

GRAFTECH INTERNATIONAL LTD.

CHARTER OF THE NOMINATING AND GOVERNANCE COMMITTEE

I. Purpose and Power

The Committee has been established by the Board to assist the Board in discharging and performing the duties and responsibilities of the Board with respect to corporate governance, including:

- The identification and recommendation to the Board of individuals qualified to become or continue as directors.
- The continuous improvement in corporate governance policies and practices, including the development and recommendation to the Board of corporate governance guidelines applicable to the Corporation.
- The annual self-assessment of the performance of the Board.
- The recommendation of members for each committee of the Board.

The Committee has the right to exercise any and all power and authority of the Board with respect to matters within the scope of this Charter, subject to the ultimate power and authority of the Board. The Board shall continue to have the ultimate duty and responsibility to manage or direct the management of the business and affairs of the Corporation.

The Committee has the authority to conduct any and all investigations it deems necessary or appropriate, to contact directly officers and employees and require them to provide any and all information and advice it deems necessary or appropriate, and to retain executive search, legal, accounting or other advisors it deems necessary or appropriate.

The Committee has the authority to set aside for payment, pay and direct the payment of such executive search, legal, accounting and other advisors.

The advisors retained by the Committee shall report directly to the Committee, and shall be accountable to the Committee and the Board, for their services.

II. Composition

The Committee shall be comprised of that number of directors (but not less than three) as may be determined from time to time by the Board. Each member of the Committee shall be an independent director within the meaning of the rules of the NYSE.

The Nominating and Governance Committee shall recommend directors to be elected or terminated as members of the Committee. The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or at such other times as the Board may determine. Each member of the Committee shall serve until the next annual organizational meeting of the Board or the earlier of his or her termination as a member of the Committee by the Board, the election of his or her successor as a member of the Committee or his or her death, resignation or removal. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by a majority vote.

III. Meetings

The Committee shall meet in regular sessions at least two times annually and in special sessions as circumstances warrant. Committee members are expected to attend meetings (including telephonic attendance at meetings) and to spend the time needed to properly discharge their responsibilities.

A majority of the members of the Committee shall constitute a quorum for the transaction of

business. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

The Committee shall keep minutes of its meetings and other proceedings.

IV. Procedures

The Committee shall determine its meeting schedule, the agenda for each meeting, the information to be provided to it before or at each meeting and all other matters relating to the conduct of its meetings and other activities.

The Chair of the Committee shall establish and distribute (or request the Secretary to distribute) to each Committee member prior to each meeting an agenda for the meeting. Each Committee member is free to raise at any meeting subjects that are not on the agenda for that meeting.

Information that is important to understanding the business to be conducted at a meeting should generally be distributed to the Committee members at least one week (or, if that is not feasible, as soon as practicable) before the meeting, and Committee members should review these materials before the meeting.

It is the sense of the Board that, subject to Section V below, the activities and procedures of the Committee should remain flexible so that it may appropriately respond to changing circumstances.

V. Primary Activities

Without limiting the scope of the preceding provisions of this Charter, the Committee shall:

1. Review and assess the adequacy of this Charter at least annually. Submit changes to this Charter to the Board for approval.
2. Conduct an annual self-assessment to determine whether the Committee is functioning effectively, including evaluating the Committee's contributions to the Corporation, with a specific emphasis on areas in which such contributions could be improved.
3. Review and assess the adequacy of the Charter of the Board at least annually. Submit appropriate changes to that Charter to the Board for approval.
4. Report on its meetings, proceedings and other activities at each meeting of the Board.
5. Review at least annually best practices with respect to matters within the scope of this Charter.
6. Receive comments from all directors with respect to, and report annually to the Board on, an assessment of each director's and the Board's contribution to the Corporation, with specific focus on areas in which such contributions could be improved.
7. Review at least annually the skills and characteristics for election of new and continuation of existing directors (see [Annex A](#) to this Charter).
8. Identify individuals who are qualified and available to serve as directors, including whether such individuals are independent under the rules of the NYSE, the SEC and the Sarbanes-Oxley Act of 2002, non-employee directors under Rule 16b-3 under the Securities Exchange Act of 1934 and outside directors under Section 162(m) of the Internal Revenue Code of 1986 (see [Annex B](#) to this Charter).
9. Review at least annually whether the existing directors are independent directors, non-employee directors and outside directors within the meanings specified in Item 8 above.

10. Review candidates for nomination for election as directors submitted by directors, officers, employees and stockholders, establish procedures to be followed by stockholders in submitting nominees, and determine any differences in the manner in which the Committee evaluates nominees based on whether a stockholder made the recommendation or any differences in procedures to be followed for nominees of stockholders who beneficially owned more than 5% of the Corporation's common stock for at least one year as of the date the recommendation is made.

11. Recommend to the Board nominees for election as directors at each annual meeting of stockholders, to fill a vacancy on the Board or to increase the size of the Board.

12. Recommend to the Board the non-renomination of a director where appropriate.

13. Recommend to the Board the removal of a director from a Committee.

14. Review periodically the quality, sufficiency and timeliness of information furnished by management to the Board in connection with meetings of the Board and its committees and other activities of the directors.

15. Review periodically the stock ownership guidelines. Submit appropriate recommendations to the Board.

16. Review periodically policies and procedures on delegation of authority to executive officers and others.

17. Review periodically composition of the boards of directors (and similar governing bodies) of subsidiaries, including applicable regulatory requirements, jurisdictional and personal liability matters, and subsidiary compliance with codes of conduct, corporate directives and initiatives, and corporate policies and procedures.

18. Review periodically policies and procedures relating to document retention.

19. Review periodically the By-Laws (including provisions relating to indemnification of directors and officers). Submit appropriate recommendations to the Board.

20. Review periodically directors and officers insurance policies (including so called "Side-A" coverage for directors and officers individually) and indemnification agreements. Direct changes as appropriate.

21. Except to the extent that such advancement and indemnification is required by law, by the Certificate of Incorporation or Bylaws or by contract, review and, as appropriate, determine whether costs and expenses (including attorneys' fees) should be advanced and indemnification should be provided to directors and senior management in connection with claims and litigation arising out of their activities on behalf of the Corporation.

22. Select, retain, evaluate and, as appropriate, terminate and replace any executive search firm with respect to the identification of candidates for nomination for election as directors (and the Committee shall have the sole authority to take any such actions).

23. Exercise oversight of the evaluation of management.

24. Develop and recommend to the Board corporate governance guidelines.

VI. Web Site

This Charter shall be placed on the Corporation's web site.

Date: January 1, 2006

ANNEX A SKILLS AND CHARACTERISTICS FOR DIRECTORS

Board Composition

The Board as a whole should possess the following core competencies:

1. Accounting, Finance and Disclosure: ability to protect and inform stockholders and debt holders through liquidity and capital resource management and internal financial and disclosure controls;
2. Business Judgment: ability to assess business risk and stockholder valuation creation strategies;
3. Management: ability to apply general management best practices in a complex, rapidly evolving business environment;
4. Crisis Response: ability and time to perform during periods of both short-term and prolonged crisis;
5. Industry Knowledge: ability to assess opportunities and threats unique to the Corporation's industry;
6. International Markets: ability to appreciate the importance of global business trends;
7. Leadership: ability to attract, motivate and energize a high-performance leadership team; and
8. Strategy/Vision: ability to provide strategic insight and direction by encouraging innovation, conceptualizing key trends, evaluating strategic decisions and continuously challenging the Corporation to sharpen its vision.

Specific Qualifications

Each director should have the following skills and characteristics:

1. Have high personal standards:
 - a. Integrity;
 - b. Honesty; and
 - c. Desire to make full disclosure of all present and future conflicts of interest.
2. Have the ability to make informed business judgments;
3. Have literacy in financial and business matters;
4. Have the ability to be an effective team member;
5. Have a commitment to active involvement and an ability to give priority to the Corporation; a member of the Audit and Finance Committee should serve on no more than 3 public company audit committees;
6. Have no affiliations with competitors;
7. Have achieved high levels of accountability and success in his or her given fields;
8. Have no geographic travel restrictions;

9. Have an ability and willingness to learn the Corporation's business;
10. Preferably have experience in the Corporation's business or in professional fields (i.e. finance, accounting, law or banking) or in other industries or as a manager of international businesses so as to have the ability to bring new insight, experience or contacts and resources to the Corporation;
11. Preferably have a willingness to make a personal substantive investment in the Corporation;
12. Preferably have no direct affiliations with major suppliers or vendors; and
13. Preferably have previous public company board experience together with good references.

ANNEX B DEFINITIONS

Independent Director

Under listing requirements of the New York Stock Exchange, no director qualifies as "independent" unless the Board affirmatively determines that the director has no material relationship with the Corporation (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Corporation). In addition:

- No director who is or has in the last three years been an employee of the Corporation, or whose immediate family member¹ is or has in the last three years been an executive officer of the Corporation, can be "independent" (or, in the case of a director who has served as interim Chairman, CEO or other executive officer, until immediately after his or her service as interim Chairman, CEO or executive officer ends).
- No director who has received, or who has an immediate family member who has received, in any 12-month period in the last three years, more than \$100,000 in direct compensation² from the Corporation (other than director fees and pension or other deferred compensation for prior service³) can be "independent".
- No director can be "independent" who (a) is a current employee of the Corporation's internal or external auditor, (b) is, or whose immediate family members is, a current partner of the Corporation's internal or external auditor, (c) has an immediate family member who is a current employee of the Corporation's internal or external auditor and participates in the auditing firm's audit, assurance or tax compliance (but not tax planning) practice, or (d) was in the last three years but no longer is (or has an immediate family member who was in the last three years but no longer is) a partner or employee of the Corporation's internal or external auditor and who personally worked on the Corporation's audit during that time⁴.
- No director can be "independent" if he or she is part of an interlocking directorate in which:
 - an executive officer of the Corporation serves or served in the last three years on the compensation committee of another company that at the same time employs or employed the director or his or her immediate family member as an executive officer; or

- the director serves as an employee (or an immediate family member of the director serves as an executive officer) of another company that has made payments to, or received payments⁵ from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues, measured as reported in the last completed fiscal year (with loans from financial institutions not being considered payments, but interest payments or other fees associated with those loans being considered payments)⁶.

For purposes of audit committee membership, the listing requirements of the New York Stock Exchange also require that, in order to be independent, a director may receive no compensation from the Corporation other than fees for serving as a director (and other than pension or other deferred compensation for prior service).

Under the Sarbanes-Oxley Act of 2002 and Rule 10A-3 under the Securities Exchange Act of 1934, an independent director, for purposes of an audit committee standards, is a director who:

- does not directly or indirectly⁷ accept any consulting, advisory or other compensatory fee⁸ from the Corporation or any subsidiary thereof, other than in such person's capacity as a Board or committee member; and
- is not an affiliated⁹ person of the Corporation or any subsidiary thereof.

Non-Employee Director

Under Rule 16b-3 under the Securities Exchange Act of 1934, a non-employee director is a director who:

- is not currently an officer (as defined in Rule 16a-1(f)) of the issuer or a parent or subsidiary of the issuer, or otherwise currently employed by the issuer or a parent or subsidiary of the issuer;
- does not receive compensation, either directly or indirectly, from the issuer or a parent or subsidiary of the issuer, for services rendered as a consultant or in any capacity other than as a director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to Item 404(a) of Regulation S-K;
- does not possess an interest in any other transaction for which disclosure would be required pursuant to Item 404(a) of Regulation S-K; and
- is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K.

Outside Director

Under Section 162(m) of the Internal Revenue Code of 1986, a director is an outside director if the director:

- is not a current employee of the publicly held corporation;
- is not a former employee of the publicly held corporation who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year;
- has not been an officer of the publicly held corporation; and
- does not receive remuneration from the publicly held corporation, either directly or indirectly, in any capacity other than as a director (and for this purpose, remuneration includes any payment in exchange for goods or services).

Notes:

¹ An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than a domestic employee) who shares such person's home. Persons who are no longer immediate family members due to legal separation or divorce need not be considered. Employment of a family member in an employee position (other than an executive officer position) does not preclude the Board from determining that a director is independent; such employment arrangements are common and do not present a categorical threat to director independence. In addition, if an executive officer dies or becomes incapacitated, his or her immediate family members may be classified as independent immediately after such death or determination of incapacity, provided that they themselves are otherwise independent.

[Return to text](#)

² Payments to a person's solely owned business entity is considered direct compensation, but neither expense reimbursements nor dividend and interest income is considered compensation. Compensation received by a director for his or her former service as interim Chairman, CEO or other executive officer, and compensation received by an immediate family member for his or her service as an employee of the Corporation (other than an executive officer), need not be considered in determining independence under this test.

[Return to text](#)

³ In order to be excluded from the "compensation" test, the deferred compensation for prior service cannot be contingent on continued service. Typically, a severance package or a non-compete arrangement is not contingent on continued service, but if the non-compete arrangement is part of (or entered into in connection with) a consulting agreement that calls for continued service (even if that service is never rendered), this payment must be considered as compensation.

[Return to text](#)

⁴ In the case of a family member's employment by an auditor, only employment in a professional capacity (i.e., participation in an audit and assurance and tax compliance (but not tax planning) practice in a non-support role) is relevant. It is not relevant if the family member served as clerical or administrative personnel (whether or not such personnel participate in the audit or assurance or tax compliance practices).

[Return to text](#)

⁵ Contributions to tax-exempt organizations are not considered "payments" for these purposes, but the Corporation must disclose in its annual proxy statement any such contributions made by it to any tax-exempt organization in which any independent

director serves as executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of \$1 million and 2% of such tax-exempt organization's consolidated gross revenues (i.e., gross revenues from all sources (e.g., charitable contributions, ticket sales, investment portfolios and other activities)), with the Board having the obligation to consider the materiality of such relationship.

[Return to text](#)

⁶ The Corporation should use reasonable best efforts to determine the other company's expected payments and revenues, even if financial statements for such company are not available.

[Return to text](#)

⁷ "Indirect" acceptance includes acceptance by a spouse, a minor child or stepchild or a child or stepchild sharing a home with the audit committee member or by an entity in which the audit committee member is a partner, member or officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any subsidiary thereof.

[Return to text](#)

⁸ Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation (so long as such compensation is not contingent in any way on continued service). Compensatory fees typically do not include a severance package or non-compete arrangements (but may include these if they are part of a consulting agreement that calls for continued service, even if the service is never rendered).

[Return to text](#)

⁹ An "affiliate" of (or person "affiliated" with) the Corporation means a person who (directly, or indirectly through one or more intermediaries) controls, is controlled by or is under common control with the Corporation. "Control" means the direct or indirect possession of the power to direct (or cause the direction of) the Corporation's management and policies (through the ownership of voting securities, by contract or otherwise).

The definition of "affiliated person" requires a factual determination based on a consideration of all relevant facts and circumstances. As a safe harbor, a person who is neither an executive officer nor a direct or indirect beneficial owner of more than 10% of any class of voting equity securities, will not be deemed in control of the Corporation for these purposes (but a person exceeding the 10% threshold is not presumed to control or otherwise be an affiliate of the Corporation).

Executive officers, managing members and general partners of affiliates (and directors who also are employees of affiliates) are considered affiliates. "Executive officer" means president, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions.

[Return to text](#)