day on which such meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided , however , that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting and, in such case, shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting.

(b) In order to determine the stockholders entitled to consent to action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date is adopted by the Board and which record date shall not be more than ten (10) days after the date upon which the resolution fixing such record date is adopted by the Board. If no record date is fixed by the Board, the record date for determining stockholders entitled to consent to action in writing without a meeting, when no prior action by the Board is required by the Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation at its registered office in the State of Delaware, its principal executive office or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation at its registered office shall be made by personal delivery or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required by the Law, the record date for determining stockholders entitled to consent to action in writing without a meeting shall be the close of business on the day on which the Board adopts the resolution taking such prior action.

(c) In order to determine the stockholders (i) entitled to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of shares of capital stock of the Corporation or (ii) for the

purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date is adopted and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders therefor shall be at the close of business on the day on which the Board adopts the resolution relating to such action.

Section 5. Notice of Meetings; Waiver .

(a) Each notice of each meeting of stockholders shall state the place, date and hour of such meeting and, unless it is an annual meeting of stockholders, shall indicate that it is being sent by or at the direction of the person or persons calling such meeting and state the purpose or purposes for which such meeting is being called. If at any meeting of stockholders action is proposed to be taken which would, if taken, give stockholders fulfilling the requirements of Section 262 of the Law the right to receive payment for their shares of capital stock of the Corporation, the notice of such meeting shall include a statement of such proposed action and such right. Not less than ten (10) or more than sixty (60) days before the date of such meeting, the Secretary shall give or cause to be given notice of such meeting to each person entitled thereto. Except as otherwise provided in the next three (3) paragraphs of this Section 5(a), such notice shall be given either by personal delivery or mail. If mailed, such notice shall be deemed to have been duly given to a stockholder when it is deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the stock records of the Corporation or, if he shall have filed with the Secretary a written request that notices to him be mailed to some other address, then directed to him at such other address.

Any notice required or permitted to be given by the Corporation under the Law, the Certificate of Incorporation or these By-Laws to any stockholder shall be deemed to have been duly given to such stockholder if (i) such notice is duly given to a stockholder who shares the same address as such stockholder and (ii) such stockholder shall have consented to the giving of such notice or notices generally to the stockholder who shares such address. If a stockholder fails to give written notice to the Secretary, within sixty (60) days after the Corporation shall have given written notice of its intention to give a notice or notices generally to such stockholder by giving it or them to a stockholder who shares the same address as such stockholder as permitted by the Law, objecting thereto, such stockholder shall be deemed to have so consented. Such stockholder may revoke such consent at any time by giving written notice to that effect to the Secretary.

Any notice required or permitted to be given by the Corporation under the Law, the Certificate of Incorporation or these By-Laws to any stockholder shall be deemed to have been duly given to such stockholder if (i) such notice is given by electronic transmission and (ii) such stockholder shall have consented to the giving of such notice or notices generally to such stockholder by electronic transmission. Such stockholder may revoke such consent at any time by giving written notice to that effect to the Secretary. Such stockholder shall be deemed to have revoked such consent if (i) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation to such stockholder in accordance with such consent and (ii) such inability becomes known to the Secretary or an Assistant Secretary, the transfer agent for the class of capital stock of the Corporation held by such stockholder or some other person responsible for the giving of notice; provided, however, the inadvertent failure to

treat such inability as a revocation shall not affect the validity of any meeting of stockholders or any action taken thereat. Notice given to such stockholder by electronic transmission in accordance with these By-Laws shall be deemed to have been duly given to such stockholder: (i) if by facsimile telecommunication, when directed to a number at which such stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which such stockholder has consented to receive notice; (iii) if by posting on an electronic network together with separate notice to such stockholder of such specific posting, upon the later of such posting or the giving of such separate notice; and (iv) if by another form of electronic transmission, when directed to such stockholder.

For purposes of these By-Laws, " electronic transmission " means any form of communication, not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

(b) A written waiver of notice of a meeting of stockholders signed by a stockholder entitled to notice of such meeting, before or after such meeting, shall be deemed to be equivalent to the giving of proper notice to such stockholder of such meeting. Attendance of a stockholder at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when such stockholder attends such meeting for the express purpose of objecting, at the commencement of such meeting, to the transaction of any business at such meeting because such meeting was not lawfully called or convened. Neither the business to be transacted at nor the purpose of any meeting of stockholders is required to be specified in any written waiver of notice of such meeting.

(c) Any meeting of stockholders may be adjourned, postponed or canceled at any time and from time to time, regardless of whether a quorum is present, by the Board or the Chairman of the meeting for any reason (including, without limitation, when a quorum is not present at the commencement of such meeting or where necessary, appropriate or expedient for the proper and orderly conduct of such meeting or to tabulate any vote, the tabulation of which is necessary for the continued conduct of such meeting). When a meeting of stockholders is adjourned to another date, hour or place (or, if adjourned by the Board, remote communications), it shall not be necessary to give any notice of the adjourned meeting if the date, hour and place (or, if adjourned by the Board, remote communications) to which such meeting is adjourned are announced at such meeting. Any business may be transacted at such adjourned meeting which might have been transacted at such meeting. If the adjournment is for more than thirty (30) days or if, after such adjournment, the Board fixes a new record date for such adjourned meeting, a notice of such adjourned meeting shall be given to each person entitled to notice of such adjourned meeting.

Section 6. List of Stockholders .

The Secretary shall prepare, at least ten (10) days prior to each meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order and showing the address of each such stockholder and the number of shares of record held by each such stockholder. Such list shall be open for inspection by any stockholder, for purposes germane to such meeting, during ordinary business hours, for the ten (10) days prior to such

meeting, either (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of such meeting, or (ii) during ordinary business hours, at the principal executive office of the Corporation. If such meeting is to be held at a place, such list shall also be produced and kept open at such meeting during the whole time thereof and may be inspected by any stockholder who is present thereat. If such meeting is to be held solely by remote communications, such list shall also be produced and kept open during the whole time thereof for inspection by any stockholder on a reasonably accessible electronic network and the information required to gain access to such list shall be provided with the notice of such meeting. The stock records of the Corporation shall be conclusive evidence as to who are the stockholders entitled to examine such stock records, the list described in this Section 6 or the books of the Corporation or to vote at any meeting of stockholders.

Section 7. Quorum; Manner of Acting .

(a) Except as otherwise required by the Law or the Certificate of Incorporation or as provided with respect to meetings consisting solely of holders of shares of Preferred Stock in the resolution or resolutions providing for the issuance of such shares, the presence, at the commencement of such meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of capital stock of the Corporation entitled to vote at a meeting of stockholders shall be required in order to constitute a quorum for the transaction of business thereat.

(b) If authorized by the Board, stockholders and proxyholders not physically present at a meeting of stockholders may, by remote communications, (i) participate in a meeting of stockholders and (ii) be deemed present in person and vote at a meeting of stockholders, regardless of whether such meeting is to be held at a place or by remote communications, in each case provided that the Corporation shall have implemented reasonable measures to (i) verify that each stockholder or proxyholder deemed present and permitted to vote at such meeting by remote communications is a stockholder or proxyholder and (ii) provide such stockholders and proxyholders with a reasonable opportunity to participate in such meeting and to vote on matters submitted to a vote of stockholders, including an opportunity to read or hear the proceedings. If any stockholder or proxyholder votes at such meeting by remote communications, a record of such vote shall be maintained by the Corporation.

(c) Except as otherwise required by the Law or the Certificate of Incorporation, as otherwise provided in these By-Laws with respect to the election of directors, and as otherwise provided with respect to meetings consisting solely of holders of shares of Preferred Stock in the resolution or resolutions providing for the issuance of such shares, a matter submitted to a vote at a meeting of stockholders shall have been approved only if a quorum was present at the commencement of such meeting, and the holders of a majority of the issued and outstanding shares of the capital stock of the Corporation entitled to vote on such matter shall have voted to approve such matter.

(d) Every stockholder entitled to vote or act at a meeting of stockholders may authorize another person or persons to vote or act for him by proxy. Such authorization must be granted by a means expressly permitted by the Law. Among other means, such authorization may be granted by a proxy (i) in a written instrument executed by a stockholder or such

stockholder's duly authorized attorney-in-fact or (ii) transmitted by a stockholder or such stockholder's duly authorized attorney-in-fact by telegram, cablegram or electronic transmission to a proxyholder or a proxy solicitation firm, proxy support system or similar agent duly authorized by such proxyholder to receive such transmission so long as such telegram, cablegram or other electronic transmission sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by such stockholder or attorney-in-fact. Such proxy must be filed with the Secretary or such proxyholder, proxy solicitation firm, proxy support agent or similar agent at or before such meeting. No proxy shall be voted or acted upon after three (3) years from its date unless such proxy provides that it may be voted or acted upon for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the relevant meeting of stockholders and voting or acting in person, by filing with the Secretary or such proxyholder, proxy solicitation form, proxy support agent or similar agent a written instrument revoking such proxy or by filing with the Secretary or such proxyholder, proxy solicitation form, proxy support agent or similar agent another duly executed proxy bearing a later date.

Section 8. Business Transacted .

(a) No business shall be transacted at any meeting of stockholders unless it shall have been brought in accordance with this Section 8(a).

Business may be brought (i) before a special meeting of stockholders only by the person or persons calling such meeting as permitted by the Certificate of Incorporation (which business shall be limited to the matters stated in the notice of such meeting), (ii) before an annual meeting of stockholders only by or at the direction of the Board or any other person or persons who could call a special meeting of stockholders under the limited circumstances expressly permitted by the Certificate of Incorporation or (iii) before any meeting of stockholders only by a stockholder who is entitled to vote (both at the time the meeting is called and at the time of the meeting) thereon at such meeting and who complies with the procedures set forth in this Section 8(a).

For business to be properly brought before an annual meeting of stockholders by a stockholder, such stockholder must have given timely notice of his intention to do so in writing to the Secretary. To be timely, such notice must have been delivered or mailed to, and received at, the principal executive office of the Corporation not less than one hundred five (105) days and not more than one hundred thirty-five (135) days prior to such meeting; provided , however , that if less than one hundred five (105) days' notice or prior public disclosure of the date of such meeting is given to stockholders or made, such notice must have been so delivered or mailed, and received, not later than the close of business on the tenth (10th) day following the day on which notice or public disclosure of the date of such meeting is given to stockholders or made (except that this proviso shall not apply if such meeting is an annual meeting which will be held on the date specified in clause (i) of Section 2 of this Article I or within thirty (30) days thereafter).

Such notice must set forth as to each matter such stockholder proposes to bring before such meeting: (i) a description (which includes all of the material aspects thereof) of the business

desired to be brought before such meeting and the reasons for conducting such business at such meeting, (ii) the name and address, as they appear on the stock records of the Corporation, of such stockholder (and, if such stockholder beneficially owns shares of capital stock of the Corporation through a nominee, the name and address of such nominee and the agreement by such nominee to propose such business at the meeting or authorizing such stockholder to do so), (iii) the classes and series, and the number of shares of each class and series, of capital stock of the Corporation that are owned beneficially, indirectly, directly or of record by such stockholder and each of his affiliates, each group of which he is a member and each person with whom he is acting in concert (collectively called his " related parties ", and, in each case, identifying them), (iv) the types and amounts of all options, warrants, convertible or exchangeable securities, stock appreciation rights and other securities, instruments and rights with an exercise, exchange, conversion, settlement, payment or other mechanism at a price related to any shares of any class or series of capital stock of the Corporation or with a value derived in whole or in part from the value of any shares of any class or series of capital stock of the Corporation, regardless of whether subject to settlement in such underlying shares, cash or otherwise, that are owned beneficially, indirectly, directly or of record by such stockholder or any of his related parties (in each case, identifying their respective ownership) and all other direct or indirect opportunities for any of them to profit or share in any profit derived from any increase or decrease in the value of shares of capital stock of the Corporation (in each case, identifying their respective opportunities), each of the foregoing being called a " Derivative Instrument ", (v) all proxies, contracts, arrangements, understandings and relationships pursuant to which such stockholder or any of his related parties has a right to vote any shares of any class or series of capital stock of the Corporation (in each case, identifying their respective rights), (vi) all Short Interest (as defined herein) of such stockholder and any of his related parties in any security of the Corporation (in each case, identifying their respective interest), (vii) all rights to dividends or distributions on shares of any class or series of capital stock of the Corporation owned beneficially, indirectly, directly or of record by such stockholder or any of his related parties that are separated or separable from the underlying shares (in each case, identifying their respective interest), (viii) all performance-related fees (other than an asset-based fee) that such stockholder or any of his related parties is or may be entitled to receive or earn based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation, any Derivative Instrument or any Short Interest (in each case, identifying their respective interest), (ix) all material direct or indirect interests of such stockholder and his related parties in such business (in each case, identifying their respective interest), (x) all claims, proceedings, adverse interests and transactions of any kind involving such stockholder or any of his related parties in relation to the Corporation or its industry or customer or supply chain within at least the five years prior to the date of such notice or that are proposed and (xi) all other information relating to such stockholder and each of his related parties that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for such business pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the " Exchange Act ").

Such notice shall be deemed to have not been timely given if, at any time after it is first given, the information set forth therein ceases to be accurate or complete in any material respect unless (i) such stockholder shall have given a subsequent notice in writing to the Secretary correcting such inaccurate or incomplete information and (ii) such subsequent notice shall have been delivered or mailed to, and received at, the principal executive office of the Corporation

within three (3) days after any of such information shall have become inaccurate or incomplete in any material respect (and, in any event, not less than one (1) day prior to such meeting).

The Chairman of such meeting shall determine whether any business to be brought before such meeting will be properly so brought in accordance with this Section 8(a) and, if he should determine that such business will not be properly so brought, he shall so declare at such meeting and such business shall not be transacted at such meeting.

(b) No individual shall be eligible for election as a director unless he is nominated in accordance with this Section 8(b). Nominations of individuals for election as directors may be made at a meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board, a nominating committee of the Board or any other person or persons who could call a special meeting of stockholders under the limited circumstances expressly permitted by the Certificate of Incorporation or (ii) by a stockholder who is entitled to vote for the election of directors at such meeting and who complies with the procedures set forth in this Section 8(b).

For nominations to be properly made at a meeting of stockholders by a stockholder, such stockholder must have given timely notice of his intention to do so in writing to the Secretary. To be timely, such notice must have been delivered or mailed to, and received at, the principal executive office of the Corporation not less than one hundred five (105) days and not more than one hundred thirty-five (135) days prior to such meeting; provided, however, that if less than one hundred five (105) days' notice or prior public disclosure of the date of such meeting is given to stockholders or made, such notice must have been so delivered or mailed, and received, not later than the close of business on the tenth (10th) day following the day on which notice or public disclosure of the date of such meeting is given to stockholders or made (except that this proviso shall not apply if such meeting is an annual meeting which will be held on the date specified in clause (i) of Section 2 of this Article I or within thirty (30) days thereafter).

Such notice must set forth: (i) as to each individual whom such stockholder proposes to nominate for election as a director, (a) the name, date of birth, business address and residential address of such individual, (b) each occupation (which includes each position held, consulting or advisory arrangement entered, and other employment or engagement) of such individual for at least the ten years preceding the date of such notice (and, if such occupation resulted in claims, proceedings or notoriety involving such individual or any of his affiliates or employers, a description thereof), (c) all claims, proceedings, adverse interests and transactions of any kind involving such individual or any of his related parties in relation to the Corporation or its industry or customer or supply chain within at least the five years prior to the date of such notice or that are proposed, (d) all material direct or indirect interests, arrangements, relationships or understandings of any kind between or among such individual or any of his related parties, on the one hand, and such stockholder and his related parties, on the other hand (in each case, identifying their respective interest), and (e) all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors in a contested election pursuant to the Exchange Act (including each such individual's written consent to serve as director if elected); and (ii) as to each of such individual, the stockholder giving such notice and their respective related parties, (a) the same information in relation to each of them as that required by clauses (ii) through (ix) of the fourth paragraph of Section 8(a) of this Article I (and, for this purposes, references therein to "such stockholder" shall also be deemed to refer to such

individual) and (ii) all other information relating to such individual, such stockholder and each of their respective related parties that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Exchange Act.

Such notice shall be deemed to have not been timely given if, at any time after it is first given, the information set forth therein ceases to be accurate or complete in any material respect unless (i) such stockholder shall have given a subsequent notice in writing to the Secretary correcting such inaccurate or incomplete information and (ii) such subsequent notice shall have been delivered or mailed to, and received at, the principal executive office of the Corporation within three (3) days after any of such information shall have become inaccurate or incomplete in any material respect (and, in any event, not less than one (1) day prior to such meeting).

The Chairman of such meeting shall determine whether any nomination to be made at such meeting will be properly so made in accordance with this Section 8(b) and, if he should determine that such nomination will not be properly so made, he shall so declare at such meeting and such nomination shall not be made at such meeting.

(c) For the purposes of this Section 8: " acting in concert " and " group " shall have the same meanings as they have under the Exchange Act; a person shall be deemed to have a " Short Interest " in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of such security; a stockholder and a related party thereof shall be deemed to beneficially own his proportionate interest in all shares of any class or series of capital stock of the Corporation, Derivative Instruments or Short Interest held beneficially, indirectly, directly or of record by a partnership in which he is a general partner or beneficially, indirectly, directly or of record owns an interest in a general partner thereof; and a stockholder's related parties include, without limitation, members of such stockholder's immediate family sharing the same household.

Section 9. Order of Business; Voting .

(a) The Chairperson of the Board or, in the absence of the Chairperson of the Board (including an absence because no Chairperson of the Board shall have been designated), the most senior executive present, or, in the absence of all of them, a person designated by the Board, or in the absence of all of them, a person designated by the holders of a majority of the outstanding shares of capital stock of the Corporation present in person or by proxy and entitled to vote at such meeting shall act as the Chairman of such meeting. The Chairman of each meeting of stockholders shall call such meeting to order, determine the order of business at such meeting and otherwise preside over such meeting. The Chairman of the meeting shall, among other things, announce at such meeting the opening and closing of the polls for each matter submitted to a vote of stockholders at such meeting.

(b) The Secretary shall act as secretary of each meeting of stockholders and keep the minutes thereof, but, in the absence of the Secretary, the Chairman of such meeting shall appoint some other person to act as secretary of such meeting.

(c) Unless required by the Law, requested by any stockholder present in person or by proxy and entitled to vote at such meeting or directed by the Chairman of such meeting, neither the vote for the election of directors nor upon any other business before any meeting of stockholders is required to be conducted by written ballot. On a vote by written ballot, (i) each written ballot cast by a stockholder voting in person shall state the name of such stockholder, the number of shares of capital stock of the Corporation held of record by him and the number of such shares voted by him and (ii) each ballot cast by proxy shall bear the name of such proxy, the name of the stockholder for whom he is voting, the number of shares of capital stock of the Corporation held of record by such stockholder and the number of such shares voted on behalf of such stockholder.

(d) Shares of capital stock of the Corporation held by the Corporation or any of its majority-owned subsidiaries in treasury shall not be shares entitled to vote at, or to be counted in determining the presence of a quorum for, any meeting of stockholders or be counted in determining the total number of outstanding shares of capital stock of the Corporation. This Section 9(d) shall not limit the right of the Corporation or any of its subsidiaries to vote any shares of capital stock of the Corporation held by the Corporation or such subsidiary in a fiduciary capacity.

(e) To the extent (but only to the extent) expressly provided in the Certificate of Incorporation, action required or permitted to be taken at a meeting of stockholders may be taken without a meeting, without any prior notice and without a vote thereon, if stockholders having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all stockholders entitled to vote thereon were present and voting, consent in writing to such action and such writing or writings are filed with the minutes of proceedings of the stockholders. Prompt written notice of the taking of such action shall be given by the Secretary to all stockholders who have not consented in writing to such action.

Section 10. Inspectors .

(a) The Board in advance of any meeting of stockholders may (and shall, if required by the Law) appoint one or more inspectors to act at such meeting or any adjournment thereof. If inspectors are not so appointed, the Chairman of such meeting may and, on request of any stockholder present in person or by proxy and entitled to vote at such meeting, shall appoint one or more such inspectors. No director, nominee for director, officer or employee of the Corporation shall be appointed as an inspector. Inspectors need not be stockholders. In case any person so appointed fails to appear or act, the vacancy may be filled by appointment of another person by the Board in advance of such meeting or at such meeting by the Chairman of such meeting.

(b) Each inspector appointed to act at any meeting of stockholders shall, before entering upon the discharge of his duties, take and sign an oath to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his ability. Such inspectors shall (i) determine the number of shares outstanding and the voting power of each such share, the number of shares represented at such meeting, the existence of a quorum and the validity and effect of proxies, (ii) receive votes or ballots, (iii) hear and determine all challenges and questions arising in connection with the right to vote, (iv) count and tabulate all votes or

ballots, (v) determine the result and (vi) do all acts which may be proper in connection with conducting a vote at such meeting, with fairness to all stockholders. On the request of the Chairman of such meeting or any stockholder present in person or by proxy and entitled to vote at such meeting, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any such report or certificate shall be prima facie evidence of the facts so stated and of the vote so certified.

## ARTICLE II

## BOARD OF DIRECTORS

Section 1. Powers; Qualifications; Number; Election .

(a) The business and affairs of the Corporation shall be managed by or under the direction of the Board. Except as otherwise provided in the Certificate of Incorporation, the Board may exercise all of the authority and powers of the Corporation and do all of the lawful acts and things which are not by the Law, the Certificate of Incorporation or these By-Laws directed or required to be exercised or done by the stockholders. The directors shall act only as a board and, subject to Article III, the individual directors shall have no power as such. Each director shall be at least twenty-five (25) years of age. A director is not required to be a resident of the State of Delaware or a stockholder. The Board shall consist of that number of directors (but not less than three (3) or more than fifteen (15)) as shall be fixed in accordance with the Certificate of Incorporation.

(b) At all elections of directors by stockholders entitled to vote thereon, the individuals receiving a plurality of the votes cast shall be deemed to have been elected as directors.

Section 2. Term of Office of a Director .

The term of office of each director shall commence at the time of his election and qualification and shall expire upon the due election and qualification of his successor (which may be such director, if he is re-elected) at the annual meeting of stockholders following his election or his earlier death, resignation or removal.

Section 3. Resignations; Filling of Vacancies .

(a) Any director may resign at any time by giving written notice of his resignation to the Board or the Secretary. Such resignation shall take effect at the time of receipt of such notice by the Board or the Secretary, as the case may be, or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(b) Any vacancy on the Board can be filled as (but only as) provided in the Certificate of Incorporation. A director elected to fill such a vacancy shall hold office as provided in the Certificate of Incorporation.

Section 4. Meetings of the Board; Notice; Waiver .

(a) All regular meetings of the Board shall be held at such places within or without the State of Delaware as may be fixed by the Board. All special meetings of the Board shall be held at such places within or without the State of Delaware as may be specified in the notices of such meetings.

(b) Regular meetings of the Board for the transaction of such business as may be properly brought before such meetings shall be held on such dates and at such times as may be fixed by the Board. Notices of such regular meetings are not required to be given.

(c) Special meetings of the Board may be called at any time by the Chairperson of the Board, the most senior executive then serving, the General Counsel or any director. Each such meeting shall be called by giving notice to that effect to the Secretary at least forty-eight (48) hours before such meeting. Such notice shall state the place, date, hour and purpose or purposes of such meeting. Promptly after receipt of such notice and, in any event, not less than twenty-four (24) hours before such meeting, the Secretary shall give notice of such meeting to all directors. Such notice shall state the place, date, hour and purpose or purposes of such meeting and shall indicate that such notices are being sent at the request of the person calling such meetings.

Except as otherwise required by the Law, each notice of each special meeting of the Board shall be given by (i) mail addressed to a director at his residence or usual place of business at least seven (7) days before the date of such meeting or (ii) personal delivery or telex, telephone, telegraph, telecopier or other electronic transmission addressed to a director at his usual place of business (or, if such director (i) has designated some other place to receive notices or (ii) does not have a usual place of business and has not designated some other place, such other place or his principal residence, respectively) at least twenty-four (24) hours before such meeting. If mailed, such notice shall be deemed to have been given to a director five (5) days after it is deposited in the United States mail, postage prepaid, directed to such director at his usual place of business (or, if such director (i) has designated some other place to receive notices or (ii) does not have a usual place of business and has not designated some other place, such other place or his principal residence, respectively).

(d) A written waiver of notice of a meeting of the Board signed by a director, before or after such meeting, shall be deemed to be equivalent to the giving of proper notice to such director of such meeting. Attendance of a director at a meeting of the Board shall constitute a waiver of notice of such meeting, except when such director attends such meeting for the express purpose of objecting, at the commencement of such meeting, to the transaction of any business at such meeting because such meeting was not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board is required to be specified in any written waiver of notice of such meeting.

Section 5. Quorum; Adjournment .

The presence of a majority of the Whole Board (as defined in the Certificate of Incorporation) at any meeting of the Board shall be required in order to constitute a quorum for

the transaction of business thereat. Any meeting of the Board may be adjourned from time to time until the business to be transacted at such meeting is completed. If a quorum shall not be present at any such meeting, a majority of the directors present may adjourn such meeting to another date, hour and place. When a meeting of the Board is adjourned to another date, hour and place, it shall not be necessary to give any notice of the adjourned meeting if the date, hour and place to which such meeting is adjourned are announced at such meeting. Any business may be transacted at such adjourned meeting which might have been transacted at such meeting.

Section 6. Manner of Acting .

(a) The Board may designate a Chairperson of the Board, who may be called Chairman or Chairwoman of the Board, as appropriate. The Chairperson of the Board shall preside at all meetings of stockholders and of the Board. He shall perform such other duties as the Board may from time to time assign to him. In the absence of the Chairperson of the Board (including an absence because no Chairperson of the Board shall have been designated), a person designated by a majority of the directors present at a meeting of the Board shall serve as the Chairman of such meeting. The Chairman of each meeting of the Board shall call such meeting to order, determine the order of business at such meeting and otherwise preside over such meeting.

(b) The Secretary shall act as secretary of each meeting of the Board and keep the minutes thereof, but, in the absence of the Secretary, the Chairman of such meeting shall appoint some other person to act as secretary of such meeting.

(c) At each meeting of the Board each director shall be entitled to one vote. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, a matter submitted to a vote at a meeting of the Board shall have been approved only if a quorum was present at the time of the vote thereon and a majority of the directors present at that time shall have voted to approve such matter.

(d) Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all of the directors consent in writing (which writings may be executed in counterparts or be different writings) or by electronic transmission to such action. Such writing or writings or electronic transmission or transmissions shall be filed with the minutes of proceedings of the Board.

Section 7. Annual Meeting of Directors .

An annual meeting of the Board for the transaction of such business as may be properly brought before such meeting shall be held promptly following each annual meeting of stockholders.

Section 8. Participation in Meeting by Telephone .

One or more directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other at the same time. Participation in a meeting of the Board by such means shall constitute presence in person at such meeting.

Section 9. Compensation and Expenses of Directors .

Directors may be compensated for rendering services as such as determined from time to time by the Board. Directors shall be reimbursed for expenses incurred by them in connection with rendering services as such.

## ARTICLE III

## COMMITTEES OF THE BOARD

Section 1. Regular Committees .

The Board may, pursuant to a resolution or resolutions adopted by an affirmative vote of a majority of the Whole Board, designate one or more committees of the Board. The members of each such committee shall consist of such directors (but only such directors) designated by the Board, pursuant to a resolution or resolutions adopted by an affirmative vote of a majority of the Whole Board. The Board may, pursuant to a resolution or resolutions adopted by an affirmative vote of a majority of the Whole Board, designate one or more directors as alternate members of any committee who may replace any absent or disqualified member of any committee at any meeting of such committee. Any vacancy on any committee resulting from death, resignation or any other event or circumstance, which is not filled by an alternate member, shall be filled by (and only by) the Board, pursuant to a resolution or resolutions adopted by an affirmative vote of a majority of the Whole Board. Directors elected to fill such vacancies shall hold office for the balance of the terms of the members whose vacancies are so filled. Each committee will report its actions in the interim between meetings of the Board at the next meeting of the Board or as otherwise directed by the Board.

Section 2. Regular Committee Powers .

Any committee of the Board, to the extent (but only to the extent) provided in a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board, (i) shall have and may exercise all of the powers and authority of the Board and do all of the lawful acts and things which may be done by the Board in the management of the business and affairs of the Corporation and (ii) may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have the power or authority to: amend the Certificate of Incorporation; adopt an agreement of merger or consolidation; recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation’s property and assets; recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution of the Corporation; except as otherwise provided in the Certificate of Incorporation, call a meeting of stockholders; amend or repeal these By-Laws or adopt new By-Laws; or, unless the Certificate of Incorporation, these By-Laws or resolutions adopted by the affirmative vote of a majority of the Whole Board shall expressly so provide, declare a dividend, authorize the issuance of shares of capital stock of the Corporation or adopt a certificate of ownership and merger.

Section 3. Advisory Committees .

The Board or a committee of the Board may designate one or more advisory committees to report to the Board or a committee of the Board. Each such advisory committee shall consist of one or more individuals designated by the Board or the committee of the Board which designated such advisory committee. Such individuals are not required to be directors. The Board may designate one or more individuals as alternate members of any advisory committee who may replace any absent or disqualified member of any advisory committee at any meeting of such committee. Any absence of any member of any advisory committee or vacancy on any advisory committee resulting from death, resignation or any other event or circumstance, which is not filled by an alternate member, shall be filled only by the Board or the committee of the Board which designated such advisory committee. Individuals elected to fill such vacancies shall hold office for the balance of the terms of the members whose vacancies are so filled. Each advisory committee will report its actions in the interim between meetings of the Board or the committee of the Board which designated such advisory committee at the next meeting of the Board or the committee of the Board which designated such advisory committee or as otherwise directed by the Board or the committee of the Board which designated such advisory committee. An advisory committee shall have none of the powers or authority of the Board or any committee of the Board.

Section 4. Procedures .

Unless otherwise expressly authorized by the Board in the resolution or resolutions designating such committee or advisory committee, the members of committees or advisory committees shall act only as a committee, and the individual members shall have no power as such. Any member of any committee or advisory committee may be removed as such at any time as (but only as) provided in the resolution or resolutions designating such committee or advisory committee. The presence, at any meeting thereof, of a majority of the total number of members which a committee or advisory committee would have if there were no vacancies thereon shall be required in order to constitute a quorum for the transaction of business at such meeting. The term of office of each member of any committee or advisory committee shall commence at the time of his election and qualification and shall continue until his successor shall have been duly elected or until his earlier death, resignation or removal. Except as otherwise provided in this Article III or in the resolution or resolutions designating such committee or advisory committee and except for the reference to presiding at meetings of stockholders in Section 6(a) of Article II, Sections 4, 5, 6, 7 and 8 of Article II shall apply to committees and advisory committees and members thereof as if references therein to the Board and directors were references to such committees and members, respectively.

## ARTICLE IV

## OFFICERS

Section 1. Officers .

The Corporation shall have one or more executive officers and a corporate secretary. Such executive officers may include one or more of the following positions: a Chairperson

(when the Chairperson of the Board is designated as an officer by the Board); a Chief Executive Officer; a President; one or more other Chief Officers (such as a Chief Operating Officer, a Chief Financial Officer or a Chief Information Officer); the General Counsel; one or more Vice Presidents (one or more of whom may be designated as an Executive Vice President or a Senior Vice President) and a Treasurer. The corporate secretary shall be the Secretary.

Executive officers and the Secretary shall be elected by the Board. The Board may elect executive officers and the Secretary at any time and from time to time. Any or all of the positions contemplated under this Article IV may be held by the same person. Unless otherwise designated by the Board or these By-Laws, officers shall report to other officers as designated by the Chief Executive Officer or, if the position of Chief Executive Officer is vacant, by the most senior executive officer then serving.

The designation or reference under these By-Laws to an officer as an executive officer is made solely to distinguish such officers from the corporate secretary and additional officers described in Section 10 of this Article IV and does not constitute the designation of such officer as an executive officer under applicable securities laws, under the rules and regulations of the Securities and Exchange Commission or for any other purpose.

Section 2. Chief Executive Officer .

The Chief Executive Officer shall be the principal executive officer of the Corporation and shall, subject to the control of the Board, have general authority and exercise general supervision over the business and affairs of the Corporation. The Chief Executive Officer shall see that all orders of the Board are carried into effect and shall have responsibility for implementation of the strategies, plans and policies of the Corporation. The Chief Executive Officer shall, generally, perform such duties as may from time to time be assigned to him by the Board or these By-Laws and is authorized to enter into contracts and execute and deliver instruments on behalf of the Corporation in the ordinary course of its business without specific approval of the Board.

Section 3. Chairperson .

The Chairperson of the Board may be designated as an executive officer by the Board. Unless so designated, the Chairperson of the Board shall not be an officer. If so designated, the Chairperson of the Board shall be called, in these By-Laws, in his capacity as an executive officer, the Chairperson (or Chairman or Chairwoman, as appropriate) and, in his capacity as a director and Chairperson of the Board, the Chairperson of the Board.

If so designated, the Chairperson shall be a senior executive officer of the Corporation and shall, subject to the control of the Board, have general authority and exercise general supervision over the business and affairs of the Corporation, with emphasis on strategic direction and initiatives. In the absence of a Chief Executive Officer and a President, the Chairperson shall see that all orders of the Board are carried into effect and shall have responsibility for implementation of the strategies, plans and policies of the Corporation. The Chairperson shall perform such duties as may from time to time be assigned to him by the Board or these By-Laws and is authorized to enter into contracts and execute and deliver instruments on behalf of the

Corporation in the ordinary course of its business without specific approval of the Board, the Chief Executive Officer or the President.

The Chairperson may be an employee of the Corporation. Unless designated as an employee by the Board, the Chairperson shall not be an employee.

Section 4. President .

If the position of Chief Executive Officer is occupied, the President shall, subject to the control of the Board and the Chief Executive Officer, have general authority and exercise general supervision over the business and affairs of the Corporation, with emphasis on such matters as may be assigned to him by the Board or the Chief Executive Officer, and shall report to the Chief Executive Officer. If the position of Chief Executive Officer is vacant, the President shall, subject to the control of the Board, have general authority and exercise general supervision over the business and affairs of the Corporation, shall see that all orders of the Board are carried into effect and shall have responsibility for implementation of the strategies, plans and policies of the Corporation. The President shall, generally, perform such duties as may from time to time be assigned to him or her by the Board, the Chief Executive Officer or these By-Laws and is authorized to enter into contracts and execute and deliver instruments on behalf of the Corporation in the ordinary course of its business without specific approval of the Board or the Chief Executive Officer.

Section 5. Chief Officers .

A Chief Officer shall, subject to the control of the Board and the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President), have authority and general supervision over such matters as may be assigned to him by the Board and the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President) and shall report to such other executive officers as may be specified by the Chief Executive Officer (or, if the position of Chief Executive officer is vacant, the President).

A Chief Financial Officer shall keep full and accurate accounts of assets, liabilities, receipts, disbursements and other transactions of the Corporation in books belonging to the Corporation, cause regular audits of such books to be made, render to the other executive officers and the Board an account of the financial condition of the Corporation whenever requested and have authority and supervision over the Treasurer. If the position of Treasurer is vacant, the Chief Financial Officer shall perform the duties of the Treasurer with all powers of, and subject to all of the restrictions upon, the Treasurer.

A Chief Officer shall, generally, perform such duties as may from time to time be assigned to him by the Board, the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President), the other executive officers to whom he reports or these By-Laws and is authorized to enter into contracts and execute and deliver instruments on behalf of the Corporation in the ordinary course of its business relating to such matters and duties without specific approval of the Board, the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President) or the other executive officers to whom he reports.

Section 6. General Counsel .

The General Counsel shall, subject to control of the Board, have general authority and exercise general supervision over the legal and regulatory affairs of the Corporation (including legal and regulatory compliance) and shall report to the Board and the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President). The General Counsel shall see that all orders of the Board with respect to such affairs are carried into effect. The General Counsel shall, generally, perform such duties as may from time to time be assigned to him by the Board, the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President) or these By-Laws and is authorized to enter into contracts and execute and deliver instruments on behalf of the Corporation in the ordinary course of its business relating to such affairs and duties without specific approval of the Board or the Chief Executive Officer (or, if the position of Chief Executive officer is vacant, the President).

Section 7. Vice Presidents .

Each Vice President shall, subject to the control of the Board and the more senior executive officers then serving to whom such Vice President directly or indirectly reports, perform all duties as may from time to time be assigned to him by the Board, the more senior executive officers then serving to whom such Vice President directly or indirectly reports or these By-Laws. In case of the absence of appropriate more senior executive officers, any Vice President designated by the Board shall perform the duties of the absent executive officers with all powers of, and subject to all of the restrictions upon, the absent executive officers, as applicable.

Section 8. Treasurer .

The Treasurer shall, subject to the control of the Board (and, if the position of Chief Financial Officer is occupied, the Chief Financial Officer), have charge and custody of and be responsible for all of the funds and securities of the Corporation and deposit all moneys and other valuable effects in the name of and to the credit of the Corporation in banks or other depositories. The Treasurer shall, subject to the control of the Board (and, if the position of Chief Financial Officer is occupied, the Chief Financial Officer), disburse the funds of the Corporation as ordered by the Board or the other executive officers of the Corporation in accordance with these By-Laws, taking proper vouchers for such disbursements, and shall render to the other executive officers and to the Board (at its meetings or whenever the Board may require) a statement of all his transactions as treasurer. If the position of Chief Financial Officer is vacant, the Treasurer shall also perform the duties of the Chief Financial Officer to the extent that such duties have not been assigned by the Board to some other executive officer. In general, the Treasurer shall, subject to the control of the Board (and, if the position of Chief Financial Officer is occupied, the Chief Financial Officer), perform all of the duties incident to the office of treasurer and such other duties as may from time to time be assigned to him by the Board, the other executive officers or these By-Laws.

Section 9. Secretary .

The Secretary shall, subject to the control of the Board, act as secretary of, and keep the minutes of, the proceedings of the Board and the stockholders in books belonging to the Corporation, give or cause to be given notice of all meetings of stockholders and directors as required by these By-Laws, be custodian of the seal of the Corporation, affix the seal, or cause it to be affixed, to all certificates for shares of capital stock of the Corporation and to all documents the execution of which on behalf of the Corporation under its seal shall have been specifically or generally authorized by the Board, have charge of the stock records of the Corporation and of the other books, records and papers of the Corporation relating to its organization as a corporation and see that the reports, statements and other documents required by law relating to the maintenance of the existence, qualifications and franchises of the Corporation as a corporation are properly kept or filed. The Secretary shall, subject to the control of the Board, generally perform all of the duties incident to the office of secretary and such other duties as may from time to time be assigned to him by the Board, the executive officers or these By-Laws.

Section 10. Additional Officers .

The Board may at any time and from time to time elect or appoint such other officers (including, without limitation, assistant executive officers), employees, agents, consultants, representatives and advisors of the Corporation as the Board may deem proper, each of whom shall hold office for such period, have such authority and perform such duties as the Board or the executive officers to whom they directly or indirectly report may from time to time determine.

Section 11. Removal .

Any officer, assistant, employee, agent, consultant, representative or advisor of the Corporation may be removed at any time by the Board or an executive officer to whom he directly or indirectly reports, except that an executive officer (other than an assistant executive officer) of the Corporation may be removed or replaced, directly or indirectly (including, without limitation, removal or replacement effected by reason of election and qualification of a successor, demotion, relocation, failure to re-elect or diminution in duties or compensation), pursuant to (but only pursuant to) a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board (excluding, if such officer is also a director, such director).

Section 12. Resignations .

Any officer may resign from office at any time by giving written notice of resignation to the Board, an executive officer to whom he directly or indirectly reports or the Secretary. The resignation of any officer shall take effect at the time of receipt of such notice by the Board, such an executive officer or the Secretary or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. No such resignation shall affect any rights which the Corporation may have under any agreement with such officer.

Section 13. Giving of Bond by Officers .

All officers of the Corporation, if required to do so by the Board, shall furnish bonds to the Corporation for the faithful performance of their duties subject to such penalties and with such conditions and security as the Board may from time to time require. All expenses of any such bond shall be paid by the Corporation.

Section 14. Compensation of Officers .

Compensation of officers of the Corporation may be fixed at any time and from time to time by the Board or, in the case of officers other than the Chief Executive Officer, by the Chief Executive Officer pursuant to authority delegated to him by the Board.

Section 15. Term of Office .

Subject to Sections 11 and 12 of this Article IV, the term of office of each officer shall commence at the time of his election and qualification and shall continue until his successor shall have been duly elected and qualified or his earlier death, resignation or removal.

Section 16. Voting Stock Held by Corporation .

Except as otherwise determined from time to time by the Board, the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President) shall have full power and authority in the name and on behalf of the Corporation to attend, act and vote at any meeting of stockholders, partners or owners of any corporation, partnership or other entity in which the Corporation may hold stock, a partnership interest or another ownership interest and at any such meeting shall possess and may exercise any and all rights and powers incident to the ownership of such stock or interest which, as the owner thereof, the Corporation might have possessed and exercised.

The Board may from time to time confer like powers upon any other person or persons and the Chief Executive Officer and the President may delegate his powers under this Section 16 to any other officer of the Corporation.

## ARTICLE V

## INDEMNIFICATION

Section 1. Indemnification .

(a) Each person who is or was made a party or is threatened to be made a party to, or is or was involved (including, without limitation, involvement as a witness) in, any action, suit or proceeding, whether civil (including, without limitation, arbitral), criminal, administrative or investigative (a " proceeding "), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, member, manager, employee, agent or trustee of another corporation or of a partnership, joint venture, limited liability company, trust or other entity or enterprise (including, without limitation, a direct or indirect subsidiary of the

Corporation and an employee benefit plan of the Corporation or any of its subsidiaries), whether the basis of such proceeding is alleged action or inaction in an official capacity as an officer or director or in any other capacity while so serving, shall be indemnified by the Corporation for and held harmless by the Corporation from and against, to the fullest extent authorized by the Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader or greater rights to indemnification than the Law prior to such amendment permitted the Corporation to provide), all expenses, liabilities and losses reasonably incurred or suffered by such person in connection therewith; provided, however, that except as provided herein with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board.

(b) Such right to indemnification shall include the right of such a director, officer, partner, member, manager, employee, agent or trustee to be paid the expenses incurred in preparing for, participating (including, without limitation, participation as a witness) in, defending and settling or otherwise resolving a proceeding (collectively called the " defense of a proceeding ") in advance of its final disposition to the fullest extent authorized by the Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader or greater rights to indemnification than the Law prior to such amendment permitted the Corporation to provide); provided, however, that, if the Law requires, the payment of such expenses incurred by a director or officer of the Corporation in his capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such person while a director or officer of the Corporation, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation. Such an undertaking shall not and shall not be deemed to require repayment if such director or officer is entitled to be indemnified by the Corporation for any reason or on any basis. No collateral shall be required to secure performance by such person of his obligations under such an undertaking. An undertaking delivered to the Corporation shall be sufficient regardless of the prospective ability of the person delivering such undertaking to perform his obligations thereunder.

(c) Such right to indemnification may be granted to any other employee or agent of the Corporation or its subsidiaries if, and to the extent, authorized by the Board, the Chief Executive Officer (or, if the position of Chief Executive Officer is vacant, the President) or the General Counsel.

(d) If a claim under this Article V is not paid in full by the Corporation within thirty (30) days after a written demand therefor has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid all expenses of prosecuting such suit. It shall be a defense to any such suit (other than a suit brought to enforce a claim for expenses incurred in the defense of a proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the

Corporation) that the claimant has not met the standards of conduct which make it permissible under the Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including the Board, independent legal counsel to the Corporation or the stockholders) to have made a determination prior to the commencement of such suit that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Law nor an actual determination by the Corporation (including the Board, independent legal counsel to the Corporation or the stockholders) that the claimant has not met such applicable standard of conduct shall be a defense to such suit or create a presumption in such suit that the claimant has not met the applicable standard of conduct.

Section 2. Indemnification Not Exclusive .

The indemnification of any person under this Article V, or the right of any person to indemnification under this Article V, shall not limit or restrict in any way the power of the Corporation to indemnify or pay expenses for such person in any other manner permitted by law or be deemed exclusive of, or invalidate, any other right which such person may have or acquire under any law, agreement, vote of stockholders or disinterested directors, or otherwise.

Section 3. Successors .

The right of any person to indemnification under this Article V shall (i) survive and continue as to a person who has ceased to be such an officer, director, partner, member, manager, employee, agent or trustee, (ii) inure to the benefit of the heirs, distributees, beneficiaries, executors, administrators and other legal representatives of such person, (iii) not be impaired, eliminated or otherwise adversely affected after such cessation due to any action or inaction by the Corporation, the Board or the stockholders (including, without limitation, amendment of these By-Laws (including, without limitation, a modification or repeal of this Article V) or the Certificate of Incorporation or a merger, consolidation, recapitalization, reorganization or sale of assets of the Corporation or any of its subsidiaries), with respect to any claim, proceeding or suit which arose or transaction, matter, event or condition which occurred or existed before such cessation, (iv) be a contract right, enforceable as such, and (v) be binding upon all successors of the Corporation.

For purposes of this Article V, a " successor " of the Corporation includes (i) any person who acquires a majority of the assets or businesses of the Corporation and its subsidiaries (on a consolidated basis) in a single transaction or a series of related transactions, (ii) any person with whom the Corporation merges or consolidates (unless the Corporation is the survivor of such merger or consolidation) and (iii) any person who is the ultimate parent of any person with whom the Corporation merges or consolidates where the Corporation is the survivor of such merger or consolidation (unless the person with whom the Corporation merges or consolidates was, prior to such merger or consolidation, more creditworthy and had a larger market capitalization than the Corporation prior to such merger or consolidation). For purposes of the preceding sentence, " merger ," " consolidation " and like terms shall include binding share exchanges and similar transactions.

The Board shall, as a condition precedent to any transaction described in the preceding paragraph, require the successor to irrevocably and unconditionally assume the obligations contemplated by this Article V.

Section 4. Insurance .

The Corporation may purchase and maintain insurance on behalf of any person who is or was such an officer, director, partner, member, manager, employee, agent or trustee against any liability asserted against such person as such an officer, director, partner, member, manager, employee, agent or trustee or arising out of such person's status as such an officer, director, partner, member, manager, employee, agent or trustee, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article V or applicable law.

The Corporation shall not, without prior approval of the Board (and, as to each director and executive officer of the Corporation who ceased to be a director or executive officer within three (3) years prior to the effective date thereof, the prior approval of each such director and executive officer), reduce or eliminate in any material respect, or fail to renew, any such insurance then in effect. A reduction in insurance includes, without limitation, an increase in deductibles or co-payments, a reduction in the aggregate amount of insurance or an addition of exclusions from coverage or other reduction in scope of coverage.

Section 5. Definition of Certain Terms .

(a) For purposes of this Article V: references to " fines " shall include any excise taxes assessed on a person with respect to an employee benefit plan; any service as a director, officer, fiduciary, employee or agent of the Corporation or any of its subsidiaries which imposes duties on, or involves services by, such director, officer, fiduciary, employee or agent with respect to an employee benefit plan, its trusts, its participants or its beneficiaries (including, without limitation, service as a member of any committee that manages, administers or performs similar functions with respect to any employee benefit plan, trust, participant or beneficiary) shall be deemed to be service covered by Section 1(a) of this Article V; references to " indemnification " and like terms shall include holding harmless and payment of expenses as provided herein; and references to " proceedings " included all related appeals of any kind.

(b) For the purposes of this Article V and the Law, a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, its trusts, its participants or its beneficiaries shall be deemed to have acted in a manner "not opposed to the best interest of the Corporation." For the purposes of this Article V: references to " expenses " shall include all attorneys' fees, retainers, court costs, transcript costs, expert fees, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and other disbursements or expenses of the types customarily incurred in connection with the defense of a proceeding or prosecution of a suit, all costs relating to any appeal bond and all federal, state, local or foreign taxes, charges, duties and similar imposts and assessments incurred or assessed as a result of the actual or deemed receipt of any expenses under this Article V; and references to " liabilities and losses " shall include judgments, fines, amounts paid or to be paid in settlement, and assessments,

and all federal, state, local or foreign taxes, charges, duties and similar imposts and assessments incurred or assessed as a result of the actual or deemed receipt of any liabilities or losses under this Article V.

## ARTICLE VI

## CONTRACTS; BANK ACCOUNTS

Section 1. Execution of Contracts .

Except as provided otherwise in these By-Laws, the Board may from time to time authorize any officer, employee, agent or representative of the Corporation, in the name and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument. Such authorization may be general or confined to specific instances. Unless so authorized by the Board or these By-Laws, no officer, employee, agent or representative shall have any power or authority to bind the Corporation by any contract or engagement, to pledge its credit or to render it pecuniarily liable for any purpose or to any amount.

Section 2. Checks; Drafts; Notes .

All checks, drafts and other orders for the payment of moneys out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed in the name and on behalf of the Corporation in the manner authorized from time to time by the Board or these By-Laws.

Section 3. Deposits .

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in the banks, trust companies or other depositories selected from time to time by the Board or by an officer, employee, agent or representative of the Corporation to whom such authority may from time to time be delegated by the Board or these By-Laws. For the purpose of making such a deposit, any officer, employee, agent or representative to whom authority to make such a deposit is delegated by the Board or these By-Laws may endorse, assign and deliver checks, drafts and other orders for the payment of moneys which are payable to the order of the Corporation.

## ARTICLE VII

## SHARES; DIVIDENDS

Section 1. Certificates .

Shares of capital stock of the Corporation may, but shall not be required to, be issued in certificated form. The Board shall have the right to determine whether shares shall be issued in certificated form. If shares are issued in certificated form, every holder of record of a share or shares then outstanding shall be entitled to a duly signed certificate in proper form certifying that he is the record holder of such share or shares, and the certificates shall be duly numbered and registered in the order of their issue. Certificates for shares shall be issued in such forms as the

Board may prescribe. Such certificates shall be signed by the Chairperson of the Board, the Chief Executive Officer, the President or a Vice President and by the Secretary or the Treasurer. The seal of the Corporation or a facsimile thereof shall be affixed on such certificates, and such certificates shall be countersigned and registered in such manner, if any, as the Board may prescribe. The signatures of the officers upon such certificates may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such an officer, transfer agent or registrar before such certificate is issued, such certificate may be issued with the same effect as if he were such officer, transfer agent or registrar on the date of issuance of such certificate. Except as otherwise provided by law, the rights and obligations of holders of uncertificated shares, and holders of certificated shares representing shares of the same class and series of capital stock of the Corporation, shall be identical. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation may send to the registered owner thereof a written notice that sets forth the name of the Corporation, that the Corporation is organized under the laws of the State of Delaware, the name of the registered owner as shown on the transfer and register books of the Corporation, the number and class (and the designation of the series, if any) of the shares represented, and any restrictions on the transfer or registration of such shares imposed by the Certificate of Incorporation, these By-Laws, any agreement among stockholders or any agreement between stockholders and the Corporation.

Section 2. Transfers; Record Owners .

Shares of capital stock of the Corporation held of record shall be transferable only on the transfer books of the Corporation, only by the record holder of such shares, in person or by his duly authorized attorney or legal representative, written evidence of whose authority must be filed with the Corporation. No transfer shall be valid until such transfer has been entered on the transfer books of the Corporation by an entry showing from and to whom transferred and (i) if the shares are certificated, the surrender of the certificate, duly endorsed or accompanied by duly executed stock powers (with such proof of authenticity of signature and proper succession or assignation, if applicable, as the Corporation or its agent may require) for a like number of shares, payment of all taxes thereon, compliance with any restrictions on transfer thereof and cancellation of the certificate or (ii) if uncertificated, the presentation of a duly executed stock transfer power or other proper transfer instructions (with such proof of authenticity of signature and proper succession or assignation, if applicable, as the Corporation or its agent may require) for a like number of shares, payment of all taxes thereon and compliance with any restrictions on transfer thereof.

The person in whose name shares of capital stock of the Corporation stand on the records of the Corporation shall be deemed the owner of such shares for all purposes as regards the Corporation. Such person may be referred to herein as the holder of record, the registered owner or like terms.

The Board may make such additional rules and regulations and take such action as it may deem expedient, not inconsistent with the Certificate of Incorporation and these By-Laws, concerning the issue, transfer and registration of certificates.

Section 3. Lost or Destroyed Certificates .

The Corporation may issue (i) a new certificate or certificates for shares of capital stock of the Corporation or (ii) uncertificated shares of capital stock of the Corporation in order to replace any certificate or certificates for shares theretofore issued by it alleged to have been lost, stolen or destroyed, and the Corporation may require the holder of the lost, stolen or destroyed certificate, or his legal representative, to give to the Corporation a bond or other security to indemnify it against all losses, liabilities and expenses (including attorney's fees and expenses) incurred in connection with investigating, defending and settling any claim that may be made against it on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificated or uncertificated share or shares.

Section 4. Fractions of a Share .

The Corporation shall have the authority to issue (but shall not be obligated, under these By-Laws, to issue) fractions of a share of any class or series of capital stock of the Corporation. In lieu of issuing a fraction of a share of any class or series of capital stock of the Corporation, the Corporation may (i) make such payments or (ii) issue that number of whole shares of such class or series of capital stock of the Corporation, in each case as may be determined using such equitable method as any officer of the Corporation or the Board may select or the Certificate of Incorporation or the Law may require.

Section 5. Dividends .

Subject to the provisions of the Certificate of Incorporation and to the extent permitted by the Law, the Board may declare and the Corporation may pay dividends on shares of any class or series of capital stock of the Corporation at such times and in such amounts as, in the opinion of the Board, the conditions of the business of the Corporation render advisable. Before declaration or payment of any dividend or making of any distribution, the Board may set aside out of the surplus or net profits of the Corporation such sum or sums as the Board may from time to time, in its absolute discretion, deem proper as a reserve fund to meet contingencies or for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purposes as the Board may from time to time deem to be in the best interests of the Corporation.

## ARTICLE VIII

## CORPORATE SEAL

The Board may adopt a corporate seal of the Corporation which shall be in such form as the Board may from time to time determine. When authorized by these By-Laws or by the Board, a facsimile of the corporate seal may be affixed in lieu of the corporate seal.

## ARTICLE IX

## FISCAL YEAR

The fiscal year of the Corporation shall be fixed from time to time by the Board.

## ARTICLE X

## AMENDMENTS

These By-Laws, in whole or in part, may be amended or repealed and new By-Laws, in whole or in part, may be adopted as (but only as) provided in the Certificate of Incorporation.

## ARTICLE XI

## EFFECTIVENESS

These By-Laws shall become effective upon the filing with the Secretary of State of the State of Delaware of the Amended and Restated Certificate of Incorporation of the Corporation in connection with the merger transactions involving the Corporation pursuant to Section 251(g) of the Law, pursuant to which the Corporation will become the public parent company of, among other companies, GrafTech International Ltd. (formerly UCAR International Inc.), a Delaware corporation formed on November 24, 1993.

**Exhibit 10.1.0**

Form of Senior Subordinated Note

**THIS SENIOR SUBORDINATED NOTE WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR LOCAL SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT AS PROVIDED HEREIN AND IN ACCORDANCE WITH APPLICABLE LAWS.**

**THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR PURPOSES OF SECTION 1271 ET SEQ. OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE, AND YIELD TO MATURITY FOR THIS NOTE BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO THE COMPANY AT THE FOLLOWING ADDRESS: GRAFTECH INTERNATIONAL LTD., 12900 SNOW ROAD, PARMA, OHIO 44130, ATTENTION: TREASURER.**

**SENIOR SUBORDINATED NOTE**

$[ ____] November 30, 2010

FOR VALUE RECEIVED, GRAFTECH INTERNATIONAL LTD. f/k/a GrafTech Holdings Inc., a Delaware corporation with its principal office located at 12900 Snow Road, Parma, Ohio 44130 (the " ***Company*** "), promises to pay to the order of [name], [type of person] [residing at/with offices located at] [address] [or Holder's registered assigns] (" ***Holder*** "), the aggregate principal amount of [ _____] and __/100 Dollars ($ _____]). This Senior Subordinated Note (this " ***Note*** ") is a senior subordinated, unsecured, promissory note issued by the Company pursuant to (i) the Agreement and Plan of Merger, dated as of April 28, 2010, as amended, by and among the Company, GrafTech International Ltd., a Delaware corporation, GrafTech Delaware I Inc., GrafTech Delaware II Inc., Seadrift Coke L.P., Seadrift Coke LLC and certain partners of Seadrift Coke L.P. (as so amended, the " ***Seadrift Merger Agreement*** ") or (ii) the Agreement and Plan of Merger, dated as of April 28, 2010, as amended, by and among the Company, GrafTech International Ltd., a Delaware corporation, GrafTech Delaware III Inc., C/G Electrodes LLC, and certain members of C/G Electrodes LLC (as so amended, the " ***CG Merger Agreement*** "), which, together with this Note, have an aggregate principal amount of $200,000,000 (the " ***Senior Notes*** ") . All of the Senior Notes (including this Note) shall be treated as a single class on a pari passu basis. All of the Senior Notes have been guaranteed, on a ratable, pari passu, subordinated basis, by GrafTech International Holdings Inc., a Delaware corporation, Seadrift Coke L.P., a Delaware limited partnership, and C/G Electrodes LLC, a Delaware limited liability company (collectively with any Significant Subsidiary (as defined herein) who becomes a guarantor pursuant to the provisions hereof, the " ***Subsidiary Guarantors*** ") , pursuant to the terms hereof.

Maturity Date and Payment

This Note shall mature and become payable on the fifth anniversary of the date hereof or such earlier date on which the principal sum outstanding shall become due and payable as provided herein (the " ***Maturity Date*** " ). If the Maturity Date is on a Saturday, Sunday or a day upon which commercial banks are permitted or required to be closed in the State of New York, such amount shall be paid on the next succeeding business day. Holder is the sole and exclusive owner of the Senior Note registered in Holder's name for all purposes, including payments, waivers and amendments, notwithstanding notice to the contrary and without liability or obligation to any other person.

This Note shall not bear interest. All amounts due hereunder shall be payable by (i) check mailed to the [residence/office] of Holder or at such other place as Holder may reasonably designate by giving written notice to that effect to the Company or (ii) wire transfer to an account located in the United States designated by Holder by giving written notice to that effect to the Company. All amounts due hereunder shall be paid in lawful money of the United States of America.

Prepayment and Redemption

The Company shall have the right at any time and from time to time, to prepay or redeem all or part of any amount due hereunder. If the Company elects to redeem this Note, it shall give written notice to Holder in writing of the redemption date and the principal amount to be redeemed at least 30 days before the redemption date. The redemption price shall equal the aggregate principal amount, or such portion thereof as the Company may designate.

Once notice of redemption is mailed, the redemption price becomes due and payable on the redemption date stated in the notice. On the redemption date, the redemption price therefore shall be paid and this Note, or the redeemed portion thereof, shall be canceled by the Company.

Failure to give notice or any defect in the notice to Holder shall not affect the validity of the notice. If this Note is redeemed in part, the Company shall execute and deliver to Holder a new Senior Note, but equal in principal amount to the unredeemed portion of this Note.

Subordination

The Company and Holder agree that all indebtedness evidenced by this Note shall be subordinate and junior in right of payment to all Senior Debt (as hereinafter defined) as provided for herein and that such subordination shall benefit and be enforceable by the holders of such Senior Debt. Only indebtedness of the Company which is Senior Debt shall rank senior to the Senior Notes (including this Note). For purposes of this Note, " ***Senior Debt"*** means:

(i) indebtedness of the Company or any of its subsidiaries for money borrowed and indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which the Company or any if its subsidiaries is responsible or liable, whether now existing or hereafter outstanding;

(ii) guarantees by the Company or any of its subsidiaries of indebtedness of other persons for money borrowed or of notes, debentures, bonds or other similar instruments for which other persons are responsible or liable (in each case, other than persons who are direct and indirect subsidiaries of the Company), but without duplication, whether now existing or hereafter outstanding (collectively, the amounts in clause (i) and (ii), the " ***Other Senior Debt*** ");

(iii) indebtedness for borrowed money, obligations and guarantees of the Company or its subsidiaries incurred pursuant to the Amended and Restated Credit Agreement dated as of April 28, 2010, among the Company, GrafTech Global Enterprises Inc, GrafTech Finance Inc, GrafTech Switzerland S.A., the LC Subsidiaries from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and Issuing Bank, Bank of America, N.A., and BNP Paribas as Co-Syndication Agents, The Bank of Nova Scotia as Documentation Agent, J.P. Morgan Securities Inc., Banc of America Securities LLC and BNP Paribas Securities Corp as Joint-Lead Arrangers (as the same may be amended, extended, renewed, restructured, supplemented or otherwise modified from time to time, any such facility) or any indenture, bond, note, loan, line of credit, credit facility or other arrangement which amends, extends, renews, restructures, replaces supplements or otherwise modifies the same (collectively, the " ***Credit Facility*** ") , in an aggregate principal amount of up to $390 million (the " ***Credit Facility Amount*** ") , but without duplication;

(iv) indebtedness, obligations and guarantees, principally by or for the benefit of the Company's foreign subsidiaries, for or under one or more revolving credit, overdraft, cash management, letter of credit or other facility or any indenture, bond, note, loan, line of credit, credit facility or other arrangement which amends, extends, renews, restructures, replaces supplements or otherwise modifies the same (each a " ***Foreign Liquidity Facility*** "), in an aggregate principal amount of up to $145 million (" ***Foreign Facility Amount*** ", and together with the Credit Facility Amount, the " ***Facilities Senior Debt*** "), but without duplication;

(v) indebtedness, obligations and guarantees under all amendments, extensions, renewals, restructurings, refundings, waivers, replacements (whether or not upon termination, or including any additional or different obligors or with the same or other agents, lenders, financial institutions, investors or groups of lenders or investors), restatements, refinancings, supplements and other modifications of any of the foregoing (in whole or in part and without limitation as to amount, terms, conditions covenants and other provisions), including, any agreement to refinance, replace or otherwise restructure all or any portion of any of the foregoing or any successor or replacement to any of the foregoing that increases the amount loaned or issued thereunder or alters the maturity thereof; and

(vi) all amounts due with respect to any of the foregoing, including accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company, regardless of whether or not post-filing interest is allowed in such proceeding), fees, expenses and other amounts;

unless the instrument creating or evidencing such Senior Debt expressly provides that such indebtedness, guarantees, obligations, interest, fees, expenses and other amounts are not senior to the Senior Notes.

The Facilities Senior Debt shall be deemed Senior Debt for all purposes in this Note.

Subject to the preceding sentence, Senior Debt shall not include the following:

(1) any indebtedness or obligation of the Company to any of its subsidiaries (or of any subsidiary of the Company to the Company or to another subsidiary of the Company) except, in each case, evidenced by a promissory note or other instrument or account which has been pledged as collateral to secure Senior Debt;

(2) any indebtedness, guarantee or obligation of the Company or any of its subsidiaries which is subordinate or junior to any other indebtedness, guarantee or obligation of the Company or such subsidiary (other than Senior Debt which subordinates itself to other Senior Debt); or

(3) any indebtedness for borrowed money or guarantees of indebtedness for borrowed money constituting Other Senior Debt of the Company or any of its subsidiaries (and indebtedness of the type described in clauses (v) and (vi) in respect of such Other Senior Debt), if, on the date of incurrence or issuance of (or, if earlier, the date of entry into an agreement providing for the incurrence or issuance of) such indebtedness or guarantees, and after giving effect thereto, the Company's Leverage Ratio would be greater than 4.00 to 1.00.

If the Company or any of subsidiaries proposes to grant a security interest to secure Other Senior Debt that would not be Senior Debt because the Leverage Ratio (at the time calculated) would exceed 4.00 to 1.00, the Company or such subsidiary shall grant at the same time a security interest for the benefit of the Noteholders on a pari passu basis with such Other Senior Debt to the extent such Other Senior Debt causes the Leverage Ratio (at the time calculated) to exceed 4.00 to 1.00.

For purposes of this Note, " ***Leverage Ratio*** ," as of any date of determination, means the ratio of (a) the Company's Consolidated Net Debt at the end of the period covered by the most recent four consecutive fiscal quarters for which consolidated financial statements are publicly available (recomputed on a pro forma basis taking into account (i) all indebtedness incurred or repaid since the end of such period together with any indebtedness proposed to be incurred and any indebtedness that will be repaid in connection with such incurred indebtedness, (ii) acquisitions and dispositions of companies, divisions, business units, businesses or product lines and (iii) net proceeds from issuance or sale of equity securities (and interest thereon), in each case as if such event had taken place as the beginning of such period) to (b) the Company's Consolidated EBITDA for such period (recomputed on such a pro forma basis).

For purposes of this Note, " ***Consolidated Net Debt*** " means consolidated indebtedness of the Company and its subsidiaries of the types described in clauses (i), (ii), (iii) or (iv) above (and indebtedness of the type described in clauses (v) and (vi) in respect of such clauses (i), (ii), (iii) or (iv)) but excluding any intercompany indebtedness or any guarantees by the Company or its subsidiaries relating to other indebtedness of the Company or its subsidiaries), less consolidated cash and cash equivalents of the Company and its subsidiaries. For purposes of the calculation of the Leverage Ratio, any guarantees of third party indebtedness for money borrowed shall be included on the basis of the face amount of the liability guaranteed, without duplication.

For purposes of this Note, " ***Consolidated EBITDA*** " means the Company's "EBITDA" as defined in the agreement governing the Credit Facility (as in effect at the time of the issuance of the Senior Notes).

Except as otherwise provided herein, pro forma calculations shall be made in accordance with the provisions of the agreement governing the Credit Facility (as in effect at the time of the issuance of the Senior Notes). All pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Company, whose determination shall be conclusive absent manifest error.

Upon any payment or distribution of the assets of the Company to creditors upon a total or partial liquidation or a total or partial dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, (i) holders of Senior Debt shall be entitled to receive payment in full in cash of such Senior Debt before holders of the Senior Notes, including Holder (collectively, " ***Noteholders*** ") shall be entitled to receive any payment on the Senior Notes and (ii) until all Senior Debt is paid in full in cash, any payment or distribution to which Noteholders would be entitled but for the provisions under this heading "Subordination" shall be made to holders of such Senior Debt as their interests may appear, except that Noteholders may receive and retain any equity interests in the Company or debt securities of the Company subordinated to such Senior Debt (collectively, " ***Permitted Junior Securities*** ").

The Company shall not make any payment on the Senior Notes and shall not purchase, prepay, redeem, set aside any sinking or similar fund or otherwise retire or discharge any Senior Notes (collectively, " ***pay the Senior Notes*** ") , if (i) any payment default under Senior Debt shall occur or (ii) any other default under Senior Debt shall have occurred and the maturity thereof shall have been accelerated in accordance with its terms (each, a " ***Payment Default*** "), unless, in either case, such Payment Default has been cured or waived and any such acceleration has been rescinded or such Senior Debt has been paid in full in cash. During the continuance of any default (other than a Payment Default) with respect to any Senior Debt pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company shall not pay the Senior Notes for a period (a " ***Payment Blockage Period "*** ) commencing upon the receipt by the Company of written notice (a " ***Blockage Notice*** ") of such default from a holder of any such Senior Debt specifying an election to effect a Payment Blockage Period and ending 179 days thereafter. The Payment Blockage Period shall end earlier if such Payment Blockage Period is terminated (1) by written notice to the Company from the holder who gave such Blockage Notice, (2) because the default giving rise to such Blockage Notice is cured, waived or otherwise no longer continuing or (3) because such Senior Debt has been discharged or repaid in full in cash. Notwithstanding the provisions described in the immediately preceding two sentences (but subject to the provisions contained in the first sentence of this paragraph), unless the holders of such Senior Debt shall have accelerated the maturity of such Senior Debt, the Company shall be entitled to pay the Senior Notes after termination of such Payment Blockage Period. The Senior Notes shall not be subject to more than one Payment Blockage Period in any consecutive 360-day period, irrespective of the number of defaults with respect to Senior Debt during such period. For purposes of this paragraph, no nonpayment default or event of default which existed or was continuing on the

date of the commencement of any Payment Blockage Period with respect to the Senior Debt initiating such Payment Blockage Period shall be, or be made, the basis of the commencement of a subsequent Payment Blockage Period by the holder of such Senior Debt unless such default or event of default shall have been cured or waived for a period of not less than 90 consecutive days. Nothing in this paragraph shall restrict the Company from paying, or Noteholders from receiving and retaining, Permitted Junior Securities.

If payment of Senior Notes is accelerated because of a Default hereunder, the Company shall promptly notify the holders of all Senior Debt of such acceleration and neither the Company nor any of its subsidiaries shall pay the Senior Notes until five business days after the holders of all Senior Debt receive notice of such acceleration.

If a payment or distribution is made to one or more Noteholders that should not have been made to them in accordance with the provisions under this heading "Subordination," such Noteholders shall hold it in trust for holders of Senior Debt and pay it over to them as their interests may appear.

Noteholders shall not institute against, or join with or assist any person in instituting against, the Company any receivership, bankruptcy, reorganization, arrangement, insolvency, liquidation, winding up or similar proceedings.

After all Senior Debt shall have been paid in full in cash and until the Senior Notes are paid in full in cash, Noteholders shall be subrogated to the rights of holders of such Senior Debt to receive payments and distributions applicable to such Senior Debt to the extent that payments and distributions otherwise payable to Noteholders have been applied to the payment of Senior Debt. For such purposes, a payment or distribution made to holders of Senior Debt which otherwise would have been made to the Noteholders is not, as between the Company and the Noteholders, a payment on such Senior Debt.

The provisions under this heading "Subordination" are, and are intended to be, an inducement and a consideration to each holder of any Senior Debt, whether created or acquired before or after the issuance of the Senior Notes, to acquire and continue to hold, or to continue to hold, such Senior Debt and such holder of such Senior Debt shall be deemed conclusively to have relied on such provisions. Each other Noteholder as well as each holder of Senior Debt is an intended third party beneficiary of the provisions under this heading "Subordination" and shall be entitled to enforce such provisions. No right of any holder of Senior Debt hereunder shall be impaired by any act or failure to act by the Company or any of its subsidiaries or by any failure to comply the provisions under this heading "Subordination." No Amendment (as defined herein) of the provisions set forth under this heading "Subordination" shall be effective without the prior written consent of the holders of Senior Debt.

As used herein, (i) the word "including" shall be deemed to be followed by the words "without limitation" and (ii) the word "person" shall include an individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, and any other entity. All agreements in this Senior Note of the Company and Holder shall bind their respective successors and assigns. This Note (together with the other Senior Notes) constitutes

the entire agreement among the Company, its subsidiaries and Holder relative to the subject matter hereof.

Subordinated Guarantee

Each Subsidiary Guarantor jointly and severally guarantees, as a primary obligor and not merely as a surety, on an unsecured senior subordinated basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise of all obligations of the Company under this Note (the " ***Guaranteed Obligations*** " **).** Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Subsidiary Guarantor, and that such Subsidiary Guarantor shall remain bound under this Note notwithstanding any extension or renewal of any Guaranteed Obligation. The obligations of each Subsidiary Guarantor hereunder are subordinated to Senior Debt to the same extent and in the same manner as applies to the Company as set forth under the heading "Subordination." above.

Each Subsidiary Guarantor waives presentation to, demand of, payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Subsidiary Guarantor waives notice of any default under this Note or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall not be affected by (i) the failure of any Holder to assert any claim or demand or to enforce any right or remedy against the Company, under this Note or any other agreement, or otherwise, (ii) any extension or renewal of any thereof, (iii) any rescission, waiver, amendment or modification of any of the terms of this Note, (iv) the failure of the Holder to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (v) any change in the ownership of such Subsidiary Guarantor.

Each Subsidiary Guarantor further agrees that its guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection).

Except as expressly set forth herein, the obligations of each Subsidiary Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations, or otherwise. Without limiting the generality of the foregoing, the obligations of each Subsidiary Guarantor herein shall not be discharged, impaired or otherwise affected by the failure of the Holder to assert any claim or demand or to enforce any remedy under this Note or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance' of the Guaranteed Obligations, or by any other act or thing or omission or delay to do any other act or thing which mayor might in any manner or to any extent vary the risk of any Subsidiary Guarantor or would otherwise operate as a discharge of any Subsidiary Guarantor as a matter of law or equity.

In connection with the sale or distribution of substantially all of the assets of a Significant Subsidiary to another subsidiary of the Company, such person will cause the person who receives such assets to assume its obligations hereunder. In connection with a bona fide sale of

substantially all of the assets of a Significant Subsidiary to a third party or in connection with a transaction with a bona fide third party where the Significant Subsidiary ceases to be a subsidiary of the Company, such Significant Subsidiary shall be automatically released from the terms and conditions set forth in this Section "Subordinated Guarantee".

Additional Guarantors

The Company shall cause each of its direct and indirect subsidiaries incorporated in the United States which is a Significant Subsidiary to guarantee this Note on a senior subordinated basis on the same terms and conditions as set forth in the Section "Subordinated Guarantee". " ***Significant Subsidiary*** " means a "significant subsidiary" (as defined in Rule 1-02 under Regulation S-X promulgated by the Securities and Exchange Commission). Each subsidiary that ceases to be a Significant Subsidiary shall be automatically released from the terms and conditions set forth in the Section "Subordinated Guarantee" at such time such subsidiary ceases to be a Significant Subsidiary.

Transfer Restrictions

This Note may be offered, sold, pledged or otherwise transferred (each, a " ***Transfer*** ") only (i) pursuant to an exemption from registration under the Securities Act so long as the transferee furnishes to the Company a signed letter containing representations reasonably requested by the Company relating to such exemption and, if requested, an opinion of counsel reasonably acceptable to the Company that such transfer complies with the Securities Act, (ii) pursuant to an effective registration statement under the Securities Act or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder. Holder shall provide prior written notice to the Company of its intent to Transfer this Note other than (x) to a Related Party, (y) pursuant to such an effective registration statement or (z) a pledge in connection with a bona fide margin account or other loan or financing arrangement. In the case of any Transfer (other than any Exempt Transfer) the Company shall have the right to purchase this Note on the same terms (including price) as those relating to such proposed Transfer for ten (10) days following receipt of such notice (the " ***Repurchase Right*** "). " ***Exempt Transfer*** " means (a) any Transfer to a Related Party, (b) a pledge in connection with a bona fide margin account or other loan or financing arrangement, or (c) any subsequent foreclosure, margin call or similar remedy in connection with a pledge described in clause (b).

Holder shall, and each subsequent Holder is required to, notify any Transferee of this Note from such Holder of the resale restrictions described under the heading " ***Transfer Restrictions*** ".

For purposes of this Note, " ***Related Parties*** " means (a) with respect to a Holder that is an entity, the owners of equity interests of such Holder and (b) with respect to a Holder that is an individual, (i) such individual's spouse, descendants, parents, grandparents, brothers and sisters (including those so related by adoption), any trust, guardianship or other fiduciary relationship, limited liability company or partnership established and maintained for the benefit of (but only of) any of them or such individual or any estate resulting upon the death of any of them or such individual, (ii) any corporation, partnership, limited liability company or other business organization controlled by and 95% of the interests in which are owned, directly or indirectly, by

anyone or more individuals or entities named or described in clause (b )(i) above, and (iii) any organization described in Section 501(c)(3) of the Internal Revenue Code created by and substantially supported by anyone or more individuals or entities described in clauses (b )(i) or (b)(ii) above.

Legend Removal

The legend on this Note shall be removed (i) when sold in reliance on and in accordance with Rule 144 (or any successor provision) under the Securities Act or (ii) upon the Holder's request, provided that the Company may request an opinion of counsel in form and substance reasonably satisfactory to the Company, to the effect that subsequent Transfers of such Note may be effected without registration under the Securities Act and any other applicable foreign securities Laws.

Defaults

For purposes of this Note, a " ***Default*** " shall be deemed to occur if any of the following events or circumstances shall occur:

(i) the Company or any Subsidiary Guarantor shall fail to pay any amount due hereunder on the due date of such payment or within five business days thereafter;

(ii) the Company, any Significant Subsidiary or any Subsidiary Guarantor shall be adjudicated bankrupt or insolvent, file a petition or an answer not denying jurisdiction under any bankruptcy, insolvency, reorganization, arrangement, receivership or similar law, make a general assignment for the benefit of creditors or admit in writing its inability to pay its debts generally as they become due;

(iii) a petition under any bankruptcy, insolvency, receivership, reorganization or similar law shall be filed against the Company, any Significant Subsidiary or any Subsidiary Guarantor that is not discharged or dismissed within 120 days;

(iv) a trustee, conservator, receiver or liquidator shall be appointed with respect to the Company, any Significant Subsidiary or any Subsidiary Guarantor or all or a substantial part of the property of the Company, any Significant Subsidiary or any Subsidiary Guarantor;

(v) a Change in Control;

(vi) the failure of the Company or any Subsidiary Guarantor to comply with any term contained herein, which failure continues for more than 30 days after written notice thereof from the Holder; or ‘

(vii) the acceleration by the holders of Senior Debt of the Company, any Significant Subsidiary or any Subsidiary Guarantor in excess of $50,000,000.

For purposes of this Note, a " ***Change in Control*** " shall be deemed to occur if any of the following events or circumstances shall occur:

(i) any "person" or "group" within the meaning of Section 13(d) or 14(d)(2) of the

Securities and Exchange Act of 1934, as amended (the " ***Exchange Act*** "), becomes the beneficial owner of more than 35% of the then outstanding common stock or more than 35% of the then outstanding voting securities of the Company;

(ii) any "person" or "group" within the meaning of Section 13( d) or 14( d)(2) of the Exchange Act acquires by proxy or otherwise the right to vote on any matter or question with respect to more than 35% of the then outstanding common stock or more than 35% of the combined voting power of the then outstanding voting securities of the Company;

(iii) stockholders of the Company approve a plan of dissolution or complete or substantially complete liquidation of the Company or the Board of Directors of the Company approves such a plan other than in connection with a reorganization, recapitalization, redomestication, reincorporation, restructuring or similar transaction following which all or a majority of the business of the Company and its subsidiaries (taken as a whole) shall be continued by the Company or any successor thereto; or

(iv) any consummation of:

(1) a reorganization, restructuring, recapitalization, reincorporation, merger or consolidation of the Company (a " ***Business Combination*** ") unless, following such Business Combination, (A) all or substantially all of the persons who were the beneficial owners of the common stock and the voting securities of the Company outstanding immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the common equity securities and the combined voting power of the voting securities of the person resulting from such Business Combination outstanding after such Business Combination (including a person, which as a result of such Business Combination, owns the Company or all or substantially all of the assets of the Company) in substantially the same proportions as their ownership immediately prior to such Business Combination of the then outstanding common stock and the combined voting power of the then outstanding voting securities of the Company, respectively, (B) no "person" or "group" within the meaning of Section 13(d) or 14(d)(2) of the Exchange Act (excluding (x) any person resulting from such Business Combination and (y) any employee benefit plan (or related trust) of the Company or any person resulting from such Business Combination) beneficially owns more than 50% of the common equity securities or more than 50% of the combined voting power of the voting securities of the person resulting from such Business Combination outstanding after such Business Combination, except to the extent that such beneficial ownership existed prior to such Business Combination with respect to the then outstanding common stock and the then outstanding voting securities of the Company, and (C) at least a majority of the members of the board of directors (or similar governing body) of the person resulting from such Business Combination were members of

the Board of Directors of the Company at the earliest of the time of the execution of the initial agreement providing for such Business Combination or at the time of the action of the Board of Directors of the Company approving such Business Combination or at the time of action of the stockholders of the Company approving such Business Combination; or

(2) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, whether held directly or indirectly through one or more subsidiaries (excluding any pledge, mortgage, grant of security interest, sale-leaseback or similar transaction in the ordinary course of business, but including any foreclosure sale).

For purposes of the definition of Change in Control, references to "beneficial owner" and correlative phrases shall have the same definition as set forth in Rule 13d-3 under the Exchange Act (except that ownership by underwriters (including when acting as initial purchasers in a private offering) solely for purposes of a distribution or offering shall not be deemed to be "beneficial ownership") and references to the Exchange Act or rules or regulations thereunder mean those in effect on January 1,2010. Notwithstanding the foregoing, a Change in Control will not be deemed to have occurred in connection with an event or circumstance to the extent any of a Principal Holder, DM, NM or any Related Party or Affiliate (each such term, as defined in the Registration Rights and Stockholders Agreement contemplated by the Seadrift Merger Agreement and the CG Merger Agreement), directly or directly, takes, makes, initiates, participates or otherwise does any of the activities described in Section 2.3(b) of such Registration Rights and Stockholders Agreement, regardless of whether it would be permitted thereby.

Remedies and Waivers

If a Default described in clause (i) of the definition of Default occurs and is continuing, Holder may, by written notice to the Company, at Holder's election, declare the principal amount then outstanding hereunder to be immediately due and payable and thereafter exercise all rights, powers and remedies available to Holder (except as limited herein).

If a Default described in clauses (ii), (iii) or (iv) of the definition of Default occurs, the principal amount then outstanding hereunder shall automatically become and be immediately due and payable without any declaration or other act on the part of Holder and Holder may thereafter exercise all rights, powers and remedies available to Holder.

If a Default described in clauses (v), (vi) or (vii) of the definition of Default occurs and is continuing, the Majority Holders (and only the Majority Holders) may, by written notice to the Company, declare the principal amount then outstanding under all (but not less than all) of the Senior Notes to be immediately due and payable and thereafter, unless otherwise directed by the Majority Holders, exercise, on behalf of (and for the ratable benefit and at the ratable expense of) all of the holders of the Senior Notes, all rights, powers and remedies available to the holders of the Senior Notes, except as limited herein. No holder of the Senior Note shall take any action

inconsistent therewith and each holder of the Senior Notes shall cooperate with the Majority Holders in connection therewith. Without limiting the preceding sentences of this paragraph:

(i) the Majority Holders shall have the sole right to waive any such Default and its consequences, and any such waiver shall be binding upon each holder of the Senior Notes;

(ii) the Majority Holders shall have the sole right to direct the time, method and place of conducting any proceedings in respect of any such Default and shall do so for the ratable benefit and at the ratable cost of all holders of the Senior Notes; and

(iii) no holder of the Senior Notes shall use any Senior Note, or any rights thereunder or hereunder, to prejudice the rights of another holder of the Senior Notes or to obtain a preference or priority over another holder of the Senior Notes in respect of any such Default.

No holder of the Senior Notes shall institute against, or join with or assist any person in instituting against, the Company any receivership, bankruptcy, reorganization, arrangement, insolvency, liquidation, winding up or similar proceedings.

Subject to the limitations set forth herein, each right, power and remedy hereby given or otherwise available to Holder shall be cumulative, shall be in addition to every other right, power and remedy hereby given or otherwise available to Holder and may be exercised at any time and from time to time as often and in such order or concurrently as may be deemed expedient by Holder. Neither the exercise or commencement of exercise (from time to time and at any time) by Holder of, nor the delay or failure (at any time or for any period of time) to exercise, any right, power or remedy shall constitute (i) a waiver of the right to exercise, or impair, limit or restrict the exercise of, such right, power or remedy or any other right, power or remedy at any time and from time to time thereafter or (ii) a waiver of any Default by the Company. No waiver by Holder (or the Majority Holders) of any Default by the Company shall be deemed to be a waiver of any other or similar, previous or subsequent Default by the Company. No waiver of any right, power or remedy of Holder (or the Majority Holders) shall be deemed to be a waiver of any other right, power or remedy of Holder (or the Majority Holders) or shall, except to the extent so waived, impair, limit or restrict the exercise of such right, power or remedy.

Remedies Not Exclusive

Any right or remedy herein is intended to be cumulative and not exclusive, of any other right or remedy so provided by law, equity, statute, agreement or otherwise. All or any of such rights or remedies may be exercised concurrently or in such other manner as Holder shall decide. No failure on the part of Holder to exercise any of such rights or remedies shall be deemed a waiver thereof or any default hereunder.

No Recourse against Others

No incorporator, director, officer, employee, stockholder, subsidiary, affiliate, agent, consultant or representative of the Company, solely by reason of such status, shall have any liability for the obligations of the Company hereunder or for any claim based on or arising out of this Note, the issuance, sale or transfer hereof, or any other matter based on or arising out of this

Note or such obligations or their creation, performance or enforcement, or any matter related thereto. Holder waives and releases all such liability. Such waiver and release is to be part of the consideration for the issuance of this Note.

Notices

All notices, demands, requests, deliveries of the Note for replacement or exchange, and other communications with respect to this Note and the rights and obligations hereunder which are required or permitted to be given shall be in writing and shall be deemed to have been sufficiently given when delivered personally, by FedEx or nationally recognized courier, or similar delivery agent, by facsimile (evidenced by confirmation of successful transmission), or sent by certified mail (return receipt requested), with postal charges prepaid and shall be given or directed to the Company at its principal executive office shown on the first page hereof, to the attention of General Counsel, facsimile (216) 676-2462, and to Holder at Holder's address as shown in the Company's registry of holders of the Senior Notes. The Company or Holder may change its address for purposes of this paragraph by giving the other written notice of its new address in the manner set forth above. As to any such person, notice may be sent to such other address as the party to receive such notice or other communication (or copy thereof) shall have designated in writing to the party sending the same.

Presentment

The Company waives presentment for payment, notice of non-payment or dishonor, protest, notice of protest, all other notices in connection with the delivery, acceptance, performance, Default and enforcement of this Note, diligence in collection and in any and all exercises of any and all rights, powers and remedies related thereto, and, to the fullest extent permitted by law, the full benefit of all laws for the benefit of debtors.

Expenses

In addition to the principal amount payable hereunder, the Company agrees to pay to Holder, upon demand, all costs and expenses, including reasonable attorney's fees, which may be incurred by Holder resulting primarily from the gross negligence or willful misconduct of the Company (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the non-performance by the Company of its obligations set forth herein. In addition to its obligations under the preceding sentence, in the event of a Default in payment of amounts due under this Note and the Company is permitted to make such payments to Holder under the subordination provisions of this Note, the Company agrees to pay to Holder, upon demand, all costs and expenses, including reasonable attorney's fees, which may be incurred by Holder in connection with the collection and enforcement of this Note.

Amendments and Waivers

Except as otherwise provided in this Note (including the next paragraph), no addition to or waiver, cancellation, renewal, extension or amendment of (each, an " ***Amendment*** ") this Note, or any right or restriction hereunder or provision hereof, shall be binding upon Holder unless such Amendment is set forth in a written instrument which is executed and delivered by Holder or a prior registered holder of this Note or any part of the principal amount evidenced hereby.

Any Amendment that is set forth in a written instrument which is executed and delivered by holders of the Senior Notes holding at least a majority in principal amount of the Senior Notes outstanding at the time of delivery thereof (the " ***Majority Holders*** ") shall be binding upon Holder (and each other holder of the Senior Notes); provided, however, that no such Amendment shall be binding upon Holder without the prior written consent of Holder or a prior registered holder of this Note or any part of the principal amount evidenced hereby, to the extent that such Amendment shall purport to: (i) reduce the principal amount of this Note; (ii) change the Maturity Date of this Note; or (iii) make this Note payable in money other than in the lawful money of the United States of America. If an Amendment changes the terms of this Note, the Company may require Holder to deliver this Note to the Company for placement of an appropriate notation thereon.

Successors and Assigns

All agreements in this Note between the Company and Holder shall bind their respective successors and assigns.

Severability

If any provision of this Note shall be held to be invalid, unenforceable or illegal in any jurisdiction under any circumstances for any reason, (i) such provision shall be reformed to the minimum extent necessary to cause such provision to be valid, enforceable and legal while preserving the intent of the parties as expressed in, and the benefits to the parties provided by, this Note or (ii) if such provision cannot be so reformed, such provision shall be severed from this Note and an equitable adjustment shall be made to this Note (including addition of necessary further provisions to this Note) so as to give effect to the intent as so expressed and the benefits so provided. Such holding shall not affect or impair the validity, enforceability or legality of such provision in any other jurisdiction or under any other circumstances. Neither such holding nor such reformation nor severance shall affect or impair the legality, validity or enforceability of any other provision of this Note. Any such reformation, severance and adjustment shall likewise apply to all other Senior Notes.

Captions

The descriptive headings in this Note are for convenience only and shall not affect the interpretation of this Note.

Governing Law; Submission to Jurisdiction; Waiver of Jury Trial

**THE VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT OF THIS SENIOR NOTE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE LAWS, RULES AND PRINCIPLES OF THE STATE OF NEW YORK REGARDING CONFLICTS OF LAWS THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION). THE COMPANY AND HOLDER AGREE THAT ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE SHALL BE COMMENCED AND PROSECUTED IN A COURT IN THE BOROUGH OF MANHATTAN, STATE OF NEW YORK. THE COMPANY AND HOLDER CONSENT**

**AND SUBMIT TO THE PERSONAL JURISDICTION OF ANY SUCH COURT IN RESPECT OF ANY SUCH PROCEEDING. THE COMPANY AND HOLDER CONSENT TO SERVICE OF PROCESS UPON EITHER OF THEM WITH RESPECT TO ANY SUCH PROCEEDING BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, AND BY ANY OTHER MEANS PERMITTED BY APPLICABLE LAWS AND RULES. THE COMPANY AND HOLDER WAIVE ANY OBJECTION NOW OR HEREAFTER EXISTING TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING IN ANY SUCH COURT AND ANY CLAIM NOW OR HEREAFTER EXISTING THAT ANY SUCH PROCEEDING IN ANY SUCH COURT IN NEW YORK COUNTY HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE COMPANY AND HOLDER WAIVE TRIAL BY JURY IN ANY SUCH PROCEEDING.**

Counterparts

This Note may be executed in one or more counterparts, all of which shall be considered one and the same Note.

IN WITNESS WHEREOF, the Company has executed this Note as of the day and year first written above.

**GRAFTECH INTERNATIONAL LTD.**

By: _____
Name: Quinn Coburn
Title: Vice President & Treasurer

**SUBSIDIARY GUARANTORS:**

**GRAFTECH INTERNATIONAL HOLDINGS INC.**

By: _____
Name: Quinn Coburn
Title: Vice President & Treasurer

**SEADRIFT COKE L.P.**

**By: GRAFTECH SEADRIFT HOLDING CORP** ., as General Partner

By: _____
Name: Quinn Coburn
Title: Vice President & Treasurer

**GRAFTECH USA LLC**

By: _____
Name: Quinn Coburn
Title: Vice President & Treasurer

Acceptance and receipt of the Note is hereby acknowledged by the undersigned.

[Name of Holder]

By: _____

Name: _____

Title (if applicable): _____

**Exhibit 10.2.0**

# REGISTRATION RIGHTS AND STOCKHOLDERS' AGREEMENT

This REGISTRATION RIGHTS AND STOCKHOLDERS' AGREEMENT (this " Agreement ") is dated as of November 30, 2010, and is entered into by and among GrafTech International Ltd., a Delaware corporation (formerly GrafTech Holdings Inc., the " Company "), Seadrift Coke LLC, a Delaware limited liability company (the " SD General Partner "), The Rebecca and Nathan Milikowsky Family Foundation, a charitable trust (the " Nathan Foundation "), The Daniel and Sharon Milikowsky Family Foundation, Inc., a charitable trust (the " Daniel Foundation "), Rebecca Milikowsky, Brina Milikowsky, Shira Milikowsky, NMDM Investments LLC, a Delaware limited liability company (" NMDM "), Daniel Milikowsky Family Holdings LLC, a Delaware limited liability company (" DMFH " and, together with the SD General Partner, the Nathan Foundation, the Daniel Foundation, NMDM, Rebecca Milikowsky, Brina Milikowsky and Shira Milikowsky, the " Principal Holders "), Nathan Milikowsky (" NM "), Daniel Milikowsky (" DM "), and each of the other stockholders listed on Schedule A and the signature pages hereof (together with NM and DM, the " Additional Holders ," and together with the Principal Holders, the " Holders ").

WITNESSETH :

WHEREAS, pursuant to (i) the Agreement and Plan of Merger, dated as of April 28, 2010 (as amended from time to time, the " Seadrift Merger Agreement "), by and among, GrafTech International Ltd., a Delaware corporation (" GrafTech "), the Company, a wholly owned subsidiary of GrafTech, GrafTech Delaware I Inc., a Delaware corporation and a wholly owned subsidiary of the Company (" GrafTech Merger Sub "), GrafTech Delaware II Inc., a Delaware corporation and a wholly owned subsidiary of the Company (" GrafTech Seadrift Merger Sub "), Seadrift Coke L.P., a Delaware limited partnership (" Seadrift "), and certain partners of Seadrift, and (ii) the Agreement and Plan of Merger, dated as of April 28, 2010 (as amended from time to time, the " CG Merger Agreement "), by and among the GrafTech, the Company, GrafTech Merger Sub, GrafTech Delaware III Inc., a Delaware corporation and a wholly owned subsidiary of the Company (" GrafTech CG Merger Sub "), C/G Electrodes, LLC, a Delaware limited liability company (" CG "), and certain members of CG, the Holders will receive the Shares (as defined below) as part of the consideration for each Merger (as defined below) thereunder; and

WHEREAS, the Shares will be issued by the Company in private placements exempt from registration under the Securities Act (as defined below) and applicable state securities Laws;

WHEREAS, the Company wishes to provide for restrictions on transfer of the Shares and rights with respect to nomination of a director of the Company, on the terms and subject to the conditions set forth herein;

WHEREAS, the Company desires to provide to the Holders rights to registration under the Securities Act of the Registrable Securities (as defined below), on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth and other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

**Section 1. Definitions**

1.1 Defined Terms . As used herein, the following terms shall have the following meanings:

" Additional Holder " has the meaning set forth in the title.

" Affiliate " means, with respect to any Person, any other Person that controls, is controlled by or is under common control with, directly or indirectly, such Person, and, if such Person is a natural person, includes any member of such Person's immediate family, or, if such Person is an entity, includes (a) any trustee, general partner, manager, director or executive officer of, or any Person performing similar functions for, such entity and (b) any Person with the power directly or indirectly to vote or direct the voting of more than 50% of the voting shares in such entity, to elect or appoint a majority of the trustees, directors, general partners or managers of such entity or to otherwise manage or direct the management of the business and affairs of such entity, whether by reason of ownership of securities, contractual rights or otherwise; provided, however, that (i) the Holders, the Nominators and Board Nominee, on the one hand, and the Company and its Subsidiaries, on the other hand, shall be not deemed to be an " Affiliate " of each other for purposes of this Agreement and (ii) none of Michelle Harman, her spouse or any of her descendants shall be deemed to be an " Affiliate " of NM, DM or any Principal Holder for purposes of this Agreement.

" Agreement " has the meaning set forth in the title.

" Bankruptcy " of a Person means:

(a) the filing by such Person of a petition commencing a voluntary Proceeding under any applicable bankruptcy, insolvency or similar Law;

(b) the entry against such Person of an order for relief under any applicable bankruptcy, insolvency or similar Law, if such order shall not have been vacated or stayed within ninety (90) days after such entry;

(c) the written admission by such Person of its inability to pay its debts as they mature or the assignment by such Person of all or substantially of its assets for the benefit of creditors; or

(d) the appointment of a trustee, receiver or similar representative to manage or wind up the affairs, or manage or liquidate all or substantially all of the assets, of such Person.

A Person shall be deemed the " Beneficial Owner " of any securities which such Person or any of such Person's "affiliates" or "associates" within the meaning of Rule 12b-2 under the Exchange Act is deemed to "beneficially" own, directly or indirectly, within the meaning of Rule 13d-3 under the Exchange Act or any securities which such Person or any of such Person's "affiliates" or "associates," directly or indirectly, has the right or obligation to acquire (whether or not such right is revocable, or conditional, or exercisable immediately or only after the occurrence

of a default or triggering event, the passage of time or the giving of notice, or both, or otherwise) pursuant to any Contract, arrangement or understanding, whether or not in writing, and whether or not upon the exercise of conversion rights, exchange rights, purchase rights, warrants or options, or otherwise (other than customary agreements with and among underwriters and selling group members with respect to a bona fide public offering of securities and customary agreements with or among initial purchasers with respect to a bona fide institutional private offering of securities).

" Board " means the Board of Directors of the Company.

" Board Nominee " has the meaning set forth in Section 4.1(a).

" CG " has the meaning set forth in the recitals.

" CG Class A Holder " means a Holder designated as a "CG Class A Holder" on Schedule B to this Agreement.

" CG Class A/B Shelf Registration Statement " has the meaning set forth in Section 3.1(c).

" CG Class B Holder " means a Holder designated as a "CG Class B Holder" on Schedule B to this Agreement.

" CG Merger Agreement " has the meaning set forth in the recitals.

A " Change in Control " shall be deemed to occur if any of the following events or circumstances shall occur:

(a) any "person" or "group" (for purposes of this definition, within the meaning of Section 13(d) or 14(d)(2) of the Exchange Act) becomes the "beneficial owner" (for purposes of this definition, within the meaning of the last sentence of this definition) of more than 35% of the then outstanding common stock or more than 35% of the then outstanding voting securities of the Company;

(b) any "person" or "group" acquires by proxy or otherwise the right to vote on any matter or question with respect to more than 35% of the then outstanding common stock or more than 35% of the combined voting power of the then outstanding voting securities of the Company;

(c) the stockholders of the Company approve a plan of dissolution or complete or substantially complete liquidation of the Company or the Board approves such a plan (other than in connection with a Non-Organic Change); or

(d) any consummation of:

(i) a reorganization, restructuring, recapitalization, reincorporation, merger or consolidation of the Company (a " Business Combination ") unless, following such Business Combination, (A) all or substantially all of the "persons" or "groups" who were the "beneficial owners" of the common stock and the voting securities of the Company outstanding immediately prior to such Business Combination "beneficially own," directly or indirectly, more than 50% of the common equity securities and the combined voting power

of the voting securities of the Person resulting from such Business Combination outstanding after such Business Combination (including a Person, which as a result of such Business Combination, owns the Company or all or substantially all of the assets of the Company) in substantially the same proportions as their ownership immediately prior to such Business Combination of the then outstanding common stock and the combined voting power of the then outstanding voting securities of the Company, respectively, (B) no "person" or "group" (excluding (x) any Person resulting from such Business Combination and (y) any employee benefit plan (or related trust) of the Company or any Person resulting from such Business Combination) "beneficially owns" more than 50% of the common equity securities or more than 50% of the combined voting power of the voting securities of the Person resulting from such Business Combination outstanding after such Business Combination, except to the extent that such "beneficial ownership" existed prior to such Business Combination with respect to the then outstanding common stock and the then outstanding voting securities of the Company, and (C) at least a majority of the members of the board of directors (or similar governing body) of the Person resulting from such Business Combination were members of the Board at the earliest of the time of the execution of the initial agreement providing for such Business Combination or at the time of the action of the Board approving such Business Combination or at the time of action of the stockholders of the Company approving such Business Combination ((A) – (C), a " Non-Organic Change "); or

(ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, whether held directly or indirectly through one or more subsidiaries (excluding any pledge, mortgage, grant of security interest, sale-leaseback or similar transaction (x) in the ordinary course of business or (y) in connection with any credit facility, issuance of bonds, debentures, notes or other debt securities or any other financing or credit or credit enhancement transaction, but including any foreclosure sale).

Notwithstanding anything contained in the preceding sentence to the contrary, a " Change in Control " shall not be deemed to occur by reason of the consummation of the transactions which take place as provided in the Seadrift Merger Agreement or the CG Merger Agreement in conjunction with a Closing thereunder. For purposes of this paragraph, references to "beneficial owner" and correlative phrases shall have the same definition as set forth in Rule 13d-3 under the Exchange Act (except that ownership by underwriters (including when acting as initial purchasers in a private offering) solely for purposes of a distribution or offering shall not be deemed to be "beneficial ownership") and references to the Exchange Act or Rules thereunder mean the Exchange Act and those Rules in effect on January 1, 2010.

" Claim " means a complaint, allegation, charge, petition, appeal, demand, notice, filing or claim of any kind that commences, alleges a basis to commence or threatens to commence any Proceeding by or before any Governmental Entity or Judicial Authority or that asserts, alleges a basis to assert or threatens to assert any right, breach, default, violation, noncompliance, termination, cancellation or other action or omission that could reasonably be expected to result in a Liability.

" Closing " means a Closing as defined in the Seadrift Merger Agreement or the CG Merger Agreement, as applicable.

" Commission " means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

" Common Stock " means the common stock, $0.01 par value per share, of the Company or any common equity security into which such common stock may be converted or reclassified or that may be issued in respect of, or in exchange for, or in substitution of, such common stock in connection with any redomestication, holding company formation, reclassification or similar transaction involving the Company.

" Company " has the meaning set forth in the title and shall include successors, except with respect to any provision hereof that shall have terminated or be no longer binding on the Company pursuant to the express terms hereof.

" Company Default Event " means the Company's failure to comply with Section 4.1 in any material respect.

" Company Indemnified Parties " has the meaning set forth in Section 3.6(b).

" Contract " means a written or oral contract, agreement, note, bond, mortgage, indenture, deed of trust, lease, sublease, license, sublicense, purchase or sale order, or other commitment, obligation or instrument of any kind that is legally binding or enforceable under applicable Law.

" D&O Shelf Registration " has the meaning set forth in Section 3.1.

" Daniel Foundation " has the meaning set forth in the title.

" Demand " has the meaning set forth in Section 3.2(a).

" Demand Notice " has the meaning set forth in Section 3.2(a).

" DM " has the meaning set forth in the title.

" DM Exempt Shares " has the meaning set forth in Section 2.4(g).

" DMFH " has the meaning set forth in the title.

" DM Group " has the meaning set forth in Section 2.4(b)(ii). For purposes of Section 2.4(b), to the extent the DM Group and the NM Group have common Related Parties, ownership of Shares among such common Related Parties will be allocated proportionately among the DM Group and NM Group based on the relative aggregate number of Shares otherwise owned by the DM Group and NM Group, respectively. The Company will agree to any adjustments to such allocations reasonably requested by DM and NM.

" Effective Time " has the meaning set forth in the Seadrift Merger Agreement or the CG Merger Agreement, as the case may require.

" Exchange Act " means the Securities Exchange Act of 1934, as amended (including the rules and regulations promulgated thereunder), except as otherwise provided in the definition of Change in Control.

" Extraordinary Transaction " means, with respect to a Person, (a) any direct or indirect acquisition, by purchase, tender offer, exchange offer or otherwise, of (i) any equity, debt or voting securities or direct or indirect rights (including options, warrants, rights and convertible or exchangeable securities) to acquire any equity, debt or voting securities of such Person or any successor to or controlling Affiliate of such Person, or any Beneficial Ownership in any of the foregoing, (ii) any material assets of such Person or any such successor or controlling Affiliate or (iii) any loans to or beneficial ownership interest (as a participant or otherwise) in any loan, credit facility or other debt of such Person or any such successor or controlling Affiliate or (b) any liquidation, dissolution, reorganization, restructuring, recapitalization, reincorporation, merger, consolidation, business combination, or sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of a material portion of the assets of such Person or any such successor or controlling Affiliate.

" Governmental Entity " means any domestic (including federal, state or local) or foreign government, any political subdivision thereof or any court, administrative or regulatory agency, department, instrumentality, body, commission or other governmental authority or agency.

" GrafTech " has the meaning set forth in the recitals.

" GrafTech CG Merger Sub " has the meaning set forth in the recitals.

" GrafTech Merger Sub " has the meaning set forth in the recitals.

" GrafTech Seadrift Merger Sub " has the meaning set forth in the recitals.

" Holder " means, initially, a Principal Holder or an Additional Holder and, at any time thereafter, a Principal Holder, an Additional Holder or any other Person who at such time shall have become a Holder as provided in Section 2.2, but excluding any of a Principal Holder, an Additional Holder or any such other Person who, at such time, shall have ceased to be a Holder as provided in Section 2.1.

" Indemnified Party " means a Company Indemnified Party or a Seller Indemnified Party, as the case may require.

" Information " of a Person means all information (whether in written, electronic, oral or other form and including trade secrets and non-public, confidential or proprietary information), including information relating to technology, intellectual property, financing sources, business opportunities, contact information, ideas, developments, strategies and plans, developed or acquired by or for such Person and all files, books, records, notes, compilations, analyses, forecasts, studies, reports and other documents (whether in written or electronic form) prepared by or for any other Person, to the extent they contain or reflect any of such information. " Information " of a Person includes any of such information which may be obtained through visual inspection of properties or through meetings. " Information " of a Person does not, however, include that received or held by another Person which (i) is at the time of receipt by such other Person or becomes after such time publicly available or in the public domain, other than as a result of a disclosure by such other Person which constitutes a breach of this Agreement, (ii) is at the time of receipt by such other Person or becomes after such time known by such other Person on a non-confidential basis from a source (other than such Person or any of its Representatives) which, to such Person's knowledge, is not prohibited from disclosing such information to such other Person by a contractual, statutory,

fiduciary or other obligation or (iii) was or is developed by such other Person independent of any information furnished by or for such Person or any of its Representatives.

" Judicial Authority " means a court, arbitrator, special master, receiver, tribunal or similar body of any kind.

" Law " means a treaty, code, statute, law (including common law), rule, regulation or ordinance of any kind of any Governmental Entity.

" Liability " means a liability, duty, responsibility, obligation, assessment, cost, expense, expenditure, charge, fee, penalty, fine, contribution, premium or obligation of any kind, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due.

" Lock-Up Period " means the period commencing at the Effective Time under the Seadrift Merger Agreement and ending on the second anniversary thereof.

" Majority Holders " has the meaning set forth in Section 3.2(a).

" Maximum Number of Shares " has the meaning set forth in Section 3.2(b).

" Merger " has the meaning set forth in the Seadrift Merger Agreement or the CG Merger Agreement, as the case may require.

" Nathan Foundation " has the meaning set forth in the title.

" NM " has the meaning set forth in the title.

" NMDM " has the meaning set forth in the title.

" NM Exempt Shares " has the meaning set forth in Section 2.4(g).

" NM Group " has the meaning set forth in Section 2.4(b)(i). For purposes of Section 2.4(b), to the extent the NM Group and the DM Group have common Related Parties, ownership of Shares among such common Related Parties will be allocated proportionately among the NM Group and DM Group based on the relative aggregate number of Shares otherwise owned by the NM Group and DM Group, respectively. The Company will agree to any adjustments to such allocations reasonably requested by NM and DM.

" Nominators " means the Holders of a majority of the Shares then held by the Principal Holders, NM and DM, and their Related Parties.

" Order " means a judgment, writ, decree, directive, decision, injunction, ruling, award or order (including any consent decree or cease and desist order) of any kind of any Governmental Entity or Judicial Authority.

" Person " means any individual, firm, corporation, partnership, company, limited liability company, trust, joint venture or other entity.

" Piggy-Back Shares " has the meaning set forth in Section 3.3(a).

" Principal Holders " has the meaning set forth in the title.

" Proceeding " means an action, suit, arbitration, mediation, litigation, hearing, investigation, inquiry or other proceeding of any kind involving any Governmental Entity, any Judicial Authority or any other Person.

" Pro Rata " means, as to a particular Holder or other Person, the number of Shares (or other shares of Common Stock, as applicable) that each such Holder or other Person has requested be included in a registration (regardless of the number of Shares (or other shares of Common Stock, as applicable) held by each such Holder or other Person) in relation to the total number of Shares (or other shares of Common Stock, as applicable) that all Holders or other Persons have requested be included in such registration (regardless of the number of Shares (or other shares of Common Stock, as applicable) held by all such Holders or other Persons).

" Public Offering " means the offer and sale of shares of Common Stock to the public pursuant to an effective registration statement filed under the Securities Act.

" Registrable Securities " shall mean all Shares and any Common Stock which may be issued or distributed in respect thereof by way of stock dividend, stock split or other distribution, recapitalization or reclassification; provided, however, any particular Registrable Security shall cease to be a Registrable Security when (a) a Registration Statement with respect to the sale by the Holders of such Registrable Security shall have become effective under the Securities Act and such Registrable Security shall have been sold in accordance with such Registration Statement, (b) such Registrable Security has been sold by the Holders thereof pursuant to Rule 144 or (c) such Registrable Security shall have ceased to be outstanding.

" Registration Statement " means a registration statement on Form S-1 or any similar long-form registration statement or, if available, a registration statement on Form S-3 or any similar short-form registration statement.

" Related Parties " means (a) with respect to a Holder that is an entity, such Holder's stockholders and (b) with respect to a Holder that is an individual, (i) such individual's spouse, descendants, parents, grandparents, brothers and sisters (including those so related by adoption), any trust, guardianship or other fiduciary relationship, limited liability company or partnership established and maintained for the benefit of (but only of) any of them or such individual or any estate resulting upon the death of any of them or such individual, (ii) any corporation, partnership, limited liability company or other business organization controlled by and 95% of the interests in which are owned, directly or indirectly, by any one or more individuals or entities named or described in clause (b)(i) above, and (iii) any organization described in Section 501(c)(3) of the Internal Revenue Code created by and substantially supported by any one or more individuals or entities described in clauses (b)(i) or (ii) above; provided, however, that none of Michelle Harman, her spouse or any of her descendants shall be deemed to be a " Related Party " of NM, DM or any Principal Holder for purposes of this Agreement.

" Representatives " of a Person mean controlling persons, trustees, general partners, managers, directors, officers, employees, representatives, advisors, attorneys, consultants, accountants and agents of such Person.

" Restricted Shares " has the meaning set forth in Section 2.5.

" Rule 144 " means Rule 144 under the Securities Act, as such Rule may be amended from time to time.

" SD General Partner " has the meaning set forth in the title.

" Seadrift " has the meaning set forth in the recitals.

" Seadrift Class A Holder " means a Holder designated as a "Seadrift Class A Holder" on Schedule B to this Agreement.

" Seadrift Class A/B Shelf Registration Statement " has the meaning set forth in Section 3.1(b).

" Seadrift Class B Holder " means a Holder designated as a "Seadrift Class B Holder" on Schedule B to this Agreement.

" Seadrift Merger Agreement " has the meaning set forth in the recitals.

" Securities Act " means the Securities Act of 1933, as amended (including the rules and regulations promulgated thereunder).

" Selling Expenses " means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of legal counsel (one firm) selected by Majority Holders as provided in Section 3.4(b)(viii).

" Seller Indemnified Parties " has the meaning set forth in Section 3.6(a).

" Shares " means the shares of Common Stock issued pursuant to the Seadrift Merger Agreement or the CG Merger Agreement or any common equity securities into which such Common Stock may be converted or reclassified or that may be issued in respect of, or in exchange for, or in substitution of, such Common Stock pursuant to any redomestication, holding company formation, reclassification or similar transaction involving the Company.

" Significant Stockholder " has the meaning set forth in Section 3.2(d).

" Significant Subsidiary " means a "significant subsidiary" (as defined in Rule 1-02 under Regulation S-X promulgated by the Securities and Exchange Commission).

" Subsidiary " means, with respect to any Person, any other Person which, directly or indirectly, is a controlled Affiliate of such Person.

" Transfer " means, with respect to a Share, assign, transfer, sell, pledge, donate, bequeath, hypothecate, mortgage or otherwise encumber or dispose of such Share by any means, whether voluntary or involuntary and including by merger, by direct or indirect transfer of ownership of an entity that holds such Share, in connection with any Proceeding under any Law relating to bankruptcy, insolvency or the rights of creditors generally, and by operation of Law.

" Underwriter " or " Underwriters " means a securities dealer or dealers who purchases any Common Stock as principal in an underwritten offering and not as part of such dealer or dealers' market-making activities.

" Underwritten Offering " means a sale of securities of the Company to an Underwriter or Underwriters for reoffering to the public.

1.2 Interpretation . Unless otherwise stated in this Agreement:

(a) the words " hereof ", " hereby " and " hereunder ," and correlative words, refer to this Agreement as a whole and not any particular provision;

(b) the words " includes " and " including ", and correlative words, are deemed to be followed by the phrase "without limitation";

(c) the word " written " and the phrase " in writing ," and correlative words and phrases, include e-mail, pdf and facsimile transmissions;

(d) the words " asset " and " property " are synonymous and include owned, leased and licensed real, personal and intangible property of every kind, including contractual rights, tort claims, cash, securities and information;

(e) the masculine, feminine or neuter form of a word includes the other forms of such word and the singular and plural forms of a word have correlative meanings;

(f) the word " or " is not exclusive;

(g) the words " will " and " shall " shall be construed to have the same meaning and effect;

(h) references to any Contract or Order mean such Contract or Order as amended and, in the case of any Law, mean such Law as amended, supplemented or modified and any successor Law and, in the case of any Contract, includes any and all side letters, exhibits, annexes, schedules and documents attached or related thereto, incorporated therein or constituting a part thereof;

(i) references to a Section or Schedule mean a Section of or a Schedule to this Agreement;

(j) references to " amendments " of a Contract or other document, and correlative terms, include amendments, modifications, supplements, novations, waivers, releases, discharges and other changes to such Contract or document;

(k) references to a " board of directors " of a Person include the board of directors or other governing body or authority (including a general partner) performing similar functions of such Person; references to an " officer " or " director " of a Person include an officer, director, general partner, executive, manager or trustee of such Person or an individual performing similar functions for such Person; the words " stockholder " and " shareholder " are synonymous; references to the " stockholders " or " shareholders " of a Person include the stockholders, shareholders and other owners of equity interests (including partners and members) of such Person; and references to

" shares " of or in a Person include shares and equity interests (including partnership and membership interests) of any kind of or in such Person;

(l) the word " party " refers to a party to this Agreement (including a Person who becomes a Holder in accordance with Section 2.2); and

(m) capitalized terms that are correlative to terms defined in Section 1.1 shall have correlative meanings.

**Section 2. Transfers and Voting**

2.1 Limitations on Transfer .

(a) Each Holder agrees that, except for Transfers effected (i) in a transaction exempt from registration under the Securities Act under Rule 144 or otherwise or (ii) in a Public Offering, it shall not Transfer or permit the Transfer of any of its Shares to any Person.

(b) In the event of any purported Transfer of any Shares in violation of this Agreement, such purported Transfer shall be void and the Company shall be entitled to take, at the expense and risk of the Transferor Holder and the Transferee Holder, any and all action necessary or appropriate to void or void the effect of such purported Transfer.

(c) Prior to any proposed Transfer of Shares, other than a Transfer pursuant to Rule 144 or in connection with a Public Offering pursuant to Section 3, the Holder shall, if requested by the Company, furnish to the Company an opinion of counsel reasonably acceptable to the Company that such Transfer is exempt from registration under the Securities Act and any other applicable foreign securities Laws.

(d) No Transfer of Shares shall release the Transferring Holder from any Liability in respect of the Shares Transferred that arose or was created, accrued or incurred prior to such Transfer. If, after a Transfer of Shares, a Holder ceases to hold any Shares, such Holder shall cease to be a "Holder" hereunder except in respect of any such Liability.

2.2 Transfers to Related Parties .

(a) Subject to Section 2.1(a), 2.1(c) and 2.1(d), each Holder shall be entitled, from time to time and at any time, to Transfer Shares to any of its Related Parties, so long as such Related Party becomes a party to, and agrees to be bound by and to observe and perform the obligations under, this Agreement in respect of the Shares Transferred to the same extent as such Holder pursuant to an instrument reasonably satisfactory to the Company.

(b) Upon a Transfer effected in accordance with this Section 2.2, (i) such Related Party shall be entitled to the same benefits (on a ratable basis) as such Holder had under this Agreement, and shall be deemed to be a "Holder," in respect of the Shares Transferred and (ii) if such Holder continues to hold any Shares after such Transfer, such Holder shall be entitled to the same benefits and subject to the same obligations (on a ratable basis) as such Holder had under this Agreement prior to such Transfer in respect of the Shares so held.

2.3 Principal Holder Lock-Up and Standstill .

(a) Each of the Principal Holders, NM and DM agrees that, during the Lock-Up Period and thereafter until the expiration of six (6) months after the later to occur of (i) the termination of the right to nominate a director under Section 4 or (ii) the cessation by the Board Nominee of his membership on the Board, without the prior approval of a majority of the members of the Board (other than the Board Nominee):

(i) it will not and will not enter into any Contract to, and will not permit any of its controlled Affiliates or Related Parties to or to enter into any Contract to, offer to purchase or sell, purchase or sell, grant or acquire any option, right or warrant to purchase or sell, borrow or lend, pledge or hypothecate, or otherwise acquire or Transfer, directly or indirectly, any of the Shares, any other shares of Common Stock or any other securities of the Company (including securities convertible into or exercisable or exchangeable for shares of Common Stock or options, warrants or rights to acquire any shares of Common Stock);

(ii) it will not enter into, and will not permit any of its controlled Affiliates or Related Parties to enter into, any economic or voting derivative, swap or other arrangement, transaction or Contract (A) that transfers to or acquires from any other Person, in whole or in part, any of the voting rights or economic consequences of ownership of any of the Shares, any other shares of Common Stock or any other securities of the Company (including securities convertible into or exercisable or exchangeable for shares of Common Stock or options, warrants or rights to acquire any shares of Common Stock) or (B) the value of which is measured or determined, in whole or in part, by or with respect to the value of the Shares, any other shares of Common Stock or any other securities (including options, warrants, rights or rights to acquire any shares of Common Stock or other securities) of the Company;

in each case, regardless of whether settled by delivery of any of the Shares, any other shares of Common Stock, any other securities (including options, warrants, rights or rights to acquire any shares of Common Stock or other securities) of the Company, in cash or otherwise.

(b) Each of the Principal Holders, NM and DM agrees that, during the Lock-Up Period and thereafter until the expiration of six (6) months after the later to occur of (i) the termination of the right to nominate a director under Section 4 or (ii) the cessation by the Board Nominee of his membership on the Board, without the prior approval of a majority of the members of the Board (other than the Board Nominee), it will not, and will not permit any of its controlled Affiliates or Related Parties to, directly or indirectly:

(i) initiate, make or participate in any way in any “solicitation” of “proxies” within the meaning of the Exchange Act (including solicitation of written consents) to vote (or give written consent with respect to) any equity or debt securities of the Company or any of its Subsidiaries or any loans, credit facilities or other debt instruments of the Company or any of its Subsidiaries;

(ii) advise or influence any Person (other than a Related Party) with respect to the voting (including execution or delivery of written consents) of any equity or debt securities of the Company or any of its Subsidiaries or any loans, credit facilities or

other debt instruments of the Company or any of its Subsidiaries or to withhold votes or abstain from voting (including non-execution or non-delivery of written consents) of any equity or debt securities of the Company or any of its Subsidiaries or any loans, credit facilities or other debt instruments of the Company or any of its Subsidiaries;

(iii) take any action to change, control or influence the management (including the composition of the Board) or policies of the Company (except in connection with the exercise of the fiduciary duties of the Board Nominee if he is then serving as a member of the Board) or to obtain representation on the Board (except as contemplated under Section 4);

(iv) make any public announcement with respect to, submit a public proposal for or make any public offer (with or without conditions) as to any Extraordinary Transaction involving the Company, any of its Subsidiaries or any of its or their securities or assets;

(v) seek to take any action relating to, form, join, assist, encourage or participate in any way in a "group" within the meaning of Section 13(d)(3) of the Exchange Act in connection with, or directly or indirectly assist or encourage any other Person to take any action relating to any of the foregoing;

(vi) enter into or engage in any discussions, negotiations, understandings, arrangements or Contracts with any other Person regarding any of the foregoing; or

(vii) take or seek to take any action that would require the Company under applicable Laws, due to fiduciary duties, or otherwise to make any public announcement relating to any of the foregoing or any such Extraordinary Transaction.

The provisions of this Section 2.3(b) shall terminate upon termination of the CG Merger Agreement without the consummation of the Closing thereunder.

(c) Each of the Principal Holders, NM and DM agrees that, during the Lock-Up Period and thereafter until the expiration of six (6) months after the later to occur of (i) the termination of the right to nominate a director under Section 4 or (ii) the cessation by the Board Nominee of his membership on the Board, it will and will use reasonable efforts to cause all of its controlled Affiliates and Related Parties to promptly advise the Board of any inquiry, offer or proposal made to any of them of which it becomes aware with respect to any of the matters described in Section 2.3(b). The provisions of this Section 2.3(c) shall terminate upon termination of the CG Merger Agreement without the consummation of the Closing thereunder.

(d) The provisions of this Section 2.3 shall terminate in the event: (i) of a Change in Control (provided, however, that, for purposes of this Section 2.3(d) only, the percentage thresholds in clause (a) and (b) of the definition of Change in Control shall be 50% (and not 35%)); (ii) of the Bankruptcy of the Company or any of its Significant Subsidiaries; (iii) of a Company Default Event; or (iv) the Common Stock shall have become delisted from or suspended from trading on the New York Stock Exchange (other than in connection with the relisting of Common Stock on another national or international exchange).

(e) The provisions of Section 2.3(a) shall terminate in the event the Principal Holders, NM and DM, and their Related Parties shall have Transferred 90% of the Shares owned by them to Persons other than Related Parties, provided that such Transferors have otherwise complied in all material respects with their obligations under this Agreement.

2.4 Exceptions .

(a) Sections 2.3 shall not restrict any Transfer made in accordance with Section 2.2 or Section 3.2.

(b) Notwithstanding anything contained in Section 2.3(a) to the contrary:

(i) at any time on or after the six (6) month period following the Effective Time under the Seadrift Merger Agreement, NM, his Affiliates and Related Parties (the " NM Group ") will be permitted to sell Shares in transactions exempt from registration under the Securities Act under Rule 144 or otherwise or in a Public Offering; provided, however, that the aggregate number of Shares sold by the NM Group (including any Related Parties to whom any member of the NM Group has Transferred Shares) in any three (3) month period shall not exceed the aggregate number of Shares that the NM Group (including any Related Parties to whom any member of the NM Group has Transferred Shares) could sell during such period under clause (e)(1)(i) of Rule 144 (but excluding counting the NM Exempt Shares for these purposes); and

(ii) at any time on or after the six (6) month period following the Effective Time under the Seadrift Merger Agreement, DM, his Affiliates and Related Parties (the " DM Group ") will be permitted to sell Shares in transactions exempt from registration under the Securities Act under Rule 144 or otherwise or in a Public Offering; provided, however, that the aggregate number of Shares sold by the DM Group (including any Related Parties to whom any member of the DM Group has Transferred Shares) in any three (3) month period shall not exceed the aggregate number of Shares that the DM Group (including any Related Parties to whom any member of the DM Group has Transferred Shares) could sell during such period under clause (e)(1)(i) of Rule 144 (but excluding counting the DM Exempt Shares for these purposes).

(c) Notwithstanding anything contained in Section 2.1, 2.2 or 2.3 or this Section 2.4 to the contrary, no sale of Shares shall be made except to the extent it complies with applicable securities Laws and, if applicable to the seller, the Company's Corporate Governance Guidelines, Supplemental Guidelines and Policies for Executive Officers and Directors, Securities Law and Insider Trading Compliance Procedure, and Code of Conduct and Ethics, as such Guidelines and Policies may be amended by the Board in good faith from time to time.

(d) Notwithstanding anything contained in Section 2.3 to the contrary, if the Company issues additional shares of Common Stock or securities convertible into or exercisable or exchangeable for shares of Common Stock, each Holder subject thereto shall have the right to purchase, in connection with the offering thereof or thereafter in the open market, up to such additional number of shares of Common Stock or such securities so that such Holder's relative percentage of Beneficial Ownership of Common Stock is the same, after giving effect to such

purchase, as it was immediately prior to the issuance by the Company of the additional shares of Common Stock or such securities.

(e) Notwithstanding anything contained in Section 2.3 to the contrary, each Holder shall have the right to Transfer Shares (subject to compliance with the Securities Act and any other applicable securities Laws): (i) in connection with the consummation of, or otherwise pursuant to, a merger, tender offer, exchange offer or other Business Combination, so long as such transaction has been approved or recommended by the Board; (ii) if required pursuant to any Law or Order; or (iii) after expiration of the Lock-Up Period.

(f) Notwithstanding anything contained in Section 2.3 to the contrary, each of the Principal Holders, NM, DM and their Related Parties shall be permitted to (A) acquire or receive securities issued (i) in connection with a stock split, dividend, recapitalization, reclassification or similar transaction involving the Common Stock or (ii) as compensation for service as a member of the Board, (B) make any disclosure required by securities or similar disclosure Laws (such as forms, reports or schedules under Rule 144 or under Section 13 or 16 of the Exchange Act), upon the advice of counsel, and (C) vote (including by proxy) or act by consent with respect to (but only with respect to) its Shares or its other shares of Common Stock on any matter properly brought before stockholders of the Company for a vote or action by consent. Nothing contained in Section 2.3 shall restrict the Board Nominee from taking any action permitted to be taken by the Board Nominee solely in his capacity as a member of the Board.

(g) Notwithstanding anything contained in Section 2.1, 2.2 or 2.3 or this Section 2.4 to the contrary, each of (i)(A) NM and Rebecca Milikowsky shall be permitted to Transfer up to an aggregate of 1,600,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) (the " NM Exempt Shares ") to the Nathan Foundation and (B) upon any such Transfer of NM Exempt Shares to it, the Nathan Foundation may Transfer such NM Exempt Shares without restriction under Sections 2.3 or 2.4 and (ii)(A) DM and DMFH shall be permitted to Transfer up to an aggregate of 1,600,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) (the " DM Exempt Shares ") to the Daniel Foundation and (B) upon any such Transfer of DM Exempt Shares to it, the Daniel Foundation may Transfer such DM Exempt Shares without restriction under Sections 2.3 or 2.4.

2.5 Legends . The certificates representing Shares shall bear legends to the following effect:

"TRANSFER OF SHARES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY A REGISTRATION RIGHTS AND STOCKHOLDERS' AGREEMENT, DATED AS OF NOVEMBER 30, 2010, WHICH CONTAINS ADDITIONAL PROVISIONS AFFECTING THE RIGHTS AND DUTIES OF THE HOLDER OF SUCH SHARES. A COPY OF THE STOCKHOLDERS' AGREEMENT IS ON FILE AT THE OFFICE OF THE CORPORATION."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES

ACT OF 1933 OR ANY STATE OR FOREIGN SECURITIES LAW. THESE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, UNLESS (1) A REGISTRATION STATEMENT IS IN EFFECT WITH RESPECT THERETO OR (2) AN EXEMPTION THEREFROM IS AVAILABLE AND, IF REQUESTED BY THE CORPORATION, THE HOLDER DELIVERS TO THE CORPORATION AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT OR (3) SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

Any certificate issued upon a Transfer thereof or in exchange therefor shall, except as otherwise required to give effect to transactions permitted or required by this Agreement, bear substantially similar legends. The first legend referenced above shall be removed from certificates representing Shares upon termination of the applicability of Section 2.1 and Section 2.3 thereto. The second legend referenced above shall be removed from certificates representing Shares when such Shares cease to be Restricted Shares. For purposes of the foregoing, " Restricted Shares " means all Shares other than Shares (i) which have been sold in a Public Offering, (ii) with respect to which a sale has been made in reliance on and in accordance with Rule 144 (or any successor provision) under the Securities Act or (iii) with respect to which the Holder thereof shall have delivered to the Company an opinion of counsel in form and substance reasonably satisfactory to the Company, to the effect that subsequent Transfers of such Shares may be effected without registration under the Securities Act and any other applicable foreign securities Laws. The Company shall make appropriate notation in its stock transfer records of the restrictions on Transfer provided for in this Agreement.

**Section 3. Registration Rights**

3.1 Certain Registrations .

(a) Subject to the terms and conditions hereof (including the restrictions set forth in Section 2.4(b)), no later than five (5) days after the Effective Time under the Seadrift Merger Agreement, the Company shall include the Shares owned by the Principal Holders, NM and DM, and their Related Parties in any then effective director and officer shelf registration statement and in any future effective director and officer shelf registration statement, provided the Board Nominee remains a director (each, " D&O Shelf Registration "), which the Company maintains for resales of Common Stock by its directors and officers, and such Shares shall be included on the same basis, and subject to the same restrictions (including restrictions on sales thereunder), as the Common Stock included therein held by officers and directors of the Company. The Company shall have no obligation to maintain the effectiveness of any D&O Shelf Registration.

(b) Subject to the terms and conditions hereof, the Company shall file with the Commission, no later than five (5) days after the Effective Time under the Seadrift Merger Agreement, a registration statement on Form S-3ASR (or Form S-3 or any other form for which the Company then qualifies) covering the resale of the Registrable Securities held by each Seadrift Class A Holder and Seadrift Class B Holder for offerings to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act (together with any amendments and supplements thereto, and including any documents incorporated by reference therein, the " Seadrift Class A/B Shelf Registration Statement ") and shall use its reasonable best efforts to cause the Seadrift Class

A/B Shelf Registration Statement to be declared effective under the Securities Act immediately upon the filing thereof (in the case of a registration statement on Form S-3ASR) or within thirty (30) days after filing (in the case of a registration statement on any other form), and keep the Seadrift Class A/B Shelf Registration Statement continuously effective, supplemented and amended as necessary to ensure that it is available for resales of Registrable Securities by each such Holder and ensure that it conforms with the requirements of this Agreement and the policies, rules and regulations of the Commission as announced from time to time, for a period of the lesser of six (6) months after such Effective Time or until such time as all of such Registrable Securities have been sold under the Seadrift Class A/B Registration Statement; provided, that if the Registrable Securities held by any CG Class A Holder or CG Class B Holder is also included in the Seadrift Class A/B Shelf Registration Statement, such time shall be extended for a period of the lesser of six (6) months after the later of the Effective Time under the Seadrift Merger Agreement or the Effective Time under the CG Merger Agreement or until such time as all of such Registrable Securities have been sold under the Seadrift Class A/B Registration Statement. In connection with sales under the Seadrift Class A/B Shelf Registration Statement:

(i) Each Seadrift Class A Holder agrees to use best efforts to limit sales under the Seadrift Class A/B Shelf Registration Statement to not more than 50,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) per week; and

(ii) Each Seadrift Class B Holder agrees to use best efforts to limit sales under the Seadrift Class A/B Shelf Registration Statement to not more than 125,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) per week.

(c) Subject to the terms and conditions hereof, unless their resale is covered by the Seadrift Class A/B Shelf Registration Statement, the Company shall file with the Commission, no later than five (5) days after the Effective Time under the CG Merger Agreement, a registration statement on Form S-3ASR (or Form S-3 or any other form for which the Company then qualifies) covering the resale of the Registrable Securities held by each CG Class A Holder and CG Class B Holder for offerings to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act (together with any amendments and supplements thereto, and including any documents incorporated by reference therein, the " CG Class A/B Shelf Registration Statement ") and shall use its reasonable best efforts to cause the CG Class A/B Shelf Registration Statement to be declared effective under the Securities Act immediately upon the filing thereof (in the case of a registration statement on Form S-3ASR) or within thirty (30) days after filing (in the case of a registration statement on any other form), and keep the CG Class A/B Shelf Registration Statement continuously effective, supplemented and amended as necessary to ensure that it is available for resales of Registrable Securities by each such Holder and ensure that it conforms with the requirements of this Agreement and the policies, rules and regulations of the Commission as announced from time to time, for a period of the lesser of six (6) months after such Effective Time or such time as all of such Registrable Securities have been sold under the CG Class A/B Registration Statement. In connection with sales under the CG Class A/B Shelf Registration Statement (or, if covered thereby, the Seadrift Class A/B Shelf Registration Statement):

(i) each CG Class A Holder agrees to use best efforts to limit sales under the CG Class A/B Shelf Registration Statement (or the Seadrift Class A/B Shelf Registration

Statement, if applicable) to not more than 50,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) per week; and

(ii) each CG Class B Holder agrees to use best efforts to limit sales under the CG Class A/B Shelf Registration Statement (or the Seadrift Class A/B Shelf Registration Statement, if applicable) to not more than 125,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) per week.

3.2 Demand Registration .

(a) If at any time and from time to time after sixty (60) days prior to the expiration of the Lock-Up Period, Holders holding at least a majority of the Registrable Securities then outstanding (the " Majority Holders "), make a written demand for a Public Offering in order to sell all or part of the Majority Holders' Registrable Securities then outstanding (a " Demand "), the Company shall (i) within ten (10) days after the date such Demand is given, give notice thereof (the " Demand Notice ") to all Holders other than the Majority Holders and (ii) use its reasonable best efforts to register on Form S-3ASR (or Form S-3 or any other form for which the Company then qualifies), as soon as practicable (but in any event within seventy five (75) days after the Demand is given by the Majority Holders; provided, that such seventy five (75) day period may be extended to the extent necessary to comply with any financial statement filing requirements resulting from an acquisition by the Company), the Registrable Securities requested to be included in such registration by the Majority Holders and any additional Registrable Securities requested to be included in such registration by any other Holder, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given to such Holder, and in each case, subject to the limitations of Section 3.2(b). If so specified in the notice of Demand from the Majority Holders, such Public Offering shall be effected on a firm commitment underwritten basis. Notwithstanding the foregoing, the Company shall not be obligated to (A) effect a Public Offering with respect to fewer than six million (6,000,000) Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), unless the value of the Shares that is proposed to be sold in such Public Offering is greater than fifty million dollars ($50,000,000) (using the closing price of the Common Stock on the last trading day prior to the date of the Demand), (B) effect more than four (4) Public Offerings under this Section 3.2(a) in total (of which no more than two (2) of such Public Offerings may be Underwritten Offerings), or (C) effect more than one (1) Public Offering within any consecutive twelve (12) month period. If the Company undertakes a road show with respect to an Underwritten Offering or a registration for an Underwritten Offering pursuant to this Section 3.2(a) becomes effective or is terminated or abandoned at the request of the selling Holders (for any reason other than (i) failure of the Company to pursue such registration as required hereby or (ii) material adverse developments relating to the Company that make it inadvisable, in the reasonable opinion of the selling Holders, to proceed therewith) after the Registration Statement related thereto has been filed with the Commission, the Company's obligation to comply with such a Demand shall be deemed to have been satisfied, regardless of whether any related offer or sale is completed. The Company and each Holder participating in any Underwritten Offering shall enter into an underwriting agreement in customary form with the Underwriters selected for such underwriting (subject to Section 3.4(a)(vi)). The Underwriters in any Underwritten Offering pursuant to a Demand for an Underwritten Offering shall be mutually determined by the Company

and the Majority Holders.

(b) In the event that the managing Underwriters of any Underwritten Offering contemplated by Section 3.2(a) inform the Company in writing that the dollar amount or number of Registrable Securities that have been requested to be sold in such Underwritten Offering exceeds the maximum dollar amount or maximum number of shares that can be sold in such offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of shares, as applicable, the " Maximum Number of Shares "), then the Company shall include in such offering: (i) first, the Registrable Securities as to which the Underwritten Offering has been requested by the Majority Holders that can be sold without exceeding the Maximum Number of Shares, allocated Pro Rata among the Majority Holders; (ii) second, to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (i), the Registrable Securities requested to be sold in such Underwritten Offering by the Holders other than the Majority Holders that can be sold without exceeding the Maximum Number of Shares, allocated Pro Rata among the Holders other than the Majority Holders participating in such Underwritten Offering; and (iii) third, to the extent that the Maximum Number of Shares has not been reached under the foregoing clauses (i) and (ii), equity securities proposed to be sold by the Company for its own account and the equity securities of any other stockholder who has the right and who has requested to have equity securities included in such Underwritten Offering that can be sold without exceeding the Maximum Number of Shares.

(c) Notwithstanding anything contained herein to the contrary, the Company shall be entitled to postpone for a reasonable period of time (not to exceed ninety (90) days) the filing or effectiveness of, or suspend for a reasonable period of time (not to exceed ninety (90) days) the rights of the selling Holders to make offers or sales pursuant to, any Registration Statement otherwise required to be prepared, filed and made and kept effective by it hereunder if there has been a determination by the Board that filing, amending or supplementing, or making offers or sales pursuant to, such Registration Statement would have a material adverse effect on (i) any proposal or plan by the Company or any of its Subsidiaries to engage in any financing, acquisition, divestiture, joint venture, merger, consolidation, tender offer or other significant transaction or (ii) the pursuit or defense of any material third party Claim, and the Company advises the selling Holders of such postponement or suspension; provided, however, that the Company shall have the right to so postpone only one (1) time during any period of twelve (12) consecutive months. If so advised, the selling Holders shall comply therewith and, if in connection with such advice, the selling Holders receive material non-public information from the Company, they shall keep such information confidential and shall not effect (or allow others for whom they could reasonably be expected to have responsibility to effect) transactions in securities of the Company until such information becomes public or, if sooner, the expiration of such ninety (90) day period. The Company shall extend the period during which such registration shall be kept effective as provided in Section 3.2(a) by a number of days equal to the number of days in the period commencing on and including the date of suspension of the rights of the selling Holders to make sales pursuant to such registration and ending on the date sales can recommence.

(d) Notwithstanding anything contained herein to the contrary, (i) the Company shall not be obligated to effect any registration pursuant to Section 3.2(a) during the period starting with the date that is thirty (30) days prior to the Company's good faith estimate of the date of filing of, and ending on the date that is ninety (90) days after the effective date of, any other registration

statement filed or to be filed by the Company (other than a registration of securities on, or which could otherwise be done in its entirety on, Form S-8 or any successor form of limited purpose); provided, that the Company uses reasonable best efforts to cause such Registration Statement to become effective and that the Company may only exercise its rights under this Section 3.2(d) once in any twelve (12) month period and (ii) unless participating in such other registration, the Principal Holders, NM and DM and their Transferees who hold Registrable Securities shall agree to be bound by and subject to any "market stand off," "lockup" or similar arrangement which may be requested by the underwriters of any securities of the Company and which the Company's officers and directors, and stockholders entitled to registration rights that hold (directly or indirectly) at least 1% of the Company's outstanding Common Stock (a " Significant Stockholder "), are also so subject; provided, that in no event shall any such "market stand off," "lockup" or similar arrangement commence earlier than seven days prior to, or extend later than ninety (90) days following, the effective date of such registration; and provided, further, that no director, officer or Significant Stockholder shall be released from any such "market stand off," "lockup" or similar arrangement unless the Principal Holders, NM and DM and their transferees are also simultaneously released therefrom to the same extent.

3.3 Piggy-Back Offerings .

(a) Subject to the other terms and conditions hereof (including the restrictions in Section 2.4(b)), at any time and from time to time after the Effective Time under the Seadrift Merger Agreement, if the Company proposes to register shares of Common Stock under the Securities Act in connection with a Public Offering (excluding registrations in connection with a compensation arrangement, employee benefit plan or equity incentive plan of any kind (including resale registrations of securities issued thereunder or in connection therewith), an exchange or tender offer of any kind or an acquisition or divestiture of any kind by the Company or its Subsidiaries of a business, product line, company or assets) for sale for its own account or for the account of any other stockholder of the Company, each such time it will give written notice to each Holder of Registrable Securities of its intention to do so at least 20 days prior to the anticipated filing date of the related registration statement. The Company shall include in such registration all of the Registrable Securities held by each Holder from whom the Company has received a written request for inclusion therein (subject to the limitations contained in Section 2.4(b), to the extent applicable to such Holders) within ten (10) days after the receipt by such Holders of such written notice (the " Piggy-Back Shares "), to the extent required to permit the disposition of the Piggy-Back Shares to the public. Each such request by a Holder shall specify the number of Registrable Securities proposed to be registered. The failure of any Holder to respond within such ten (10) day period shall be deemed to be a waiver of such Holder's rights under this Section 3.3(a) with respect to such registration. The Company will use its reasonable best efforts to include in such Public Offering all Registrable Securities which the Company has been so requested to include by the Holders, subject to Section 3.3(b); provided, that, if, at any time after giving written notice of its intention to effect such a Public Offering and prior to the effective date of such registration, the Company shall determine for any reason not to proceed with such Public Offering or to delay such Public Offering, the Company shall give written notice of such determination to each Holder, and, thereupon: (i) in the case of a determination not to proceed, shall not be obligated to include any of the Registrable Securities in, and proceed with, such Public Offering, and (ii) in the case of a determination to delay such Public Offering, shall delay including any of the Registrable Securities for the same period as the delay in proceeding with such Public Offering.

(b) In the event that the Public Offering contemplated by Section 3.3(a) is an Underwritten Offering and the managing Underwriters of such Underwritten Offering inform the Company in writing that the dollar amount or number of Shares that have been requested to be sold in such Underwritten Offering exceeds the Maximum Number of Shares, then the Company shall include in such offering:

(i) in the event such Underwritten Offering was proposed by the Company to sell its equity securities for its own account: (A) first, equity securities proposed to be sold by the Company for its own account, (B) second, to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (A), Piggy-Back Shares which the Holders have requested be included in such Underwritten Offering allocated Pro Rata among such Holders, and (C) third, to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (B), the equity securities of any other stockholder who has the right and who has requested to have equity securities included in such Underwritten Offering that can be sold without exceeding the Maximum Number of Shares, allocated Pro Rata among each such other participating stockholder; and

(ii) in the event such Underwritten Offering was proposed by another stockholder who has the right to request an Underwritten Offering: (A) first, equity securities of such stockholder, (B) second, to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (A), equity securities proposed to be sold by the Company for its own account, (C) third, to the extent that the Maximum Number of Shares has not been reached under the foregoing clauses (A) and (B), Piggy-Back Shares which the Holders have requested be included in such Underwritten Offering that can be sold without exceeding the Maximum Number of Shares, allocated Pro Rata among such Holders, and (D) fourth, to the extent that the Maximum Number of Shares has not been reached under the foregoing clause (C), the equity securities of any other stockholder who has the right and who has requested to have equity securities included in such Underwritten Offering that can be sold without exceeding the Maximum Number of Shares, allocated Pro Rata among each such other participating stockholder.

Each Holder with Registrable Securities to be distributed by such Underwriters shall, subject to Section 3.4(a)(vi), be a party to the underwriting agreement between the Company and such Underwriters and any necessary or appropriate custody agreements, shall execute appropriate powers of attorney, and shall take all such actions as are reasonably requested by the managing Underwriters in order to expedite or facilitate the registration or the disposition of its Company Stock.

3.4 Registration Procedures .

(a) In connection with the registration of Company Stock pursuant to Section 3, the Company shall (subject to Sections 3.2(b) and 3.3(b)) use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method(s) of distribution thereof as expeditiously as practicable, and in connection therewith:

(i) The Company shall prepare and file with the Commission a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective and keep such registration

statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder whose Registrable Securities are included in such registration refrains, at the request of an Underwriter, from selling any securities included in such registration.

(ii) The Company shall, prior to filing a Registration Statement or prospectus, or any amendment or supplement thereto, furnish without charge to each Holder whose Registrable Securities are included in such registration, copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such Registration Statement (including each preliminary prospectus) and such other documents as are included in such registration as legal counsel for such Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holder.

(iii) After the filing of a Registration Statement, the Company shall promptly, and in no event more than two (2) business days after such filing, notify each Holder whose Registrable Securities are included in such Registration Statement of such filing, and shall further notify each such Holder promptly in writing in all events within two (2) business days of the occurrence of any of the following: (A) when such Registration Statement becomes effective; (B) when any post-effective amendment to such Registration Statement becomes effective; (C) the issuance or threatened issuance by the Commission of any stop order (and the Company shall take all actions required to prevent the entry of such stop order or to remove it if entered); and (D) any request by the Commission for (1) any amendment or supplement to such Registration Statement or any prospectus relating thereto or (2) additional information of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of the securities covered by such Registration Statement, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Company shall promptly make available to each Holder whose Registrable Securities are included in such Registration Statement any such supplement or amendment.

(iv) Before filing with the Commission a Registration Statement or prospectus or any amendment or supplement thereto, the Company shall furnish to each Holder whose Registrable Securities are included in such Registration Statement and to the legal counsel for any such Holders, copies of all such documents proposed to be filed sufficiently in advance of filing to provide such Holder and their legal counsel with a reasonable opportunity to review such documents and comment thereon.

(v) The Company shall use its reasonable best efforts to (A) register or qualify the Registrable Securities under such securities or “blue sky” Laws of such jurisdictions (domestic or foreign) as the Holders whose Registrable Securities are included in such Registration Statement (in light of the intended plan of distribution) may reasonably request and (B) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other Governmental

Entity as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be necessary or advisable to enable such Holders to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph or subject itself to taxation in any such jurisdiction or take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject.

(vi) The Company shall enter into customary agreements (including, if applicable, an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities. No Holder whose Registrable Securities are included in such Registration Statement shall be required to make any representations or warranties in the underwriting agreement except, if applicable, with respect to such Holder's organization, good standing, authority, title to such Holder's Common Stock, lack of conflict of such sale with such Holder's material agreements and organizational documents, with respect to written information relating to such Holder that it has furnished in writing expressly for inclusion in such Registration Statement, and any other customary representations or warranties requested by the Underwriter(s) selected for such underwriting.

(vii) The principal executive officer of the Company, the principal financial officer of the Company, the principal accounting officer of the Company and other appropriate officers and members of the management of the Company shall cooperate reasonably in any offering of Registrable Securities hereunder, which cooperation shall include (A) the preparation of the Registration Statement with respect to such offering and all other offering materials and related documents, (B) participation in meetings with Underwriter(s), prospective purchasers, attorneys, accountants and the Holders whose Registrable Securities are included in such registration, including participation in customary road shows, investor conferences and other similar presentations and (C) facilitating the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restricted legends.

(viii) The Company shall make reasonably available for inspection by the Holders whose Registrable Securities are included in such Registration Statement, any Underwriter(s) participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other professional retained by such Holders or any Underwriter, all information reasonably requested by any Holder whose Registrable Securities are included in such Registration Statement or any Underwriter, and cause the Company's officers, directors and employees to supply all information so requested by any of them in connection with such Registration Statement.

(ix) The Company shall furnish to each Holder whose Registrable Securities are included in any Registration Statement a signed counterpart, addressed to such Holder, of (A) any opinion of counsel to the Company delivered to any Underwriter and (B) any comfort letter from the Company's independent registered public accountants delivered to any Underwriter, to the extent permitted by the professional standards governing the accounting profession at the time.

(x) The Company shall comply with all applicable rules and regulations of the Commission and the Securities Act, and make available to its stockholders, as soon as practicable, an earnings statement covering a period of twelve (12) months, beginning as soon as practicable (and in any event within three (3) months after the effective date of the Registration Statement), which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(xi) The Company shall use its best efforts to cause all Holders' Registrable Securities included in any registration to be listed (or continue to be listed) on such exchanges or otherwise designated for trading in the same manner as similar securities issued by the Company are then listed or designated.

(xii) If any such Registration Statement or comparable filing refers to any Holder by name and if such Holder, in its sole and exclusive judgment, is or might be deemed to be an underwriter or a controlling Person of the Company, such Holder shall have the right to require (A) the insertion therein of language, in form and substance reasonably satisfactory to such Holder and presented to the Company in writing, to the effect that the holding by such Holder of such shares of Company Stock is not to be construed as a recommendation by such Holder of the investment quality of the Company's securities covered thereby, and that such holding does not imply that such Holder shall assist in meeting any future financial requirements of the Company, or (B) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal or state statute then in force, the deletion of the reference to such Holder.

(b) The Company shall bear all costs and expenses incurred in connection with any registration pursuant to Section 3, and all expenses incurred in performing or complying with its other obligations under this Agreement, whether or not the Registration Statement becomes effective, including: (i) all registration and filing fees; (ii) fees and expenses of compliance with securities or "blue sky" Laws (including fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities); (iii) printing expenses; (iv) the Company's internal expenses (including all salaries and expenses of its officers and employees); (v) the fees and expenses incurred in connection with the listing of the Registrable Securities as required by Section 3.4(a)(xi); (vi) Financial Industry Regulatory Authority fees; (vii) fees and disbursements of counsel for the Company and fees and expenses for independent registered public accountants retained by the Company (including the expenses or costs associated with the delivery of any opinions or comfort letters requested pursuant to Section 3.4(a)(ix); (g) the fees and expenses of any special experts retained by the Company in connection with such registration; (viii) the reasonable fees and expenses of legal counsel (one firm) selected by Majority Holders; and (ix) fees and expenses incurred by the Company or by any Underwriter(s) if and to the extent that any Holder would otherwise be responsible therefor in connection with the marketing and disposition of Registrable Securities in an Underwritten Offering in the manner reasonably requested by the Underwriters for such Underwritten Offering, including through the use of customary road shows, investor conferences and other similar presentations in accordance with Section 3.4(a)(vii). All Selling Expenses relating to Registrable Securities registered pursuant to Section 3 shall be borne and paid by the Holder's Pro Rata on the basis of the number of Registrable Securities registered on their behalf.

(c) Each Holder shall provide such information as may reasonably be requested by the Company, or the managing Underwriter, if any, in connection with the preparation of any Registration Statement pursuant to Section 3, including amendments and supplements thereto, in order to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3 and in connection with the Company's obligation to comply with federal and applicable state securities Laws. At least ten (10) business days prior to the first anticipated filing date of any such Registration Statement, the Company shall notify each Holder of the information the Company requires from such Holder and each such Holder shall provide such information to the Company at least four (4) business days prior to such first anticipated filing date of such Registration Statement. The Company shall have the right to exclude any Holder that does not comply with the Company's request for information pursuant to this Section 3.4(c) from the requisite Registration Statement and to preclude such Holder from selling Registrable Securities thereunder.

3.5 Rule 144 . So long as the Company is subject to the requirements of Section 13, 14 or 15(d) of the Exchange Act, the Company covenants that it will take reasonable efforts to file on a timely basis any reports required to be filed by it under the Securities Act and the Exchange Act (or, if the Company is subject to the requirements of Section 13, 14 or 15(d) of the Exchange Act but is not required to file such reports, it will, upon the request of any Holder of Registrable Securities, make publicly available such information) and it will take such further action so as to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether the Company has complied with Rule 144.

3.6 Indemnification .

(a) The Company will indemnify and hold harmless each selling Holder, each "affiliate" (for purposes of this Section 3.6, within the meaning of the Securities Act or the Exchange Act) of such Holder, each of their respective directors, officers, employees and general partners (and the directors, officers, employees and general partners thereof) and each "controlling person" (for purposes of this Section 3.6, within the meaning of the Securities Act or the Exchange Act) thereof (collectively, the " Seller Indemnified Parties ") against any and all losses, claims, damages or liabilities, joint or several, to which such Seller Indemnified Party may become subject under the Securities Act, the Exchange Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof, whether or not such Seller Indemnified Party is a party thereto) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement, any preliminary, final or summary prospectus, any amendment or supplement thereto, or any document incorporated therein by reference, prepared, filed, published, delivered or furnished by the Company in connection with the transactions contemplated by this Section 3 or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and will reimburse such Seller Indemnified Party for any and all legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided, however, that the Company shall not be liable to any Seller Indemnified Party in any such case to the extent that any such loss, claim, damage, liability, action, proceeding or expense (A) arises out of or is based upon any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state therein a

material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, made in any such registration statement, in any such preliminary, final or summary prospectus, in any such amendment or supplement, or in any such document incorporated by reference, in reliance upon and in conformity with written information with respect to such Seller Indemnified Party furnished to the Company by such Seller Indemnified Party expressly for use in the preparation thereof or (B) relates to any preliminary prospectus, final prospectus or final prospectus as amended or supplemented, as the case may be, and results from the fact that such Seller Indemnified Party sold such securities to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, whichever is most recent, if the Company has previously timely furnished a reasonable number of copies thereof to such Seller Indemnified Party or the underwriters, brokers or dealers through whom such sale was made. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Seller Indemnified Party and shall survive the Transfer of Shares by a Holder.

(b) Each selling Holder will indemnify and hold harmless the Company and each other selling Person under such Registration Statement, each affiliate of the Company and such other selling Person, each of their respective directors, officers, employees and general partners (and the directors, officers, employees and general partners thereof) and each controlling person thereof (collectively, the " Company Indemnified Parties ") against any and all losses, claims, damages or liabilities, joint or several, to which such Company Indemnified Party may become subject under the Securities Act, the Exchange Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof, whether or not such Company Indemnified Party is a party thereto) arise out of or are based upon any untrue statement or alleged untrue statement or omission or alleged omission described in clause (A) of Section 3.6(a) or any circumstance described in clause (B) of Section 3.6(a). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Company Indemnified Party and shall survive the Transfer of Shares by a Holder. The liability of any Holder for any indemnification under this Section 3.6(b) shall not exceed an amount equal to the net proceeds received by such Holder in connection with the sale of the relevant Registrable Securities.

(c) Promptly after receipt by an Indemnified Party of written notice of the commencement of any Claim or Proceeding with respect to which a claim for indemnification may be made pursuant to this Section 3.6, such Indemnified Party will give written notice to the indemnifying Person thereof; provided, however, that the failure to give such notice shall not relieve the indemnifying Person of its obligations under Section 3.6(a) or 3.6(b), except to the extent that the indemnifying party is actually prejudiced by such failure. In case any Proceeding is brought against an Indemnified Party, unless in such Indemnified Party's reasonable judgment a conflict of interest between the Indemnified Party and indemnifying Person may exist in respect of the claim to which such Proceeding relates and separate counsel is not employed as described below, the indemnifying Person will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying Person, to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the indemnifying Person to such Indemnified Party of its election so to assume the defense thereof, the indemnifying Person will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of

investigation. If, in such Indemnified Party's reasonable judgment, having common counsel would result in a conflict of interest between the interests of such Indemnified Party and the indemnifying Person, then such Indemnified Party may employ separate counsel reasonably acceptable to the indemnifying Person to represent or defend such Indemnified Party in such Proceeding, it being understood, however, that the indemnifying Person shall not be liable for the reasonable fees and expenses of more than one (1) separate firm of attorneys at any time for all such Indemnified Parties (and not more than one (1) separate firm of local counsel at any time for all such Indemnified Parties) in such Proceeding. No indemnifying Person will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Parties of a release from all liability in respect of such Claim or Proceeding. An indemnifying Person shall not be liable for any settlement of any Proceeding or Claim effected without its prior written consent, which shall not be unreasonably withheld.

(d) If recovery is not available under the indemnification provisions of this Section 3.6 for any reason other than as expressly specified herein, the Persons entitled to indemnification by the terms hereof shall be entitled to contribution as to all losses, claims, damages, liabilities and expenses specified in such indemnification provisions except to the extent that contribution is not permitted under Section 11(f) of the Securities Act. In determining the amount of contribution to which the respective Persons are entitled, there shall be considered the relative benefits received by each Person from the sale of the relevant securities (taking into account the portion of the proceeds realized by each), their relative fault in connection with the statements, omissions or circumstances which resulted in losses, claims, damages, expenses or liabilities, including their knowledge and access to information concerning the matter with respect to which the Claim was asserted and the opportunity to correct and prevent any misstatement, omission or circumstance, and any other equitable considerations appropriate under the circumstances. The liability of any Holder for any contribution under this Section 3.6(d) shall not exceed an amount equal to the net proceeds received by such Holder in connection with the sale of the relevant Registrable Securities.

(e) The obligations of the parties under this Section 3.6 shall be in addition to any liability which any party may otherwise have to any other party. If the underwriting agreement relating to any Public Offering covered by this Section 3 provides for indemnification and contribution of the type described in this Section 3.6, then such provisions shall supersede and replace this Section 3.6 (other than this Section 3.6(e)) insofar as it specifically provides for indemnification or contribution between the same Persons with respect to such Public Offering. An underwriting agreement which primarily provides for indemnification and contribution by selling securityholders and the Company, on the one hand, and underwriters, on the other hand (but not between the Company, on the one hand, and securityholders, on the other hand), shall not supersede or replace this Section 3.6.

3.7 Termination of Registration Rights . The provisions of Section 3 (other than Section 3.6) shall terminate on the earlier of (a) the date that the Holders no longer Beneficially own any Registrable Securities and (b) the consummation of a Change in Control unless the Company (or any successor thereof as a result of the Change in Control) is a reporting Company under the Exchange Act.

3.8 Amendment of Registration Rights . The provisions of this Section 3 may be amended, modified or waived by an instrument in writing executed by the Company and the Majority Holders, and any such amendment, modification or waiver shall bind all Holders.

**Section 4. Board Rights**

4.1 Board Nomination Right .

(a) Promptly after the occurrence of the Effective Time under both the Seadrift Merger Agreement and the CG Merger Agreement, upon written request of the Nominators to the Company, the Company shall, if the Principal Holders, NM and DM, and their Related Parties, hold and own, of record and Beneficially, in the aggregate at least 12,000,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) at the time of such request, take or cause to be taken any and all such actions so that the size of the Board is increased by one (1) director and NM is elected by the Board as a member of the Board. If NM (or a then prior designee described below in this sentence) ceases to be a member of the Board, and as long as the Principal Holders, NM and DM, and their Related Parties, shall have continuously held and owned, of record and Beneficially, in the aggregate at least 12,000,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) from the date of the first election of a Board Nominee through the date of such request, the Nominators shall have the right, by written request of the Nominators to the Company, to nominate another designee reasonably acceptable to the Board to become a member of the Board; provided, that no such designee need be elected to the Board unless at least three (3) years have past since NM (or such then prior designee) was elected to the Board; provided, further, that notwithstanding that three (3) years shall not have past, if NM (or such then prior designee) has ceased to be a member of the Board due to death, disability or retirement at or after the age of 74, then the Nominators shall have the right to nominate a replacement designee reasonably acceptable to the Board to become a member of the Board (NM or any such designee, the " Board Nominee "). If such a nomination is made, the Company shall take or cause to be taken any and all such actions so that such designee is elected by the Board as a member of the Board.

(b) If the Board Nominee shall have been elected as a member of the Board pursuant to Section 4.1(a), and as long as the Principal Holders, NM and DM, and their Related Parties, shall have continuously held and owned, of record and Beneficially, in the aggregate at least 12,000,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) from the date of such election through the December 31 immediately preceding each meeting of stockholders of the Company at which directors are to be re-elected, then the Company shall take or cause to be taken any and all such actions (including nominating for election, recommending for election, soliciting proxies (and, if applicable written consents) for election) so that the Board Nominee is nominated and recommended for re-election to the Board at each such meeting, in the same manner and to the same extent that such action is taken in respect of the other nominees of the Board. Such right shall terminate immediately at such time as the Principal Holders, NM and DM, and their Related Parties, cease for any reason to hold and own, of record and Beneficially, in the aggregate at least 12,000,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof). Upon and at any time following termination of such right, the Company may in its sole discretion cease taking any and all such

actions, the Board may in its sole discretion withdraw any nomination or recommendation for re-election previously made and the Board Nominee may resign from the Board.

(c) Notwithstanding anything contained herein to the contrary, (i) the Board Nominee shall not be required to be elected, or nominated or recommended for re-election, to the Board unless such Board Nominee meets the requirements for an "independent director" under the listing rules of the New York Stock Exchange or any other principal exchange or market on which Common Stock is then listed, satisfies the requirements set forth in the Company's Corporate Governance Guidelines and Nominating and Governance Committee Charter as reasonably determined by the Nominating and Governance Committee of the Board, is not prohibited from serving as a director of the Company under Section 8 of the Clayton Antitrust Act or any other applicable Law and is not affiliated or associated with or related to (A) a material competitor of the Company and its Subsidiaries (taken as a whole) or (B) a customer, supplier or other supply chain participant of the Company and its Subsidiaries (taken as a whole) where membership of a Board Nominee on the Board could reasonably be expected, in the reasonable judgment of the Board, to result in a material burden or disadvantage to the Company and its Subsidiaries (taken as a whole) and (ii) the Board Nominee shall resign from the Board upon request by the Board if (A) the Board Nominee fails at any time to satisfy the criteria set forth in the preceding sentence or cause for his removal exists as contemplated by the certificate of incorporation of the Company or (B) the Principal Holders, NM and DM, and their Related Parties, cease at any time for any reason to hold and own, of record and Beneficially, in the aggregate at least 12,000,000 Shares (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof). Such a request by the Board may be made at any time after the occurrence of an event described in clause (ii) of the preceding sentence. Nothing herein shall excuse the Board Nominee from tendering his resignation from the Board or restrict the Board from accepting any such resignation when and as provided in the Company's Corporate Governance Guidelines.

(d) The Board Nominee, for so long as he serves as a member of the Board and for three (3) years thereafter, shall keep all Information of the Company, its Subsidiaries and its and their Representatives confidential and not disclose or use any of such Information except in connection with performing his duties as a member of the Board. At any time after he ceases to be a member of the Board for any reason, upon written notice from the Company, the Board Nominee shall, at his election, either (i) promptly destroy at his expense all of such Information (in any form other than oral) in his possession (including all copies) and confirm such destruction to the Company in writing or (ii) promptly deliver to the Company at his expense all of such Information (in any form other than oral) in his possession (including all copies). All of such Information in oral form will continue to be subject to this Section 4.1(d). If the Board Nominee becomes required by Law to disclose any of such Information, the Board Nominee will, to the extent permitted by applicable Law, as promptly as possible give written notice to that effect to the Company. The Company, in its sole discretion, shall be entitled to seek a protective order or other appropriate remedy. If the Company seeks such an order or remedy, the Board Nominee will, upon request, use all reasonable efforts to fully cooperate with the Company at its expense. Regardless of whether such protective order or other remedy is obtained, the Board Nominee will furnish only that portion of such Information which he is legally required to furnish. If such a protective order or remedy is not obtained, the Board Nominee will exercise reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded such Information. If such a protective order or other remedy is obtained, the Board Nominee will exercise reasonable efforts to obtain reliable assurance that such Information is furnished in accordance with and subject to such protective order or

remedy. To the extent that the Board Nominee furnishes Information in accordance with this Section 4.1(d), such furnishing will not constitute a breach of this Section 4.1(d).

(e) The Board Nominee, for so long as he serves as a member of the Board, shall be entitled to the same rights, privileges and compensation as the other members of the Board in their capacity as such, including with respect to indemnfication, insurance coverage and reimbursement for meeting participation and related expenses.

(f) The Board Nominee and the Nominators shall provide prompt written notice at such time as any event occurs of which they are aware that would reasonably be expected to terminate the obligation of the Company to nominate or renominate the Board Nominee (including the Board Nominee's failure to meet the qualifications set forth in Section 4.1(c)).

(g) The obligations of the Company under this Section 4 shall terminate upon the consummation of a Change in Control; provided, however, that, for purposes of this Section 4 only, the percentage thresholds in clause (a) and (b) of the definition of Change in Control shall be 67% (and not 35%).

(h) Notwithstanding anything contained herein to the contrary, neither the Company nor the Board shall have any obligations under this Section 4.1 if any Person shall have breached his obligations under Section 2 in any material respect and, if such a breach shall have occurred, the Board Nominee shall be deemed to have tendered his resignation as a member of the Board to the Board, which it may accept at any time.

(i) The Company represents that it is not aware of any reason why the Board Nominee would not meet the qualifications set forth in Section 4.1(c).

**Section 5. Termination**

5.1 Termination . This Agreement shall terminate by mutual written consent of the parties (including Persons who have become Holders but excluding Persons who have ceased to be Holders and to have any other rights and obligations under this Agreement).

**Section 6. Miscellaneous**

6.1 Notice . All notices, demands and other communications required or permitted to be given pursuant to this Agreement shall be given in writing, shall be transmitted by personal delivery, by an nationally recognized courier service, by registered or certified mail, return receipt requested, postage prepaid, or by facsimile and shall be addressed as follows:

When the Company is the intended recipient:

GrafTech International Ltd.
12900 Snow Road
Parma, Ohio 44130
Attention: General Counsel
Facsimile: (216) 676-2526

With a copy (which shall not constitute notice) to:

Kelley Drye & Warren LLP
400 Atlantic Street
Stamford, Connecticut 06901
Attention: M. Ridgway Barker
Facsimile: (203) 327-2669

When any Holder is the intended recipient, to such Holder's address on Schedule A with a copy (which shall not constitute notice) to:

McDermott, Will & Emery LLP
340 Madison Avenue
New York, New York 10173
Attention: C. David Goldman, Esq.
Facsimile: (212) 547-5444

A party may designate a new address to which notices or demands required or permitted to be given pursuant to this Agreement shall thereafter be transmitted by giving written notice to that effect to the other parties. Each notice or demand transmitted in the manner described in this Section 6.1 shall be deemed to have been given, received and become effective for all purposes at the time it shall have been: (a) delivered to the addressee as indicated by the return receipt (if transmitted by mail), the affidavit of the messenger (if transmitted by personal delivery), the receipt of the courier service (if transmitted by courier service), or the answer back or call back (if transmitted by facsimile); or (b) presented for delivery to the addressee as so indicated during normal business hours, if such delivery shall have been refused for any reason.

6.2 Certain Expenses . Except as otherwise provided in this Agreement, each party agrees to pay all expenses, fees and costs (including legal, accounting and consulting expenses) incurred by it, its Affiliates and its Related Parties in connection with this Agreement and the transactions contemplated hereby.

6.3 Interpretation . All parties have participated substantially in the negotiation and drafting of this Agreement and no ambiguity herein shall be construed against the draftsman. The headings set forth herein have been inserted for convenience of reference only, shall not be considered a part hereof and shall not limit, modify or affect in any way the meaning or interpretation hereof.

6.4 Severability . If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

6.5 Amendments; Waiver .

(a) This Agreement may be amended, modified or waived only by an instrument in writing executed by all of the parties (including Persons who have become Holders but excluding Persons who have ceased to be Holders and to have any other rights and obligations under this Agreement in accordance with Section 2), or their respective successors or assigns; provided that an executed instrument in writing by the Majority Holders (calculated based on the number of Registrable Securities beneficially held) shall bind all of Holders for purposes of this Section 6.5; and provided further that Holders of Registrable Securities immediately after the Effective Time not party to this Agreement as of the date hereof may execute counterparts to this Agreement without the consent or additional signatures of Holders party hereto, and upon the Company's receipt of such additional Holder's executed signature pages hereto, such additional Holders shall be deemed to be a party hereto and such additional signature pages shall be a part of this Agreement.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable Laws.

6.6 Counterparts . This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

6.7 Entire Agreement; No Third-Party Beneficiaries . This Agreement (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and (b) is not intended to confer upon any Person other than the parties any rights or remedies. No Person other than the parties (which includes Persons who become Holders as provided in Section 2.2) and the Indemnified Parties shall be, or be deemed to be, a third party beneficiary or otherwise have any rights under this Agreement.

6.8 Governing Law . This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof.

6.9 Successors' Assignment . Except as otherwise provided in the definition of "Company" this Agreement shall bind the parties and their successors and assigns and inure to the benefit of the parties and their permitted assigns. Neither this Agreement nor any rights or obligations under this Agreement shall be assigned, in whole or in part, by any party without the prior written consent of the other parties. Any purported assignment or delegation in violation of this Agreement shall be void. Notwithstanding the foregoing, any Holder may assign all or any portion of its registration rights under this Agreement to (a) any Transferee of Registrable Securities owned by such Holder who is a Related Party of such Holder and (b) to any other Transferee of at least 1,500,000 Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) owned by such Holder, in each case so long as such Transfer is effected in accordance with Section 2 and such Transferee becomes a "Holder" in accordance with Section 2.

6.10 Consent to Jurisdiction . Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of the Court of Chancery of the State of Delaware or any federal court within the District of Delaware in the event any dispute arises out of this Agreement or the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or the transactions contemplated by this Agreement in any court other than the Court of Chancery of the State of Delaware or any federal court within the District of Delaware. Any judgment from any such court described above may, however, be enforced by any party in any other court in any other jurisdiction.

6.11 WAIVER OF JURY TRIAL . EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 6.11.

6.12 Injunctive Relief . Each of the parties agrees, on behalf of itself, its Affiliates and its Related Parties, that money damages for a breach hereof by it or them is unlikely to be calculable, that such a breach is likely to cause irreparable harm to the aggrieved Person and that remedies at Law are likely to be inadequate to protect the aggrieved Person against any actual or threatened breach hereof. Accordingly, each of the parties agrees, on behalf of itself, its Affiliates and its Related Parties, that the other parties may seek injunctive relief in favor of the aggrieved Person in the event of any such breach or threatened breach, without proof of actual damages and without the requirement of posting bond or other security. Such relief shall not be the exclusive remedy for a breach or threatened breach hereof, but shall be in addition to all other rights and remedies available at Law, in equity or otherwise to the aggrieved Person.

IN WITNESS WHEREOF, each of the undersigned has executed and delivered this Registration Rights and Stockholders' Agreement as of the date first written above.

GRAFTECH INTERNATIONAL LTD.

By: /s/ Erick R. Asmussen
Name: Erick R. Asmussen
Title: Director of Corporate Development

SEADRIFT COKE LLC

By: /s/ Nathan Milikowsky
Name: Nathan Milikowsky
Title: President

THE REBECCA AND NATHAN MILIKOWSKY FAMILY FOUNDATION

By: /s/ Nathan Milikowsky
Name: Nathan Milikowsky
Title: Trustee

By: /s/ Rebecca Milikowsky
Name: Rebecca Milikowsky
Title: Trustee

THE DANIEL AND SHARON MILIKOWSKY FAMILY FOUNDATION, INC.

By: /s/ Daniel Milikowsky
Name: Daniel Milikowsky
Title: Trustee

By: /s/ Sharon Milikowsky
Name: Sharon Milikowsky
Title: Trustee

NMDM INVESTMENTS LLC

By: /s/ Nathan Milikowsky
Nathan Milikowsky
Member

By: /s/ Daniel Milikowsky
Daniel Milikowsky
Member

DANIEL MILIKOWSKY FAMILY HOLDINGS LLC

By: /s/ Daniel Milikowsky
Name: Daniel Milikowsky
Title: Member

/s/ Nathan Milikowsky
Nathan Milikowsky

/s/ Daniel Milikowsky
Daniel Milikowsky

/s/ Rebecca Milikowsky
Rebecca Milikowsky

/s/ Brina Milikowsky
Brina Milikowsky

/s/ Shira Milikowsky
Shira Milikowsky

[ALL OTHER RECIPIENTS OF SHARES UNDER THE SEADRIFT MERGER AGREEMENT AND/OR THE CG MERGER AGREEMENT, WHICH SIGNATURE PAGE MAY BE INCLUDED IN THE LETTER OF TRANSMITTAL]

**Exhibit 23.1.0**

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in this current report on Form 8-K of GrafTech International Ltd. of our report dated March 15, 2010, except as to the subsequent events described in Note 13 which is as of May 21, 2010 relating to the consolidated financial statements of Seadrift Coke L.P. and Subsidiary as of December 31, 2009 and 2008 and for the years then ended.

/s/ Alpern Rosenthal
Alpern Rosenthal
Pittsburgh, Pennsylvania
November 30, 2010

**Exhibit 23.2.0**

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in this current report on Form 8-K of GrafTech International Ltd. of our report dated March 17, 2009 relating to the consolidated financial statements of Seadrift Coke L.P. and Subsidiary as of December 31, 2008 and 2007 and for the years then ended.

/s/ Alpern Rosenthal
Alpern Rosenthal
Pittsburgh, Pennsylvania
November 30, 2010

**Exhibit 23.3.0**

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in this current report on Form 8-K of GrafTech International Ltd. of our report dated March 2, 2010, except as to the subsequent event described in Note 14 which is as of May 21, 2010 relating to the consolidated financial statements of C/G Electrodes LLC and Subsidiary as of December 31, 2009 and 2008 and for the years then ended.

/s/ Alpern Rosenthal
Alpern Rosenthal
Pittsburgh, Pennsylvania
November 30, 2010

**Exhibit 23.4.0**

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in this current report on Form 8-K of GrafTech International Ltd. of our report dated March 20, 2009 relating to the consolidated financial statements of C/G Electrodes LLC and Subsidiary as of December 31, 2008 and 2007 and for the years then ended.

/s/ Alpern Rosenthal
Alpern Rosenthal
Pittsburgh, Pennsylvania
November 30, 2010

**Exhibit 99.1.0**

**12900 Snow Road**
**Parma, OH 44130**

**NEWS RELEASE**

CONTACT: Kelly Taylor
Associate Director, Investor Relations
(216) 676-2000

**GrafTech Acquires Seadrift Coke L.P. and C/G Electrodes LLC**

Parma, OH – November 30, 2010 – GrafTech International Ltd. (NYSE:GTI) today announced that it has completed the acquisitions of Seadrift Coke L.P. (Seadrift), the world's second largest producer of petroleum-based needle coke, and C/G Electrodes LLC (C/G), a US-based graphite electrode producer, pursuant to the previously announced merger agreements.

Craig Shular, Chairman and Chief Executive Officer of GrafTech, commented, "We are delighted to announce the successful completion of these acquisitions. We look forward to partnering together with the excellent teams at Seadrift and C/G to grow our Company, best serve our customers and generate sustainable long-term value for our shareholders."

To finance the acquisitions, GrafTech issued 24 million shares of common stock, used $86 million in cash, drew $165 million on its revolving credit facility and issued $200 million in non-interest bearing five-year Senior Subordinated Notes, which have a current discounted fair market value of $144 million [1].

With the completion of the acquisitions, Nathan Milikowsky, a former principal and a key shareholder in both Seadrift and C/G, will be nominated to GrafTech's Board of Directors. Mr. Milikowsky has a bachelor's degree from Yale University and is an experienced steel industry executive who will bring valuable business experience to our Board.

*GrafTech International Ltd. is one of the world's largest manufacturers and providers of high quality synthetic and natural graphite and carbon based products and technical and research and development services, with customers in about 70 countries engaged in the manufacture of steel, automotive products and electronics. We manufacture graphite electrodes, products essential to the production of electric arc furnace steel. We also manufacture thermal management, fuel cell and other specialty graphite and carbon products for, and provide services to, the electronics, power generation, solar, oil and gas, transportation, petrochemical and other metals markets. We operate 13 manufacturing facilities strategically located on four continents. For additional information on GrafTech International Ltd., call 216-676-2000, or visit our website at www.graftech.com.*

*NOTE ON FORWARD-LOOKING STATEMENTS: Except for historical information contained herein, the statements made in this release and related discussions about such matters as financial performance, synergies, tax benefits, value generation, customer service, integration and working capital improvements related to the acquisitions constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Our expectations and targets are not predictions of actual performance and historically our*

[1] Present value basis at a seven percent discount rate.

*performance has deviated, often significantly, from our expectations and targets. Actual future events, circumstances, performance and trends could differ materially, positively or negatively, from those set forth in these statements due to various factors, including: the ability to successfully integrate the acquired businesses and to realize expected benefits and synergies, changes in business and economic conditions and growth trends in the industry, changes in customer markets and various geographic regions, uncertainties in the geopolitical environment, and other risks and uncertainties, including those detailed in our SEC filings, as well as future decisions by us. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any of them in light of new information, future events or otherwise.*

*INVESTORS ARE URGED TO READ CAREFULLY THE FINAL PROSPECTUS AND S-4 REGISTRATION STATEMENT REGARDING THE TRANSACTIONS BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTIONS. These materials will be made available to GrafTech stockholders at no expense to them. Investors and securityholders will be able to obtain the documents free of charge at the SEC's web site, www.sec.gov. In addition, such materials (and all other documents filed with the SEC) will be available free of charge at www.graftech.com. You may also read and copy any reports, statements and other information filed by GrafTech with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room.*

*This news release does not constitute an offer or solicitation as to any securities. References to street or analyst earnings estimates mean those published by First Call.*