



GrafTech International Ltd

CORPORATE POLICY

Functional Area/Department: Human Resources/Corporate HR

Policy Title: Vacation Purchase Program- US **Corporate Policy No.** HRM.03.003

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Vacation Purchase Program

The Vacation Purchase Program is a supplemental vacation benefit under the GrafTech Section 125 Cafeteria Program designed to provide, if elected by the employee and approved by management, additional vacation hours to employees' earned vacation allotment. This program is restricted to GrafTech International Holdings Inc., including its affiliates and subsidiaries (collectively the "Company"), and its US employees eligible for three weeks or less of annual vacation.

Explanation of Program

Purchased vacation hours are pre-taxed payroll deductions taken equally from your payroll checks throughout the year.

The cost of each vacation hour is purchased at the employees' hourly rate of pay at the time of enrollment. (Note: the hourly rate for salaried employees is calculated by dividing your full-time annual base pay by 2080.)

Eligible employees may purchase a minimum of 8 hours and a maximum of 40 hours for the year.

Employer provided vacation must be taken first, therefore an employees' annual vacation allowance must be used before Purchased Vacation hours are used.

Eligibility Requirements

- Full time GrafTech employee based in the United States
- 3 weeks or less vacation allowance during the plan year for which you are making an election (i.e. 2014 for current elections)
- New employees are not eligible to purchase vacation in their calendar year of hire
- Employees on Performance Improvement Plan (PIP), performance,

attendance or conduct probation at the time of enrollment are not eligible to participate

Vacation Purchase Enrollment Period

Eligible employees may enroll in the Vacation Purchase Program during the designated enrollment period by completing the Vacation Purchase request form.

Employees' elections during the Purchase Vacation enrollment period will be effective January 1 of the following calendar year.

Purchase Vacation is a non-revocable benefit and will remain in effect for the entire elected year, January 1 through December 31, unless you have a qualifying change in status.

The Purchase Vacation benefit cannot be carried forward to the following year.

Plan Benefit

Eligible employees are required to follow the vacation scheduling practices for their site location.

The deduction amount is fixed regardless of job or position change.

The Purchase Vacation hours must be used by the end of the calendar year or will be forfeited. Unlike other Section 125 benefits, you will not have a grace period for using Purchased Vacation.

For eligible employees who elect to participate in the Vacation Purchase Program, your taxable pay will be reduced when you purchase vacation. Other benefits such as Savings Plan deductions or pension contributions will not be affected.

Employment Status Changes

In cases of termination of employment from the Company, any Purchased Vacation hours unused at the time of termination will be cashed-out and distributed to the employee on the employee's final paycheck.

In cases of termination of employment (whether voluntarily or involuntarily) prior to the end of the calendar year, and to the extent permitted by applicable law, the Company will deduct wages from the employee's final paycheck as reimbursement for any unearned vacation time taken during the calendar year.

If on unpaid leave, missed deductions will be collected upon return to work.

Program Modification, Amendment and Termination

The Company reserves the right to change or terminate the Vacation Purchase Program at any time.