ALLEGHENY TECHNOLOGIES INC
Form DEF 14A
March 28, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Allegheny Technologies Incorporated

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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1000 Six PPG Place

Pittsburgh, PA 15222-5479

Dear Stockholders:

I am pleased to invite you to attend Allegheny Technologies Incorporated s 2016 Annual Meeting of Stockholders. As in prior years, we will consider matters that are important to our company.

Although 2015 was a difficult year in terms of financial performance, we were still able to accomplish strategic goals and advance strategic objectives that are crucial to the long-term growth of ATI. Our Rowley titanium sponge facility achieved premium-grade product and process qualification for jet engine rotating parts. Our Hot-Rolling and Processing Facility is fully integrated into our daily operations and able to serve both of our business segments. Our capital investments in nickel alloy powder and titanium investment castings to support future aerospace market demand are continuing on schedule. These significant capital investments have been a focus of our company for the past several years, and now we are turning our attention to achieving an acceptable return on these investments. In 2015, we also took necessary actions to rightsize our Flat Rolled Products business by idling certain facilities, in order for the whole company to be able to effectively compete in global markets. To do this, ATI must have the most advanced specialty materials technologies, offer innovative products that create value for customers, use unsurpassed manufacturing capabilities, and maintain a competitive cost structure. Our goal is to better position ATI for long-term profitable growth and enhance the opportunities to create value for our stockholders throughout business cycles.

The views of our stockholders are important to us. We conducted extensive stockholder outreach this year and listened to your concerns. For 2016, we completely redesigned our executive compensation program. We believe that, going forward, we will have a more transparent program that continues to emphasize pay for performance. Based on stockholder feedback, the Board is sponsoring a proposal at this Annual Meeting to implement declassification of the Board of Directors. We also redesigned the format of this proxy statement to make it easier for our stockholders to navigate and understand.

These changes and the multitude of executive compensation and corporate governance improvements that ATI has implemented over the past several years, as described in this proxy statement, illustrate that our Board of Directors is responsive to stockholder priorities. We are, and will remain, accountable to you.

All of us at ATI are committed to *Creating Value Thru Relentless Innovation®*, and we look forward to 2016 being a better year. Thank you for your continued support.

Sincerely,

RICHARD J. HARSHMAN

Chairman, President and Chief Executive Officer

March 28, 2016

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Notice of annual meeting of stockholders

DATE:

Friday, May 6, 2016

TIME:

11:00 a.m. Pacific Time

PLACE:

The Fairmont Newport Beach Hotel

Sequoia Ballroom

4500 MacArthur Boulevard

Newport Beach, California 92660

RECORD DATE:

March 9, 2016

AGENDA:

1. **Election** of four directors;

2. **Approval** of amendments to the Company s Certificate of Incorporation to declassify the board of directors;

3. **Advisory vote** to approve the compensation of our named executive officers; and

4. **Ratification** of the selection of Ernst & Young LLP as our independent auditors for 2016.

YOUR VOTE IS IMPORTANT

Please vote as soon as possible.

You can help the Company reduce expenses by voting your shares by telephone or Internet; your proxy card or voting instruction card contains the instructions. Or complete, sign and date your proxy card or voting instruction card and return it as soon as possible in the enclosed postage-paid envelope.

HOW TO VOTE

VIA THE INTERNET

Visit the website listed on our proxy card

BY MAIL

Sign, date and return your proxy card in the enclosed envelope

BY TELEPHONE

Call the telephone number on your proxy card

IN PERSON

Attend the Annual Meeting in person

ADMISSION TO THE MEETING

Only holders of ATI common stock or their authorized representatives by proxy may attend the meeting.

If you are a stockholder of record and plan to attend the meeting, please mark the appropriate box on the proxy card, or enter the appropriate information when voting by telephone or Internet.

If your shares are held through an intermediary such as a broker or a bank, you will need to present proof of your ownership as of the record date, March 9, 2016, for admission to the meeting. Proof of ownership could include a proxy card from your bank or broker or a copy of your account statement.

All attendees will need to present valid photo identification for admission to the meeting.

The approximate date of the mailing of this proxy statement, proxy card, and ATI s 2015 Annual Report is March 28, 2016. For further information about ATI, please visit our website at www.atimetals.com.

On behalf of the Board of Directors:

ELLIOT S. DAVIS

Corporate Secretary

Dated: March 28, 2016

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ATI ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON FRIDAY, MAY 6, 2016.

The proxy statement, proxy card and 2015 annual report of Allegheny Technologies Incorporated are available for review at: http://www.envisionreports.com/ATI

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Proxy Statement Summary

Annual meeting of stockholders

This summary highlights information that is contained elsewhere in this proxy statement. You should carefully read this proxy statement in its entirety before voting, as this summary does not contain all of the information that you should consider.

Meeting date:	Friday, May 6, 2016
Time:	11:00 a.m. Pacific Time
Place:	The Fairmont Newport Beach Hotel, Sequoia Ballroom 4500 MacArthur Boulevard, Newport Beach, California 92660
Record date	**March 9, 2016**
and Voting:	ATI stockholders as of the record date are entitled to vote on the matters presented at the meeting. Each share of common stock of the Company is entitled to one vote for each director nominee and one vote on each other matter presented.

Agenda for annual meeting and voting

Proposal	Board s recommendation	Page reference

1. Election of four directors	**FOR**	12
2. Approval of amendments to the Company s Certificate of Incorporation to declassify the board of directors	**FOR**	31
3. Advisory vote to approve the compensation of our named executive officers	**FOR**	37
4. Ratification of the selection of Ernst & Young LLP as our independent auditors for 2016	**FOR**	82

Director nominees Class II Term to expire in 2019

Name	**Director Since**	**Experience and Qualifications**	**Board Committees**
Richard J. Harshman *Chairman, President and Chief Executive Officer*	2011	Leadership Industry Finance	N/A
Carolyn Corvi	2012	Industry Operations Technical	Finance Personnel and Compensation Technology
Barbara S. Jeremiah	2008	Industry Strategic International	Finance Technology
John D. Turner	2004	Leadership Industry Technical	Finance Nominating and Governance Technology (Chair)

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PROXY STATEMENT SUMMARY | HIGHLIGHTS

WHAT S NEW IN OUR PROXY STATEMENT THIS YEAR?

We significantly changed our proxy statement this year in terms of design and presentation. We made these changes for several reasons. First, we want to help stockholders better understand our company s governance and compensation practices, and specifically the recent actions we have taken in these areas. In addition, we want this proxy statement to be easier for you to read and navigate, so we made a concerted effort to simplify and clarify what we say. We hope that this new proxy statement presentation format will make it easier to review and understand these materials.

Corporate Governance Highlights

Our commitment to good corporate governance is illustrated by the following practices:

Board independence (10 out of 11 directors are independent)

Board diversity (female and minority directors comprise over 35% of our Board)

Majority voting/director resignation policy for uncontested elections

Robust stock ownership guidelines for directors and executive management

97% director attendance at Board and Board Committee meetings in 2015
100% independent Audit, Personnel & Compensation and Nominating & Governance Committees

Lead Independent Director with strong and clear responsibilities

Independent directors regularly meet in executive sessions without management present

Succession planning

Board risk oversight

Strong corporate governance guidelines and policies

2016 Say on Pay Proposal

Why should you vote in favor of our 2016 Say on Pay proposal?

We were able to position the Company for future growth and success, despite that 2015 was a difficult year.

Our Chief Executive Officer (CEO) did not receive an annual incentive award for 2015 even though earned.

The earned annual incentive awards for the other named executive officers (NEOs) were below target and further reduced by the maximum of 20%.

There were no payouts under long-term incentive programs for performance periods ending 2015.

We listened to stockholders, redesigned our compensation program for 2016 to simplify it, and reduced total long-term compensation opportunities for the CEO to below the market median, and other NEOs to align with the market median.

There are no salary increases in 2016 for the CEO and NEOs.

We implemented more rigorous stock ownership guidelines for management.

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PROXY STATEMENT SUMMARY | HIGHLIGHTS

Executive Compensation Highlights

WHAT WE DO	WHAT WE DON T DO
o **Link compensation to ATI performance.** Performance drives pay. A significant portion of compensation opportunities for the NEOs is variable, that is, tied to performance. Cash and equity incentive plans are based on the attainment of business plan performance metrics. Payments are made only when the performance targets are achieved.	X **No employment agreements for executive officers.** X **No excise tax gross-ups in change in control agreements.**
o **Compensation aligned with stockholder interests.** Long-term incentive compensation opportunities for the NEOs are equity-based and tied to business plan performance metrics. New simplified compensation program in effect for 2016 is more aligned with stockholders interests.	X **Executive perquisites.** We do not have executive perquisites such as personal air travel and club dues and tax gross-ups.
o **Double trigger change in control agreements.**	X **No hedging transactions or pledging of ATI stock by officers and directors.** We have always prohibited officers and directors from engaging in hedging or pledging transactions with respect to ATI stock.
o **Clawback policy.** Clawback arrangements require the return of compensation to the extent that information used to calculate the achievement of earnings or other performance measures is subsequently determined to be	X **No repricing of awards.** No previously granted awards can be repriced or surrendered in exchange for new awards.

materially incorrect.

o **Robust Stock Ownership Guidelines for Directors and Executive Management.** In February 2016, stock ownership guidelines for management were updated to include 6X base salary ownership for the CEO and require 100% retention until ownership guidelines are met.

o **Board compensation risk oversight.**

o **Balanced compensation program.** The compensation program includes complementary but diverse performance goals, a balance of types of compensation, and caps on the amount of compensation that can be awarded.

o **Independent Compensation Consultant** of the Personnel and Compensation Committee.

o **162(m) compliant.** We intend that payouts under our short- and long-term incentive programs satisfy the requirements of qualified performance-based compensation under Section 162(m) of the Internal Revenue Code.

X **No defined benefit plan restoration.** The company froze future accruals under the Supplemental Pension Plan and the defined benefit portion of the Benefit Restoration Plan as of December 31, 2014.

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PROXY STATEMENT SUMMARY | EXECUTIVE COMPENSATION PROGRAM ACTIONS

Executive Compensation And Governance Program Changes (2011-2016)

Actions Taken In Response to 2015 Say-On-Pay Vote

At our 2015 Annual Meeting, our stockholders expressed a disappointing level of support for our executive compensation program, with only 49% of the votes cast for the approval of our Say-On-Pay proposal. We heard your concerns and have acted in response:

INVESTOR OUTREACH

We significantly strengthened outreach to our stockholders about our executive compensation program and made substantive changes to better align our pay practices with performance. ATI engaged extensively with our stockholders during and after the 2015 proxy season and after the Say on Pay vote, in the summer and fall of 2015, to discuss stockholders comments on our executive compensation program and corporate governance practices. In particular, we proactively engaged with our 50 largest stockholders, which represent over 60% of our share ownership. *See page 46.*

Your comments addressed:

Desire for a simplified executive compensation program

Perception that operational goals are discretionary in the short-term cash incentive plan

Removal of the discretionary portion above 100% in our short-term cash incentive plan	Inclusion of a return on capital metric as part of the long-term equity incentive compensation plan
Greater weight on financial goals in the short-term cash incentive plan	Declassification of the board

We used this opportunity to review the design concepts and features of a new executive compensation program, as more fully described in the Compensation Discussion & Analysis section, including the CD&A summary.

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PROXY STATEMENT SUMMARY | EXECUTIVE COMPENSATION PROGRAM ACTIONS

2016 NEW EXECUTIVE COMPENSATION PROGRAM STRENGTHENING PAY FOR PERFORMANCE

As an outgrowth to the company s transformation and significant strategic investments over the past several years, and as result of prior say on pay votes, including the 2015 results, we overhauled our executive compensation program and took a clean sheet approach to its re-design. ATI engaged external compensation consultants and advisors to provide research and review peer company practices and the practices of other manufacturing companies. We also considered the business challenges and goals, and motivation and retention issues that we face. In the fall of 2015, we also reached out to our largest stockholders to solicit their feedback on a tentative program design. As a result of this extensive process, we developed a new executive compensation program that is more aligned with stockholders interests, easier to understand, retentive, and focused on ATI s business objectives.

Redesigned our short-term incentive program (annual cash performance-based incentives)	Redesigned our long-term incentive program (3-year equity performance-based incentives)	Simplified our Executive Compensation Program	Competitive and Market-Based
Changed our financial measures to put more emphasis on total ATI results through income/income-related and cash flow	Re-aligned our long-term incentives to match our business strategies, with 70% weighting	Long-term equity performance-based incentive program has been reduced from its current format of three plans with multiple	Decreased the 2016 long-term incentive opportunities for the CEO and all Executive Council members to reflect a target at the market

measures. Changed the weighting of the financial portion to 90% for the CEO and Executive Council members. Program prohibits positive discretion to increase award amounts.	on performance shares for the CEO and Executive Council and top leaders. Long-term incentive financial performance metrics, with a focus on: ROIC (return on invested capital) and net income. Maintained total stockholder return performance relative to a peer group of companies as a modifier to ROIC and net income performance. No dividends are earned on restricted stock units.	metrics and features. There are no separate programs for the CEO and Executive Council members. The new executive compensation program is more transparent and easier to understand.	median based on position. This resulted in decreases from 20% to 33% as a percentage of base salary. Specifically, the CEO s LTI was reduced from 400% of base salary to 320%. Contemporary design that aligns with other mid-sized and large manufacturing companies.

These changes are effective for awards beginning in 2016. Please read the Executive Compensation section in this proxy statement to learn more.

BOARD DECLASSIFICATION

The Board of Directors is sponsoring and recommending a proposal to the stockholders at the 2016 annual meeting to amend ATI s charter to implement declassification of the board. After a similar declassification proposal nearly passed with stockholder approval in 2014, the Board further considered this topic. As part of our stockholder engagement in 2015, ATI received positive feedback and support from its stockholders with respect to board declassification.

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PROXY STATEMENT SUMMARY | 2015 BUSINESS PERFORMANCE

2015 Business Performance   Executing our long-term growth strategy

2015 was a difficult year for ATI but one from which we aim to emerge a stronger, leaner and more nimble company. While our financial performance in 2015 was disappointing, we continued to focus on strategic initiatives designed to position ATI for improved financial performance and long-term profitable growth. Throughout 2015, we continued our journey of *Building the World s Best Specialty Materials & Components Company™*. These actions included:

Investing in enhanced manufacturing capabilities in the High Performance Materials & Components (HPMC) segment for nickel alloy powder, titanium investment castings, and forgings to support the anticipated market demand increases, and growing new part introductions (NPIs) for the aerospace market.

Advancing the strategy of operating as an integrated and aligned business, by consolidating the leadership in the HPMC segment under one executive vice president to streamline and improve operating efficiencies and enhance the competitive position of the segment. We integrated multiple business units within the HPMC segment. We also furthered alignment by implementing more consistent and market- and cost- competitive health, welfare and retirement benefit programs across our operations.

Implementing rightsizing actions that are intended to return the Flat Rolled Products (FRP) business to profitability as quickly as possible and the further advancement of our strategy for sustainable long-term profitable growth. Certain production facilities that serve commodity-oriented markets that currently are facing very challenging business conditions are being temporarily idled.

Fully integrating our Hot-Rolling and Processing Facility (HRPF) into all applicable production processes. The HRPF enables ATI to grow our high value product lines, such as nickel-based and specialty alloys, and titanium and titanium alloys, across both business segments. These differentiated products serve key global markets including Aerospace and Defense, Oil & Gas/Chemical and Hydrocarbon Processing Industry and Electrical Energy. The HRPF also enables the decommissioning of two higher-cost legacy hot-rolling operations.

Completing the premium-quality (PQ) qualification process for our products used in jet engine rotating parts made with titanium sponge produced by our Rowley, UT facility. This marked the completion of a journey to full qualification of Rowley as a PQ titanium sponge producer for all applications.

Continuing our focus on safety, with our 2015 OSHA Total Recordable Incident Rate of 1.88 and our Lost Time Case Rate of 0.29, which we believe to be competitive with world-class performance for our industry.

Maintaining a solid liquidity position with $150 million in cash at year-end 2015 and a $400 million domestic asset-based lending (ABL) facility, which was undrawn at year-end 2015. We have no significant debt maturities for the next three years.

ATI s business is cyclical, as are the end markets that use our products. In 2015, ATI s stock price declined significantly, by over 67%, due to weak demand and historically low base prices for our commodity stainless steel sheet products driven mainly by global excess capacity and exacerbated by falling nickel prices throughout the year. These factors resulted in historic low transaction prices for commodity stainless steel sheet products. In addition, due to falling prices for crude oil and natural gas, demand for our products from the oil and gas market, which is ATI s second largest end market weakened significantly. Other manufacturing companies, specifically those in steel, metals and mining, were similarly affected. While earnings and stockholder returns are depressed during a down business cycle, such as 2015, our actions to improve and enhance ATI s manufacturing capabilities through capital investments, cost reduction and productivity improvements, restructuring our businesses, and repositioning ATI to be more focused on growing global markets using ATI s more differentiated high-value products enables ATI to optimize returns as business conditions and end market demand improve.

Our Compensation Philosophy Pay for Performance

The overriding principle in designing ATI s executive compensation program is to drive our long-term strategic vision, and to ensure that the program is aligned with our pay-for-performance philosophy. It is designed to reward executive management based on company performance, create long-term stockholder value and attract and retain key employees.

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PROXY STATEMENT SUMMARY | PAY FOR PERFORMANCE

Paying for performance is a key attribute of ATI s compensation philosophy. As such, a significant portion of the NEOs compensation is subject to the achievement of rigorous performance goals and, therefore, is at risk.

In 2015, our CEO, Rich Harshman, was paid only his base salary. No amounts were earned under the long-term incentive plans in effect for the 2013-2015 performance period. In addition, the Personnel and Compensation Committee determined that our CEO should forego his earned AIP (annual cash incentive) in 2015 due to overall company performance.

The other NEOs earned cash awards under the 2015 Annual Incentive Plan, however, the Committee reduced their respective AIP payouts by the 20% maximum to reflect ATI s overall performance.

The following shows target and realizable pay to the CEO over the past three-years in terms of total compensation, annual cash incentive, and long-term incentives. Realizable pay is well below targeted amounts.

** The CEO was paid no incentive award under the Annual Incentive Plan for 2013 and 2015.*

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PROXY STATEMENT SUMMARY | TOTAL REALIZED COMPENSATION

Total Realized Compensation

The Personnel & Compensation Committee views the amounts in the Summary Compensation Table as the target compensation opportunity for each NEO under the executive compensation program. When making determinations and awards under the plans, the Committee looks to the actual dollar value of awards to be delivered to the NEOs in any given year, as illustrated by the Total Realized Compensation figures below.

Name	2014 Total Realized Compensation	2015 Total Realized Compensation	Percentage Change
Harshman	$ 3,289,353	**$ 1,431,303**	**(56%)**
DeCourcy	$ 895,137	**$ 672,371**	**(25%)**
Dalton	$ 1,330,309	**$ 809,692**	**(39%)**
Sims	$ 1,246,772	**$ 843,211**	**(32%)**
Kramer	N/A(1)	**$ 741,144**	**N/A**

(1) Mr. Kramer was not a named executive officer in 2014.

Total Realized Compensation is calculated as follows:

Total Compensation as determined	-	the **aggregate grant date fair value of equity**	-	any **vested but unpaid amounts** for the KEPP	-	the **year-over-year change in**	+	if any, the **value realized in 2015 from shares**

by SEC rules and set forth in the Total column of the Summary Compensation Table	**awards** (as reflected in the Stock Awards column of the 2015 Summary Compensation Table)	performance period 2013-2015 (as reflected in the Non-Equity Incentive Plan Compensation column of the 2015 Summary Compensation Table), **which amount is zero for all participants**	**pension value and non-qualified deferred compensation** (as reflected in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column of the 2015 Summary Compensation Table)	**awarded** under the 2013-2015 TSRP and PRSP; **which amount is zero for all participants,** as no shares vested under those plans for 2013- 2015 (as reflected in the Options Exercised and Stock Vested Table)

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Item 1 Election of Directors

The Board of Directors has nominated four directors for election. Richard J. Harshman, Carolyn Corvi, Barbara S. Jeremiah and John D. Turner are standing for election to the Board as Class II directors for a three-year term expiring in 2019. If Item 2 Approval of Amendments to the Certificate of Incorporation to Declassify the Board of Directors is approved by the requisite number of votes, declassification of the Board of Directors would be phased in over a three-year period. In accordance with Delaware corporate law, declassification of the board would not result in the curtailment of any incumbent director s term of office prior to expiration of the term. *For more information, please see Item 2.*

Plurality Voting: Directors are elected by a plurality of the votes cast. This means that the four individuals nominated for election to the Board of Directors who receive the most FOR votes (among votes properly cast in person, electronically, telephonically or by proxy) will be elected.

Director Resignation Policy: While directors are elected by a plurality of the votes cast, our Bylaws include a director resignation policy. This policy states that in an uncontested election, if any director nominee receives a greater number of votes WITHHELD from his or her election, as compared to votes FOR such election, the director nominee must tender his or her resignation. The Nominating and Governance Committee of the Board is required to make recommendations to the Board of Directors regarding any such tendered resignation. The Board of Directors will act on the tendered resignation within 90 days from the certification of the vote and will publicly disclose its decision, including its rationale.

Only votes FOR or WITHHELD are counted in determining whether a plurality has been cast in favor of a director nominee; abstentions are not counted for purposes of the election of directors. If you withhold authority to vote with respect to the election of some or all of the nominees, your shares will not be voted with respect to those nominees indicated. For a WITHHOLD vote, your shares will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote against that director nominee for purposes of our director resignation policy.

If a nominee becomes unable to serve, the proxies will vote for a Board-designated substitute or the Board may reduce the number of directors. The Company has no reason to believe that any of the nominees for election will be unable to serve.

Director Terms

The directors currently are divided into three classes and the directors in each class generally serve for a three-year term unless the director is unable to serve due to death, retirement or disability. The term of one class of directors currently expires each year at the annual meeting of stockholders. The Board may fill a vacancy by electing a new director to the same class as the director being replaced or by effectively reassigning a director from another class. The

Board may also create a new director position in any class and elect a director to hold the newly created position. It is expected that new directors elected by the Board will stand for election by the stockholders at the next annual meeting.

Our Director Nomination Process

The Board is responsible for recommending director nominees to the stockholders and for selecting directors to fill vacancies between stockholder meetings. The Nominating and Governance Committee recommends candidates to the Board.

The Committee considers director candidates suggested by members of the Committee, other directors, senior management and stockholders. *For information on how to submit a candidate for consideration, please see*

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ITEM 1 ELECTION OF DIRECTORS | OUR DIRECTOR NOMINATION PROCESS

2017 Annual Meeting and Stockholder Proposals . Preliminary interviews of director candidates may be conducted by the Chair of the Nominating and Governance Committee or, at her request, any other member of the Committee or the Chairman of the Board. Background material pertaining to director candidates is distributed to the Committee for review. The Chair of the Committee and other Committee members, directors and key senior management interviews director candidates who merit further consideration. The Nominating and Governance Committee consider the results of these interviews in its deliberations.

Board Diversity is one of many criteria considered by the Board when evaluating candidates, though the Board does not have a formal policy regarding diversity. *A key factor in determining director nominees is building a cognitively diverse board representing a wide breadth of experience and perspectives.*

Director Criteria For Nominees

Director candidates are generally selected on the basis of the following criteria:

- their business or professional experience,
- recognized achievement in their respective fields,
- integrity and judgment,
- ability to devote sufficient time to the affairs of the Company,
- the diversity of their backgrounds,
- ability to represent the interests of all stockholders,
- the skills and experience that their membership adds to the overall competencies of the Board, and
- the current needs of the Company.

In accordance with our mandatory retirement policy for directors, if a director will reach his or her 72nd birthday during the director s subsequent term, the Nominating and Governance Committee should take this fact into account in determining whether to recommend the nomination of the director. New directors added to the Board or to fill vacancies are expected to stand for re-election at the next annual meeting of stockholders.

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ITEM 1 ELECTION OF DIRECTORS | OUR DIRECTOR NOMINATION PROCESS

In evaluating the needs of the Board, the Nominating and Governance Committee considers the qualifications of sitting directors and consults with other members of the Board (including as part of the Board s annual self-evaluation), the Chairman, President and Chief Executive Officer, and other members of executive management. At a minimum, all recommended candidates must exemplify the highest standards of personal and professional integrity, meet any required independence standards, and be willing and able to constructively participate in and contribute to Board and committee meetings. Additionally, the Committee conducts individual reviews of current directors whose terms are nearing expiration, but who may be proposed for re-election, in light of the considerations described above and their past contributions to the Board.

Director Skills Summary

CEO Experience	Industry/ Manufacturing Knowledge	Operations/ Production	Financial Expertise	Technical or Legal	Labor/ Human Resources	Marketing/ Communications	Government/ Environmental	Inter M Ac
	n	n		n				
n	n			n	n	n	n	
	n		n	n	n		n	
n	n	n	n		n	n	n	

n	n	n		n	n	n	n
	n			n		n	
n		n			n	n	n
	n		n				
n			n			n	
	n	n		n	n		
n	n	n		n	n	n	n

Our 2016 Director Nominees and Continuing Directors

The Board of Directors determined that each of the four director nominees qualifies for election under the criteria for evaluation of directors. The Board of Directors determined that Mses. Corvi and Jeremiah and that Mr. Turner qualify as independent directors under applicable rules and regulations and our categorical Board independence standards.

All of our directors bring to our Board a wealth of leadership experience derived from their service in executive and managerial roles and also extensive board experience. Background information about the nominees and the continuing directors, including their business experience and directorships held during the past five years, and certain individual qualifications and skills of our directors that contribute to the Board s effectiveness as a whole, are described in the following pages.

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ITEM 1 ELECTION OF DIRECTORS | 2016 DIRECTOR NOMINEES

Nominees Class II Term to Expire at the 2019 Annual Meeting

Richard J. Harshman

Director since 2011

Age 59

Mr. Harshman became Chairman, President and Chief Executive Officer in May 2011. He was President and Chief Operating Officer from 2010 until May 2011. Prior to that, he served as Executive Vice President, Finance and Chief Financial Officer from 2003 to 2010. Mr. Harshman joined the Company in 1978 and served in several financial management roles for the Company.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Harshman s qualifications include his experience in senior leadership positions, his intimate knowledge of the industry and ATI s business given his tenure with the Company, and his financial expertise. Furthermore, the Board believes that Mr. Harshman s current position as Chairman, President and Chief Executive Officer provides a unified vision for ATI.

CURRENT DIRECTORSHIPS:

Ameren Corporation

Carolyn Corvi

Upon her retirement in 2008, Ms. Corvi concluded a 34-year career with The Boeing Company, a diversified aerospace company, where she most recently served as Vice President, General

Manager of Airplane Programs, Boeing Commercial Airplanes, a position she held from 2005 until her retirement.

Director since 2012

Age 64

Ms. Corvi is a member of the Finance Committee, the Personnel and Compensation Committee, and the Technology Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Ms. Corvi s qualifications include her extensive experience in the aerospace industry (ATI s largest end market) and her knowledge of and experience in manufacturing.

CURRENT DIRECTORSHIPS:

Hyster-Yale Materials Handling, Inc. and United Continental Holdings, Inc.

PAST DIRECTORSHIPS:

Goodrich Corporation and Continental Airlines, Inc.

Barbara S. Jeremiah

Prior to her retirement in 2009, Ms. Jeremiah served as Executive Vice President of Alcoa, Inc., a leading aluminum producer, from 2002 until 2008, when she also assumed the position of Chairman s Counsel.

Director since 2008

Age 64

Ms. Jeremiah currently serves on the Finance Committee and the Technology Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Ms. Jeremiah s qualifications include her strong background in the metals industry and significant strategic development and international experience.

PAST DIRECTORSHIPS:

Boart Longyear Limited (Chair of its Board of Directors from 2013 to 2015), EQT Corporation, and First Niagara Financial Group, Inc.

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ITEM 1 ELECTION OF DIRECTORS | 2016 DIRECTOR NOMINEES

John D. Turner

Director since 2004

Age 70

Mr. Turner served as Chairman and Chief Executive Officer of Copperweld Corporation, a manufacturer of tubular and bimetallic wire products, from 2001 until his retirement in 2003.

Mr. Turner serves as the Chair of the Technology Committee and is a member of the Finance Committee and the Nominating and Governance Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Turner s qualifications include his experience in executive oversight and senior leadership positions, background in the manufacturing sector, and familiarity with industrial and technical matters.

CURRENT DIRECTORSHIPS:

Matthews International Corporation (Chairman since 2010)

Continuing Directors Class III Term to Expire at the 2017 Annual Meeting

James C. Diggs

Director since 2001

Age 67

Prior to his retirement in 2010, Mr. Diggs was Senior Vice President and General Counsel of PPG Industries, Inc., a producer of coatings, glass and chemicals, since 1997. He held the position of Secretary from 2004 to 2009.

Mr. Diggs is Chair of the Finance Committee and also serves on the Audit Committee and the Nominating and Governance Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Diggs s qualifications include his experience with industry and legal matters, his senior leadership at a global public company, and his experience with domestic and international operations.

CURRENT DIRECTORSHIPS:

Brandywine Realty Trust

J. Brett Harvey

Director since 2007

Age 65

Mr. Harvey is Chairman of CONSOL Energy Inc., a leading diversified energy company in the United States, a position he has held since 2010. He was Executive Chairman from May 2014 to January 2015. Mr. Harvey announced that he will retire from his position as Chairman effective immediately upon the conclusion of the annual meeting of the stockholders of CONSOL Energy Inc. scheduled to occur in May 2016. Mr. Harvey was Chief Executive Officer of CONSOL Energy Inc. from 1998 until May 2014. He also served as President from 1998 until 2011. Mr. Harvey was Chief Executive Officer of CNX Gas Corporation, a subsidiary of CONSOL Energy, Inc., from 2009 to 2010.

Mr. Harvey currently serves on the Nominating and Governance Committee and the Personnel and Compensation Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Harvey s qualifications include his significant oversight experience from serving as chief executive officer of public companies, his industry experience in the oil and gas market (a large end market for ATI), and his operational expertise.

CURRENT DIRECTORSHIPS:

CONSOL Energy Inc. and Barrick Gold Corporation

PAST DIRECTORSHIPS:

CNX Gas Corporation (Chairman from 2009 to 2010)

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ITEM 1 ELECTION OF DIRECTORS | CONTINUING DIRECTORS

David J. Morehouse

New Director in 2015

Age 55

Mr. Morehouse is Chief Executive Officer and President of Pittsburgh Penguins LLC, which owns and operates the Pittsburgh Penguins National Hockey League team. He was named President of the Pittsburgh Penguins in 2007 and has also served as Chief Executive Officer since 2010. He joined the Pittsburgh Penguins in 2004 as a consultant for special projects, including the team s new arena.

Mr. Morehouse is a member of the Audit Committee and the Technology Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Morehouse s qualifications include his leadership, strategic planning and development, operations, branding and marketing, and government experience.

Louis J. Thomas

Director since 2004

Age 73

Mr. Thomas served as Director, District 4, United Steelworkers of America for the Northeastern United States and Puerto Rico, prior to his retirement in 2004.

Mr. Thomas is a member of the Audit Committee and Technology Committee. The United Steelworkers (USW) initially proposed the nomination of Mr. Thomas in connection with the 2004 labor negotiations with Allegheny Ludlum, an ATI company. At that time, the Company agreed that the International President of the USW can propose to the Company s Chairman a nominee for director.

SKILLS AND QUALIFICATIONS:

The USW nominee is to be a prominent individual with experience in public service, labor, education or business who meets the qualifications review required of all Company directors. Upon recommendation by the Nominating and Governance Committee and election to the Board by the stockholders, the USW nominee is expected to serve for a term as would any other director. The Board believes that Mr. Thomas s qualifications include his broad experience with labor relations and the industrial and technical matters affecting our business.

Continuing Directors Class I Term to Expire at the 2018 Annual Meeting

Diane C. Creel

Director since 1996

Age 67

Lead Independent Director

Prior to her retirement in 2008, Ms. Creel served as Chairman, Chief Executive Officer and President of Ecovation, Inc., a subsidiary of Ecolab Inc. and a waste stream technology company using patented technologies, beginning in 2003. Ecovation, Inc. became a subsidiary of Ecolab Inc. in 2008. Previously, Ms. Creel served as Chief Executive Officer and President of Earth Tech, an international consulting engineering firm, from 1992 to 2003.

Ms. Creel has served as Lead Independent Director since the position was established in 2011. Ms. Creel is Chair of the Nominating and Governance Committee and a member of the Personnel and Compensation Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Ms. Creel s qualifications include her experience as a chief executive officer of various companies and her entrepreneurial, management and technical experience.

CURRENT DIRECTORSHIPS:

Timken Steel Corporation and Enpro Industries, Inc.

PAST DIRECTORSHIPS:

URS Corporation and Goodrich Corporation

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ITEM 1 ELECTION OF DIRECTORS | CONTINUING DIRECTORS

John R. Pipski

Director since 2011

Age 68

Audit Committee

Financial Expert

Mr. Pipski was a tax partner of Ernst & Young LLP, a public accounting firm, until his retirement in 2001. Thereafter, he provided business advisory and financial and tax accounting services through his own firm until 2013.

Mr. Pipski is Chair of the Audit Committee and a member of the Finance Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Pipski s qualifications include his expertise in financial and tax accounting for public companies, including those in the metals and mining industries, and his general business experience.

PAST DIRECTORSHIPS:

CNX Gas Corporation (Chairman of its Audit Committee)

James E. Rohr

Mr. Rohr served as Executive Chairman of The PNC Financial Services Group, Inc., a diversified financial services organization, from May 2013 until his retirement in April 2014; previously, he was Chairman from 2001 until April 2013 and Chief Executive Officer from 2000 until April 2013. He served as President of The PNC Financial Services Group from 1990 to

Director since 1996 2002.

Age 67

Mr. Rohr is Chair of the Personnel and Compensation Committee.

SKILLS AND QUALIFICATIONS:

The Board believes that Mr. Rohr s qualifications include his significant leadership and management experience from his years of serving as a chief executive officer of a large, publicly traded company and his expertise in capital markets and financial matters.

CURRENT DIRECTORSHIPS:

EQT Corporation, Marathon Petroleum Corporation and General Electric Company

PAST DIRECTORSHIPS:

The PNC Financial Services Group, Inc., and BlackRock Inc.

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Our Corporate Governance

We at ATI are committed to a strong self-governance program. Our corporate governance practices are designed to maintain high standards of oversight, compliance, integrity and ethics, while promoting growth in long-term stockholder value. The role of our Board of Directors is to ensure that ATI is managed for the long-term benefit of our stockholders and other stakeholders.

Each year we review our corporate governance and compensation policies and practices and engage with our stockholders. We compare our policies and practices to best practice models suggested by governance authorities, stockholders, or as shown by other public companies. In this way, we affirm our commitment to RELENTLESS INNOVATION by continually evolving our programs to benefit all of our stakeholders.

Our Commitment to Integrity

ATI is committed to conducting its business in an honest, ethical and lawful manner. Our employees strive to satisfy the spirit and intent, as well as the technical requirements, of the contracts we enter into and the laws, regulations and rules that govern us.

We are committed to protecting the health and safety of our employees, the environment, and our communities. We support sustainable development and work to constantly improve our operations to the benefit of our stockholders, employees, our customers and local communities.

We are committed to providing a workplace where employees are treated with dignity and respect, free of discrimination, and where all employees can fulfill their potential based on merit and ability.

We value our reputation. We pledge to promptly address issues in a lawful and proper manner. We strive to create value for our stakeholders while continually improving our performance as a good corporate citizen.

We are also committed to providing information in our financial reporting that is accurate, complete, objective, relevant, timely and transparent, and we have a robust system of internal controls.

We take these commitments seriously. Our management and Board of Directors have instilled a culture, throughout our organization, that supports and honors these commitments. We expect that the actions of our employees, officers and directors comply with these principles and all polices undertaken to further these objectives.

Corporate Governance Information on our Website

The following governance documents are available on our website www.atimetals.com, at About ATI Corporate Governance .

- Corporate Governance Guidelines
- Corporate Guidelines for Business Conduct and Ethics (including Financial Code of Ethics)
- Board Committee Charters
- Certificate of Incorporation and Bylaws

Paper copies can be obtained by writing to the Corporate Secretary, Allegheny Technologies Incorporated, 1000 Six PPG Place, Pittsburgh, PA 15222-5479.

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OUR CORPORATE GOVERNANCE | ATI CORPORATE GOVERNANCE AT A GLANCE

ATI Corporate Governance at a Glance

Presented below are some highlights of the ATI corporate governance program. You can find details about these and other corporate governance policies and practices within this Proxy Statement.

Board Independence	10 of our 11 directors are independent.
	Our CEO is the only management director.
Board Composition	Currently the board has fixed the number of directors at 11.
	We regularly assess our board performance and can adjust the number of directors according to our needs.
	As shown under *Item 1 Election of Directors*, our Board has a diverse mix of skills, experience and background.
Accountability to Stockholders	*Majority Voting/Director Resignation Policy*. Our director resignation policy provides that any nominee for director in an uncontested election who receives a greater number of votes withheld than votes for such nominee s election shall promptly tender his or her resignation to the Board for the Board s consideration.
	Board Declassification Proposal: The Board recommends that the stockholders support the proposal to amend the Company s Certificate of Incorporation to declassify the board and provide annual elections of directors. For more information, see *Item 2*.

Engagement with Stockholders: We actively reach out to our stockholders through our engagement program and communicate with them on important compensation and governance issues. Also, stockholders can contact our board, lead director or management by email or regular mail.

Independent Board Committees	We have five board committees Audit, Finance, Nominating and Governance, Personnel and Compensation, and Technology.
	All of the Board committees of the Board of Directors are composed entirely of independent directors, and each has a written charter that is reviewed and reassessed annually and is posted on our website.
Strong Lead Independent Director	Diane C. Creel serves as the Lead Independent Director. We encourage open communication and strong working relationships among the lead director, chairman and other directors.
	Independent directors meet in regularly scheduled executive sessions, led by the Lead Independent Director, without the presence of management.
	Stockholders can communicate with the independent directors through the Lead Independent Director.
Risk Oversight	Our full board is responsible for risk oversight, and has designated committees to have particular oversight of certain key risks. Our board oversees management as it fulfills its responsibilities for the assessment and mitigation of risks and for taking appropriate risks.
Succession Planning	The board actively monitors our management succession plans and receives regular updates on employee engagement, diversity and retention matters.
	At least annually, the board reviews senior management succession and development plans.
Board and Committee Self-evaluation	We have an annual self-evaluation process for the Board.
	We have an annual self-evaluation process for each standing Committee of the Board.
Director and NEO Stock Ownership	Each director is required to own at least 10,000 shares of our common stock.

Effective for 2016, executives are required to own ATI common stock with a value equivalent to:

CEO: 6 times base salary;

Executive Vice Presidents and the Chief Financial Officer: 3 times base salary; and

Senior Vice Presidents: 2 times base salary.

Ethics and Corporate Responsibility

Our *Corporate Guidelines for Business Conduct and Ethics*, as well as the company s attention to environmental, social and governance issues, are disclosed on our website.

The Company has an active ethics and compliance program, which includes regular employee training.

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OUR CORPORATE GOVERNANCE | CORPORATE GOVERNANCE GUIDELINES

Corporate Governance Guidelines

ATI s Board of Directors has adopted Corporate Governance Guidelines, which are designed to assist the Board in the exercise of its duties and responsibilities to the Company. They reflect the Board s commitment to monitor the effectiveness of decision making at the Board and management level with a view of achieving ATI s strategic objectives. They are subject to modification by the Board at any time.

Corporate Guidelines for Business Conduct and Ethics

Our *Corporate Guidelines for Business Conduct and Ethics* (the Code of Ethics) applies to all directors, officers and employees, including our principal executive officer, our principal financial officer, and our controller and principal accounting officer. We require all directors, officers and employees to adhere to the Code of Ethics in addressing legal and ethical issues encountered in their work.

The Code of Ethics requires that our directors, officers and employees avoid conflicts of interest, comply with applicable laws, conduct business in an honest and ethical manner, and otherwise act with integrity and honesty in all of their actions by or on behalf of the Company. The Code of Ethics includes a financial code of ethics specifically for our Chief Executive Officer, our Chief Financial Officer, and all other financial officers and employees, which supplements the general principles in the Code of Ethics and is intended to promote honest and ethical conduct, full and accurate reporting, and compliance with laws as well as other matters.

Only the Audit Committee of the Board can amend or grant waivers from the provisions of the Code of Ethics relating to the Company s executive officers and directors, and any such amendments or waivers will be promptly posted on our website at www.atimetals.com. To date, no such amendments have been made or waivers granted.

MANDATORY EMPLOYEE TRAINING

All employees are provided with a copy of the Code of Ethics. Each year, we require all officers and managers to certify as to their understanding of and compliance with the Code of Ethics. In addition, all directors, officers and other employees must annually complete an interactive online ethics course addressing the Code of Ethics. This course is part of ATI s broader ethics and compliance program, which includes online ethics training that is administered by a third party. In 2015, online ethics courses were administered addressing the prevention of workplace violence, conflicts of interest, and anti-bribery/anti-corruption.

We encourage employees to communicate concerns before they become problems. We believe that building and maintaining trust, respect and communications between employees and management and between fellow employees is critical to the overriding goal of efficiently producing high quality products, providing the maximum level of customer satisfaction, and ultimately fueling profitability and growth.

The ATI Ethics Helpline provides confidential, secure, and anonymous reporting available 24 hours a day. Additionally, our Chief Compliance Officer and ethics officers at our operating companies also provide

confidential resources for employees to surface their concerns without fear of reprisal.

Corporate Responsibility

At ATI, we recognize the importance of being a good corporate citizen. We encourage integrity from the boardroom to the work floor, and continually review and refine our efforts to enrich our communities, improve employee health and safety, and lessen our environmental impact. *Building the World s Best Specialty Materials & Components Company*™ requires nothing less than the highest standards of ethical business conduct and corporate responsibility.

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Investor Outreach and Stockholder Engagement

We value the input we receive from our stockholders. As part of our investor relations program, we regularly communicate with our investors and actively engage with them throughout the year. We solicit their feedback on corporate governance topics and ATI s executive compensation program. Our goal is to be responsive to our stockholders and to ensure that we understand and address our stockholders concerns and observations. As a result of stockholder engagement, we have made significant changes to our corporate governance practices and executive compensation program over the past four years.

STOCKHOLDER ENGAGEMENT CYCLE

Our stockholder engagement usually begins following the Annual Meeting, when the Board considers the feedback received during the solicitation of proxies for the Annual Meeting. Management and the Board discuss topics of focus in the months that follow, which has included governance trends, regulatory developments, and our own policies and practices. During the fall, the Committee considers potential corporate governance or executive compensation changes in the context of further discussions with and feedback from stockholders. In the spring, we publish our annual communications to stockholders (our annual report and proxy statement) and solicit feedback from our investors about the significant topics to be addressed at our Annual Meeting. Following the Annual Meeting, the Board discusses vote outcomes and recommends follow-up actions. Throughout the year, management conducts regular meetings and discussions with investors.

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OUR CORPORATE GOVERNANCE | BOARD INFORMATION

Board Information

BOARD COMPOSITION AND INDEPENDENCE

The Board of Directors determines the number of directors. The Board currently consists of eleven members:

Richard J. Harshman *(Chairman, President and CEO)*	**Diane C. Creel**	**Barbara S. Jeremiah**	**James E. Rohr**
	James C. Diggs	**David J. Morehouse**	**Louis J. Thomas**
Carolyn Corvi	**J. Brett Harvey**	**John R. Pipski**	**John D. Turner**

The Board does not consider Richard J. Harshman, Chairman, President and Chief Executive Officer of ATI, to be independent. The Board, at its February 26, 2016 meeting, determined that the remaining ten current directors are independent in accordance with the NYSE listing standards, our company Board Independence Standards and the rules of the Securities and Exchange Commission (SEC).

In determining that these directors have no relationships with ATI other than as directors and stockholders of the Company, the Board examined certain business affiliations of Mr. Rohr and Mr. Morehouse.

James E. Rohr currently serves on the board of directors of General Electric Company (General Electric). During 2015, the Company supplied General Electric with nickel-based superalloys and jet engine disc-quality mill products under an ongoing commercial relationship between the Company and General Electric. The amounts paid to the Company by General Electric in 2015 represent a *de minimis* portion of the revenues of General Electric, and the compensation received by Mr. Rohr from General Electric for his service as a director is not affected by the ongoing commercial relationship between the Company and General Electric. The Board has determined that the transactions between the Company and General Electric:

- are commercial transactions carried out at arm s length in the ordinary course of business;
- are not material to General Electric or Mr. Rohr;

do not and would not potentially influence Mr. Rohr s objectivity as a member of the Company s Board of Directors in a manner that would have a meaningful impact on his ability to satisfy requisite fiduciary standards on behalf of the Company and its stockholders; and

do not preclude a determination that the relationship of Mr. Rohr with General Electric as a member of its board of directors is immaterial.

The Board determined that Mr. Rohr is an independent director under NYSE existing guidelines and the Company s categorical Board independence standards.

David J. Morehouse is the Chief Executive Officer and President of Pittsburgh Penguins LLC, which owns and operates the Pittsburgh Penguins National Hockey League team, and Pittsburgh Arena Operating LLC (collectively, the Entities) and other affiliated entities. ATI is a party to a sponsorship agreement with Pittsburgh Penguins LLC, under which the Company pays an annual fee to Pittsburgh Penguins LLC in exchange for sponsorship opportunities associated with the Pittsburgh Penguins National Hockey League franchise. The sponsorship agreement expires in June 2016. ATI is party to an arena executive suite license agreement that expires in June 2017 (the License Agreement and with the Sponsorship Agreement, the Agreements) with an entity that is affiliated with Pittsburgh Arena Operating LLC. The Agreements will not be renewed after expiration. The annual fees paid by ATI to the Entities represents a *de minimis* portion of both ATI s revenues and the revenues of the Entities, and, therefore, all amounts were substantially less than the thresholds set in the NYSE s listing standards which disqualify a director from being independent.

Mr. Morehouse s compensation from the Entities is not affected by the fees that the company pays under these Agreements. The Board has determined that the transactions between the Company and the Entities:

are commercial transactions carried out at arm s length in the ordinary course of business;

are not material to the Entities or to Mr. Morehouse;

OUR CORPORATE GOVERNANCE | BOARD INFORMATION

do not and would not potentially influence Mr. Morehouse s objectivity as a member of the company s Board of Directors in a manner that would have a meaningful impact on his ability to satisfy requisite fiduciary standards on behalf of the Company and its stockholders; and

do not preclude a determination that the relationship of Mr. Morehouse s with the Entities as Chief Executive Officer and President of the Entities is immaterial.

The Board determined that Mr. Morehouse is qualified as an independent director under NYSE existing guidelines and the Company s categorical Board independence standards.

BOARD LEADERSHIP

The Board of Directors has the flexibility to determine whether it is in the best interests of ATI and its stockholders to separate or combine the roles of Chairman and Chief Executive Officer at any given time. Whenever a Chairman and/or Chief Executive Officer is appointed, or at such other times as it deems appropriate, the Board of Directors assesses whether the roles should be separated or combined based upon its evaluation of, among other things, the existing composition of the Board of Directors and the circumstances at the time. The Board has considered the roles and responsibilities of the Chairman and the Chief Executive Officer, and, while it retains the discretion to separate the roles in the future as it deems appropriate and acknowledges that there is no single best organizational model that is most effective in all circumstances, the Board currently believes that the Company and its stockholders are best served by having Mr. Harshman serve concurrently as Chairman and Chief Executive Officer. The Board of Directors believes that Mr. Harshman s service in both capacities promotes unified leadership and direction for the Company and allows for a single, clear focus on the efficient implementation of ATI s strategies to maximize stockholder value over the long-term. In addition, the Board of Directors believes that Mr. Harshman, serving in both capacities, has been an effective bridge between the Board and ATI s management.

Lead Independent Director

Ms. Creel, one of our independent directors, was elected to serve as the Company s Lead Independent Director. The Lead Independent Director is the principal liaison between the independent directors and the Chairman on Board-wide issues.

Responsibilities:

- Authority to preside at meetings of the Board in the absence of the Chairman, including executive sessions of the independent directors;
- Ability to call meetings of the independent directors when necessary and appropriate;
- Communication with, and appropriately facilitating communication among, independent directors between meetings, when appropriate;
- Advising the Chairman regarding schedules, agendas and the quantity, quality and timeliness of information for Board and Committee meetings;
- Serving as a contact for stockholders wishing to communicate with the Board other than through the Chairman, when appropriate, and communicating with other external constituencies, as needed; and
- Advising and consulting with the Chairman on matters related to corporate governance and Board performance; and generally serving as a resource for, and counsel to, the Chairman.

The Board of Directors believes that this leadership structure is appropriate for ATI and in the best interests of our stockholders at this time. Through governance features such as the establishment of a Lead Independent Director position, the appointment of only independent directors to the standing committees of the Board of Directors, and regular use of executive sessions of the independent directors, the Board is able to maintain appropriate independent oversight of our business strategies and activities.

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These governance features have been effective in promoting a full and free discussion and analysis at the Board level of issues important to the company. At the same time, the Board of Directors is able to take advantage of the blend of leadership, experience and extensive knowledge of ATI, our industry and the markets in which we compete that Mr. Harshman brings to the combined roles of Chairman and Chief Executive Officer.

BOARD AND COMMITTEE MEMBERSHIP DIRECTOR ATTENDANCE AT MEETINGS

During 2015, the Board of Directors held seven meetings, including one strategy retreat. In 2015, directors attended over 97% of all Board meetings and meetings of Board committees of which they were members.

The independent, non-management directors meet separately in regularly scheduled executive sessions without members of management (except to the extent that the non-management directors request the attendance of a member of management). The Lead Independent Director presides over meetings of the independent directors.

A Board meeting is typically scheduled in conjunction with our annual meeting of stockholders and it is expected that our directors will attend absent good reason. In 2015, all directors attended our annual meeting of stockholders.

The table below provides information with respect to current Board committee memberships of the non-employee directors. The table also sets forth the number of meetings held by each Board committee in 2015.

Director[1]	Audit	Finance	Nominating and Governance	Personnel and Compensation	Technology
C. Corvi		n		n	n
D. C. Creel[2]			**Chair**	n	
J. C. Diggs	n	**Chair**	n		
J. B. Harvey			n	n	
B. S. Jeremiah		n			n

D. J. Morehouse	n				n
J. R. Pipski	**Chair**	n			
J. E. Rohr				**Chair**	
L. J. Thomas	n				n
J. D. Turner		n	n		**Chair**
Number of Meetings held in 2015	**10**	**5**	**5**	**7**	**3**

(1) As Chairman, Mr. Harshman may attend each Committee meeting, except to the extent that a Committee requests to meet without Mr. Harshman present.

(2) Ms. Creel serves as Lead Independent Director and presides over meetings of the independent directors, and may attend meetings of Committees of which she is not a member.

BOARD COMMITTEES

The Board of Directors has five standing committees: Audit Committee, Finance Committee, Nominating and Governance Committee, Personnel and Compensation Committee, and Technology Committee. All of the standing committees of the Board of Directors are comprised entirely of independent directors.

Each committee has a written charter that describes its responsibilities. Each of the Audit Committee, the Nominating and Governance Committee and the Personnel and Compensation Committee has the authority, as it deems appropriate, to independently engage outside legal, accounting or other advisors or consultants. In addition, each committee annually conducts a review and evaluation of its performance and reviews and reassesses its charter.

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Board Committee	Role and Primary Responsibilities
Audit Committee **Chair:** **John R. Pipski** Financial Expert* **Members:** **James C. Diggs** **David J. Morehouse** **Louis J. Thomas** * Mr. Pipski meets the SEC criteria as an audit committee financial expert and meets the NYSE standard of having accounting or related financial management expertise.	Assists the Board in its oversight of the integrity of the company s financial statements, compliance with legal and regulatory requirements, the qualifications and independence of the Company s independent auditors, and the performance of the Company s internal audit function and independent auditors. Has authority and responsibility for the appointment, retention, compensation and oversight of ATI s independent auditors, including pre-approval of all audit and non-audit services to be performed by the independent auditors. Both the independent auditors and the internal auditors have full access to the Committee and meet on a routine basis without management being present. Responsible for review of the Company s major financial risk exposures and mitigating actions and for reviewing, approving and ratifying any related party transaction.
Finance Committee **Chair:**	

James C. Diggs	Primarily responsible for making recommendations and providing guidance to the Board regarding major financial policies and actions of the Company.
Members:	Reviews and evaluates the company s debt and equity structure, dividends, authorized capital stock, and credit agreements.
Carolyn Corvi	Serves as named fiduciary of the employee benefit plans maintained by the Company, which includes (i) appointment, evaluation, and removal of employee benefit plan trustees and investment managers, (ii) establishment of funding methods and policies, (iii) review of funded status and investment policies and practices, and (iv) appointment of plan administrators.
Barbara S. Jeremiah	
John R. Pipski	
John D. Turner	

Nominating and Governance Committee Chair:	Responsible for overseeing corporate governance matters. This includes,
Diane C. Creel	Overseeing the annual evaluation of the Company s Board and its committees.
Members:	Recommending to the Board individuals to be nominated as directors; this process includes evaluation of new candidates as well as an individual evaluation of current directors who are being considered for re-election.
James C. Diggs	
J. Brett Harvey	Making recommendations to the Board concerning committee membership and Board composition.
John D. Turner	Administering ATI s director compensation program.

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Board Committee	Role and Primary Responsibilities
Personnel and Compensation Committee	
Chair:	Primarily responsible for establishing and annually reassessing the executive compensation program and the Company s philosophy on executive compensation.
James E. Rohr	Reviews, with outside compensation and legal advisors, the compensation policies and practices at peer companies.
Members:	Oversees CEO and other executive officer compensation.
Carolyn Corvi	
Diane C. Creel	Reviews and approves corporate goals and objectives relevant to CEO and other executive officer compensation, evaluates the CEO s performance in light of those goals and objectives, and determines and approves the CEO s compensation level (either as a Committee or together with the other independent directors) based on this evaluation.
J. Brett Harvey	
Each member of the Personnel and Compensation Committee is a non-employee director of the Company as defined under Rule 16b-3 of the	Reviews and approves non-CEO executive officer compensation, and makes recommendations to the Board regarding incentive compensation plans and equity-based plans that require Board approval. For other executives, the Committee reviews and approves recommendations from management within plan parameters. However, the Committee may not

Securities Exchange Act of 1934, and each member is also an outside director for the purposes of the corporate compensation provisions contained in Section 162(m) of the Internal Revenue Code.	delegate any authority under those plans for matters affecting the compensation and benefits of the executive officers. The Personnel and Compensation Committee has the sole authority to retain, approve fees and other terms for, and terminate any compensation consultant used to assist the committee in the evaluation of the CEO or other executive compensation. The Committee may also obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee has retained an independent compensation consultant, Pay Governance, LLC. The Committee also utilizes external legal advisors and assesses the independence of its advisors. *Please see the Executive Compensation Compensation Discussion and Analysis section of this proxy statement for more discussion about the Committee s role in executive officer compensation.* Administers ATI s incentive compensation plans. Monitors and encourages the development of intellectual capital. Reviews management succession planning and makes recommendations to the Board concerning executive management organization matters generally.

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OUR CORPORATE GOVERNANCE | BOARD INFORMATION

Board Committee	Role and Primary Responsibilities
Technology Committee **Chair:** **John D. Turner** **Members:** **Carolyn Corvi** **Barbara S. Jeremiah** **David J. Morehouse** **Louis J. Thomas**	Primarily responsible for reviewing changing technologies and evaluating how they affect ATI and its technical capabilities and competitive position. Considers the impact of technologies on the well-being of the Company. Assesses ATI s technical capabilities in relation to corporate strategies and plans. Make recommendations to the Board concerning priorities, asset deployment, and other matters relating to the Company s technical activities.

BOARD S ROLE IN RISK OVERSIGHT

The Board of Directors as a whole actively oversees the risk management of the Company. Enterprise risks the specific financial, operational, business and strategic risks that the Company faces, whether internal or external are identified and prioritized by the Board and management together, and then each specific risk is assigned to the full Board or a

Board committee for oversight.

Board/Committee Primary Areas of Risk Oversight

Full Board

Strategic and business risks, such as those relating to our products, markets, and capital investments, are overseen by the entire Board.

Strategic, financial, operational and execution risk associated with the annual and long-term business plans, including capital investments, asset allocation, acquisitions or divestitures, regulatory and environmental compliance.	External risks associated with cybersecurity and other major safety and security matters, supply chain, and global markets.

Audit Committee	**Finance Committee**	**Nominating and Governance Committee**	**Personnel and Compensation Committee**	**Technology Committee**
The Audit Committee and the Finance Committee oversee management of market and operational risks that could have a financial impact, such as those relating to internal controls, liquidity or raw material availability.	The Audit Committee and the Finance Committee oversee management of market and operational risks that could have a financial impact, such as those relating to internal controls, liquidity or raw material availability.	Manages the risks associated with governance issues, such as the independence of the Board. The Committee also periodically evaluates whether the identified risks are assigned to the appropriate Board committee (or to the Board) for oversight.	Manages the risks associated with personnel and compensation issues, such as the Company s executive compensation plans and practices.	Manages the risks associated with changing technologies and their impact on ATI s technical capabilities and competitive position.
Risks associatedwith financial matters, particularly financial reporting, taxes, accounting, disclosure and	Risks associatedwith liquidity, financial markets, pension plans (including investment performance, asset	Risks associatedwith Board effectiveness	Risks associatedwith employee relations, benefit plans, management development and training, and executive compensation	Risks associatedwith technology development, changes and disruption, product development, and competitor changes.

internal control. Risks associatedwith legal matters and the ethics compliance program.	allocation and funded status), currency and interest rate exposures, and insurance strategies.	and organization, corporate governance matters, director compensation, and director succession planning.	matters. In conjunctionwith the Board, risks associated key executive succession.	

Management regularly reports to the Board or the relevant Committee on actions that the Company is taking to manage these risks. The Board and management periodically review, evaluate and assess the risks relevant to the company.

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OUR CORPORATE GOVERNANCE | BOARD INFORMATION

PROCESS FOR COMMUNICATING WITH DIRECTORS

We maintain a process for stockholders and interested parties to communicate with the Board of Directors, the Lead Independent Director, or any individual director. ATI stockholders or interested parties who want to communicate with the Board, the Lead Independent Director, or any individual director can write to:

Lead Independent Director

c/o Corporate Secretary

Allegheny Technologies Incorporated

1000 Six PPG Place

Pittsburgh, PA 15222-5479

or call 1-877-787-9761 (toll free).

Your letter or message should indicate whether you are an ATI stockholder.

Depending on the subject matter, the Lead Independent Director and/or the Corporate Secretary will:

forward the communication to the director or directors to whom it is addressed;

attempt to handle the inquiry directly when, for example, it is a request for information about the Company or it is a stock-related matter; or

not forward the communication if it is primarily commercial in nature or it relates to an improper or irrelevant topic.

At each Board meeting, the Corporate Secretary presents a summary of all communications received since the last meeting that were not forwarded and makes those communications available to the directors on request.

Director Compensation

BOARD OF DIRECTORS ROLE AND COMPENSATION

Non-employee directors receive compensation for their service, which is designed to fairly compensate them for their board responsibilities and align their interests with our stockholders. The Nominating and Governance Committee periodically reviews and evaluates the non-employee director compensation program to ensure that it is competitive with ATI s industry peers and best practices and serves the purposes of attracting and retaining high quality directors. The Nominating and Governance Committee uses an independent consultant, Pay Governance LLC, which is the same consultant retained by the Personnel and Compensation Committee, to provide market and comparison data and information on current developments and practices in director compensation. ATI s non-employee director compensation program is competitive and market-based.

DIRECTOR STOCK OWNERSHIP GUIDELINES

The Board encourages directors to obtain a meaningful stock ownership interest in ATI. Under the stock ownership guidelines applicable to all non-employee directors, each non-employee director is expected to own at least 10,000 shares of ATI Common Stock within five years of his or her initial election to the Board. Furthermore, directors are required to retain one-third of any awarded stock until compliance with the guidelines is achieved. Each of the directors was in compliance with the guidelines as of December 31, 2015 or is reasonably proceeding with compliance as of the applicable five-year anniversary of his or her initial election to the Board.

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OUR CORPORATE GOVERNANCE | DIRECTOR COMPENSATION

Elements of Director Compensation

Pay Component	2015 Compensation
Annual Retainer	$225,000 $125,000 Cash $100,000 Restricted Stock Value
Lead Director Annual Retainer	$30,000
Committee Chair Retainers	Audit and Personnel and Compensation Committees $15,000 Finance, Nominating and Governance and Technology Committees $10,000

Board service travel expenses are also paid by the Company

2015 Changes to Director Compensation

In December 2014, the Board approved certain changes to the Company s non-employee director compensation program beginning in 2015 based on a competitive market analysis performed by the compensation consultant; the result is the program reflected in the above table. These changes more accurately represent the amounts paid in the U.S. market for board membership and aligns ATI director compensation with peer group practices.

Other

In 2004, the Board froze and discontinued the Company s Fee Continuation Plan for Non-Employee Directors. Under the frozen plan, an amount equal to the annual retainer fee in effect for 2004 (which was $28,000) will be paid annually to the members of the Board as of December 31, 2004, following the termination of the director s service as a Board member. The fee will be paid for each year of the director s credited service as a director (as defined in the Plan) up to a maximum of ten years.

2015 Non-Employee Director Compensation

Name(1)	Fees Earned Or Paid In Cash	Stock Awards ($)(3)	All Other Compensation ($)(4)	Total ($)

	($)[2]			
C. Corvi	125,000	94,334	5,705	225,039
D. C. Creel	165,000	94,334	5,593	264,927
J. C. Diggs	135,000	94,334	5,593	234,927
J. B. Harvey	125,000	94,334	5,593	224,927
B. S. Jeremiah	125,000	94,334	5,593	224,927
D. J. Morehouse	106,250	78,612	1,038	185,900
J. R. Pipski	140,000	94,334	5,593	239,927
J. E. Rohr	140,000	94,334	5,593	239,927
L. J. Thomas	125,000	94,334	5,593	224,927
J. D. Turner	135,000	94,334	5,593	234,927

Non-employee directors are not granted option awards or non-equity incentive plan compensation awards, and do not have company pensions and non-qualified deferred compensation earnings.

(1) Richard J. Harshman, Chairman, President and Chief Executive Officer, does not receive any compensation for his service on the Board of Directors. Mr. Morehouse was elected to the Board in February 2015 and received prorated compensation for his service in 2015.

(2) This column reflects annual retainer fees, including committee chair and Lead Independent Director fees, as well as Board and committee meeting fees paid to the directors.

(3) This column reflects the aggregate grant date fair value, determined in accordance with FASB ASC Topic 718, of the restricted stock awards granted to directors under the Company s Non-Employee Director Restricted Stock Program. Shares vest on the third anniversary of the date of grant, or earlier upon retirement, death or change of control, and expense is recognized over the vesting period. A discussion of the relevant assumptions made in the

valuations may be found in Note 14 to the financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

(4) Amounts in the column consist of dividends paid on directors restricted stock. Grants of restricted stock to non-employee directors accumulate stock dividends during the restriction period, and directors are entitled to receive dividends paid on the restricted shares only when the restrictions lapse.

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Item 2 Approval of Amendments to the Certificate of Incorporation to Declassify the Board of Directors

We are asking our stockholders to approve these amendments to declassify our Board of Directors. This proposal provides for a phased-in declassification of the Board and requires each director nominee in the future to be elected annually for a one-year term.

Background

Our Certificate of Incorporation currently divides the Board of Directors into three classes. Each class is elected for three-year terms, with the terms staggered so that approximately one-third of our directors, plus any newly appointed directors, stand for election each year. There are currently four Class II directors with terms expiring at the 2016 Annual Meeting of Stockholders, four Class III directors with terms expiring at the 2017 Annual Meeting of Stockholders and three Class I directors with terms expiring at the 2018 Annual Meeting of Stockholders. The Board of Directors recommends at this time certain amendments to our Certificate of Incorporation that would provide for a phased-in declassification of the Board of Directors and require each director nominee in the future to be elected annually for a one-year term. If this proposal is approved by our stockholders, the Board of Directors also will approve certain conforming amendments to our bylaws. The text of the proposed Certificate of Amendment to the Company s Certificate of Incorporation is attached as Appendix A to this proxy statement.

Proposed Declassification Amendment

Under the proposed amendments to our Certificate of Incorporation, the declassification of the Board of Directors would be phased in over a three-year period. In accordance with Delaware corporate law, declassification would not result in the curtailment of any incumbent director s term of office prior to the expiration of that term.

Declassification Phased in Over Three Years:

All current directors, including the directors elected at the 2016 Annual Meeting of Stockholders to serve for three-year terms expiring at the 2019 Annual Meeting of Stockholders, would complete their respective three-year terms.

At the 2017 and 2018 Annual Meetings of Stockholders, director nominees would be nominated for election for one-year terms.

Beginning with the 2018 Annual Meeting of Stockholders, a majority of the Board would stand for election for one-year terms.

At the 2019 Annual Meeting of Stockholders, all director nominees will stand for election for one-year terms and the Board of Directors will be fully declassified.

Until the Board of Directors is fully declassified, any director appointed to the Board of Directors to fill a vacancy will hold office until the next election of the class for which the director is chosen. Following the full declassification of the Board of Directors, any director appointed to the Board of Directors to fill a vacancy will hold office until the next annual meeting of stockholders and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

Delaware corporate law provides that the members of a classified board of directors may be removed only for cause. Accordingly, our Certificate of Incorporation currently provides that all of our directors are removable only for cause. If this proposal is approved, a member of our Board of Directors may be removed with or without cause once he or she is elected to a one-year term.

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ITEM 2 APPROVAL OF AMENDMENTS TO THE CERTIFICATE OF INCORPORATION TO DECLASSIFY THE BOARD OF DIRECTORS | PROPOSED DECLASSIFICATION AMENDMENT

This description of the proposed amendments to the Company s Certificate of Incorporation is qualified in its entirety by reference to the full text of the proposed Certificate of Amendment to our Certificate of Incorporation, a copy of which is attached as Appendix A.

Rationale for Declassification of the Board of Directors

In the past, our Nominating and Governance Committee and our Board of Directors as a whole have believed that a classified board structure served the best interests of the Company and its stockholders. A classified board generally provides for board continuity and stability and promotes the ability of the board to focus on the long-term strategies and interests of ATI and the creation of stockholder value. In addition, a classified board structure can assist in attracting and retaining committed directors who are able to develop a deeper knowledge of a company s business and the environment in which it operates.

With continuing evaluations of trends and developments in corporate governance, the Nominating and Governance Committee and the Board of Directors as a whole have reviewed their respective positions on classified boards. While they continue to recognize the potential benefits of classified boards, they also are committed to ensuring maximum accountability to our stockholders. They believe that the declassification of our Board of Directors would provide stockholders with an additional opportunity to register their views at each annual meeting, as well as through ongoing stockholder engagement. As a result, the Nominating and Governance Committee recommended to the Board of Directors that a proposal to declassify the Board of Directors be submitted to the Company s stockholders at the 2014 Annual Meeting of Stockholders, and the Board of Directors unanimously approved the recommendation. However, the declassification proposal did not receive the requisite support of stockholders at the 2014 Annual Meeting of Stockholders in order to be enacted.

Although the Board s prior attempt to implement a declassification of the board did not receive enough votes to pass, the Nominating and Governance Committee and the Board of Directors continued to evaluate trends and developments in corporate governance, including consideration of stockholder perspectives and the Board s ongoing continued commitment to accountability and responsiveness. By unanimous recommendation of such committee and unanimous approval of the Board, the Board of Directors has determined to submit to the Company s stockholders at the 2016 Annual Meeting of Stockholders this proposal to declassify the Board of Directors and recommend that stockholders vote FOR approval of the declassification amendments.

Legal Effectiveness

If it is approved by the requisite favorable vote of our stockholders, this proposal will become effective upon the filing of a Certificate of Amendment to our Certificate of Incorporation with the office of the Secretary of State of the State of Delaware. We intend to make this filing promptly after the 2016 Annual Meeting of Stockholders if this proposal is approved. If this proposal does not receive the required number of votes in favor of it, then our Certificate of Incorporation will not be amended and our Board of Directors will remain classified with all of our directors continuing to serve three-year terms in accordance with the current provisions of our Certificate of Incorporation. If stockholders vote to approve this proposal, then the Board of Directors will also approve certain conforming amendments to our bylaws.

Required Stockholder Approval

Our Certificate of Incorporation provides that the affirmative vote of the holders of at least 75% of the combined voting power of all outstanding voting securities of the Company entitled to vote generally in the election of directors, voting together as a single class, is required to amend the portions of the Certificate of Incorporation that are the subject of this

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ITEM 2 APPROVAL OF AMENDMENTS TO THE CERTIFICATE OF INCORPORATION TO DECLASSIFY THE BOARD OF DIRECTORS | RECOMMENDATION

proposal. Abstentions and broker non-votes will have the same effect as votes against this proposal. Under Delaware law, any amendment of ATI s Certificate of Incorporation must be approved by ATI s stockholders. Any amendment of ATI s Certificate of Incorporation, including to revise required stockholder approval levels, must be approved by the affirmative vote of the holders of at least 75% of the shares of ATI Common Stock outstanding and entitled to vote.

Related Party Transactions

The Board of Directors has adopted a written Statement of Policy with respect to Related Party Transactions. The Policy applies to transactions or arrangements between ATI and a related person (namely directors, executive officers, and their immediate family members, and 5% stockholders) with a direct or indirect material interest in the transaction, including transactions requiring disclosure under Item 404(a) of Regulation S-K.

Under the Policy, no related party transaction may occur unless it is approved or ratified by the Audit Committee or approved by the disinterested members of the Board of Directors. The Audit Committee is primarily responsible for approving and ratifying related party transactions, and in doing so, will consider all matters it deems appropriate, including the dollar value of the proposed transaction, the relative benefits to be obtained and obligations to be incurred by the Company, and whether the terms of the transaction are comparable to those available to third parties.

Compensation Committee Interlocks and Insider Participation

No member of the Personnel and Compensation Committee is an officer or employee of the Company, and no member of the Committee has a current or prior relationship, and no officer who is a statutory insider of the Company has a relationship, to any other company, required to be described under the Securities and Exchange Commission rules relating to disclosure of executive compensation.

Stock Ownership Information

Section 16(a) Beneficial Ownership Reporting Compliance

The rules of the SEC require the Company to disclose late filings of reports of stock ownership (and changes in stock ownership) by its directors and statutory insiders and by persons who beneficially own more than ten percent of a registered class of the Company s equity securities. Based upon a review of filings with the SEC and written representations, the Company believes that, in 2015, all such persons complied with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 on a timely basis.

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STOCK OWNERSHIP INFORMATION | STOCK OWNERSHIP OF FIVE PERCENT OWNERS

Five Percent Owners of Common Stock

The entities listed in the following table are beneficial owners of five percent or more of ATI Common Stock as of December 31, 2015, based on information filed with the SEC. In general, beneficial ownership includes those shares a person has the power to vote or transfer, and options to acquire Common Stock that are exercisable currently or within 60 days.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage Of Class[1]
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	7,959,137[2]	7.3%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	7,191,843[3]	6.6%
Franklin Resources, Inc. One Franklin Parkway San Mateo, CA 94403	7,108,444[4]	6.5%
Sasco Capital, Incorporated 10 Sasco Hill Road	5,977,635[5]	5.5%

Fairfield, CT 06824		
Platinum Investment Management Limited	5,550,636[6]	5.1%
Level 8, 7 Macquarie Place		
Sydney NSW 2000, Australia		

(1) Percentages are based on shares of Company Common Stock outstanding as of March 1, 2016, as of which date there were 108,912,564 shares of Company Common Stock outstanding.

(2) Based on a Schedule 13G filing under the Securities Exchange Act (the Exchange Act), made on January 22, 2016 by BlackRock, Inc., reporting sole voting power with respect to 7,496,812 shares and sole dispositive power with respect to 7,959,137 shares at December 31, 2015.

(3) Based on a Schedule 13G/A filing under the Exchange Act made on February 10, 2016 by The Vanguard Group (Vanguard), Vanguard had sole voting power with respect to 78,845 shares, shared voting power with respect to 6,000 shares, sole dispositive power with respect to 7,113,498 shares, and shared dispositive power with respect to 78,345 shares at December 31, 2015.

(4) Based on a Schedule 13G/A filing under the Exchange Act made on February 3, 2016 by Franklin Resources, Inc., Charles B. Johnson and Rupert H. Johnson, Jr., the shares are beneficially owned at December 31, 2015 by one or more open- or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct or indirect subsidiaries of Franklin Resources. Charles B. Johnson and Rupert H. Johnson, Jr. each own in excess of 10% of the outstanding common stock of Franklin Resources and are its principal stockholders.

(5) Based on a Schedule 13G filing under the Securities Exchange Act (the Exchange Act), made on February 12, 2016 by Sasco Capital, Incorporated, reporting sole voting power with respect to 2,361,006 shares and sole dispositive power with respect to 5,977,635 shares at December 31, 2015.

(6) Based on a Schedule 13G filing under the Securities Exchange Act (the Exchange Act), made on February 11, 2016 by Platinum Investment Management Limited, reporting sole voting power with respect to 4,811,578 shares and sole dispositive power with respect to 5,550,636 shares at December 31, 2015.

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STOCK OWNERSHIP INFORMATION | STOCK OWNERSHIP OF DIRECTORS, BOARD NOMINEES AND EXECUTIVE MANAGEMENT

Stock Ownership of Directors, Board Nominees and Executive Management

The following table shows the shares of Common Stock reported to ATI as beneficially owned as of March 1, 2016 by the nominees for director, the continuing directors, each officer named in the Summary Compensation Table, and for all directors, officers and other statutory insiders as a group. Unless indicated otherwise below, the information provided in the following table is based on the Company s records, information filed with the SEC, and information furnished by the respective individuals.

For biographical information regarding the beneficial owners, *please see information under Item 1 Election of Directors and Members of ATI s Management Executive Council of this proxy statement*. The business address for each beneficial owner is c/o Allegheny Technologies Incorporated, 1000 Six PPG Place, Pittsburgh, PA 15222.

Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percentage Of Class
Carolyn Corvi	11,662	*
Diane C. Creel	34,174	*
Hunter R. Dalton	160,884	*
Patrick J. DeCourcy	90,654	*
James C. Diggs	23,014	*
Richard J. Harshman	574,289	*
J. Brett Harvey	23,476	*

Barbara S. Jeremiah	24,357	*
Kevin B. Kramer	79,255	*
David J. Morehouse	2,413	*
John R. Pipski	20,611	*
James E. Rohr	51,876	*
John D. Sims	153,374	*
Louis J. Thomas	19,300	*
John D. Turner	29,911	*
All directors, nominees, named executive officers and other statutory insiders as a group (19 persons)	1,584,702	1.45%

* Indicates beneficial ownership of less than one percent (1%) of the outstanding shares of Company Common Stock. As of March 1, 2016, there were 108,912,564 shares of Company Common Stock outstanding.

(1) The table includes shares of restricted stock (for directors), and performance/restricted stock under the Performance/Restricted Stock Program and the Long-Term Stockholder Value component of the Long Term Performance Plan awarded in 2015 and restricted stock units awarded in 2016 (for officers and statutory insiders) in the following amounts: each of Mses. Corvi, Creel and Jeremiah and Messrs. Diggs, Harvey, Pipski, Rohr, Thomas and Turner, 9,531; Mr. Morehouse, 2,413; Mr. Harshman, 295,417; Mr. DeCourcy, 86,616; Mr. Dalton, 77,507; Mr. Sims, 102,287; and for all directors, nominees, officers and other statutory insiders as a group, 850,396. The table includes shares held jointly with the named individuals spouses. The table also includes 25,687 shares owned by Mr. Harshman s spouse with respect to which Mr. Harshman disclaims beneficial ownership. The table includes shares issuable pursuant to stock options that are currently exercisable in the following amounts: each of Messrs. Rohr, Thomas, and Turner, 1,000; and for all directors, nominees, officers and other statutory insiders as a group, 3,000. There are no unvested stock options.

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STOCK OWNERSHIP INFORMATION | MEMBERS OF ATI S MANAGEMENT EXECUTIVE COUNCIL

Members of ATI s Management Executive Council

The following lists the members of the management Executive Council as of March 1, 2016. *For further information, see Item 1 captioned Executive Management, Including Executive Officers under the Federal Securities Laws of the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.*

Name	Biographical information
Richard J. Harshman, 59 *Chairman, President and Chief* *Executive Office since 2011*	Mr. Harshman was President and Chief Operating Officer from 2010 until May 2011. Prior to that, he served as Executive Vice President, Finance and Chief Financial Officer from 2003 to 2010. Mr. Harshman joined the Company in 1978 and served in several financial management roles for the Company.
Patrick J. DeCourcy, 53 *Senior Vice President, Finance and Chief Financial Officer since December 2013*	Mr. DeCourcy was Interim Chief Financial Officer from July 2013 to December 2013. From 2011 to July 2013, he provided assistance to ATI executive management with business integration and strategic investments. He was Senior Director, Strategic Projects and Business Integration, from March 2012 to July 2013. From 2000 to April 2010, he served as Vice President, Finance and Administration of ATI Specialty Materials.
Hunter R. Dalton, 61 *Executive Vice President, Strategic Growth Initiatives since August 2015*	Mr. Dalton served as Executive Vice President, High Performance Specialty Materials Group from May 2011 to August 2015, and was President, ATI Specialty Materials from 2008 until August 2015. Previously, he was Group President, ATI Long Products from 2008 to May 2011. From 2003 to 2008, Mr. Dalton served as Senior Vice President of Sales and Marketing for ATI Specialty Materials. Mr. Dalton will retire from the Company effective March 31, 2016.
John D. Sims, 56	Mr. Sims was Executive Vice President, High Performance Components Group from September 2013 to August 2015, and President, ATI Forged Products from September 2013 to April 2014. Previously, he was Executive Vice President, Primary Titanium

Executive Vice President, High Performance Materials and Components Segment since August 2015

Operations, and Engineered Alloys and Products beginning in February 2013. Prior to that, Mr. Sims served as Executive Vice President, Primary Metals and Exotic Alloys from May 2011 to February 2013 and President, ATI Specialty Alloys and Components from 2008 to February 2013. Previously, he was Group President, ATI Primary Metals and Exotic Alloys from February 2011 to May 2011.

Robert S. Wetherbee, 56

Executive Vice President, Flat Rolled Products since January 2015

Mr. Wetherbee served as President, ATI Flat Rolled Products beginning in April 2014. Prior to that, Mr. Wetherbee was President and Chief Executive Officer of Minerals Technologies, Inc. from March 2013 until February 2014. He was President of ATI s tungsten materials business from 2010 through 2012. Previously, Mr. Wetherbee was Vice President of Market Strategy of Alcoa Inc. from 2006 through 2009.

Elliot S. Davis, 54

Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary since May 2011

Previously, Mr. Davis was Vice President and General Counsel from 2010 to May 2011. He served as Assistant General Counsel from 2008, when he joined the Company, to 2010. Prior to that, Mr. Davis was a partner of the law firm K&L Gates LLP, where he practiced for nearly 20 years in its corporate, mergers and acquisitions and securities group.

Kevin B. Kramer, 56

Senior Vice President, Chief Commercial and Marketing Officer upon joining ATI in February 2014

Prior to joining ATI, Mr. Kramer was President Stoneridge Wiring Division and Vice President of Stoneridge, Inc., from May 2012 through January 2014. Previously, Mr. Kramer worked for Alcoa, Inc. from 2004 until 2012, where he had served as President Growth Initiatives and President Wheel and Transportation Products.

Elizabeth C. Powers, 56

Senior Vice President, Chief Human Resources Officer upon joining ATI in November 2014

Ms. Powers served as Vice President, Human Resources and Chief Administrative Officer for Dresser-Rand Group, Inc. from 2010 until 2012 and from 2005 to 2009. She was named Vice President, Human Resources of Dresser-Rand Group in April 2004. From 2012 until she joined ATI, Ms. Powers worked in academia. In 2009 and 2010, Ms. Powers worked in the public policy and non-profit sectors.

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Item 3 Advisory Vote to Approve the Compensation of the Company s Named Executive Officers

Each year we ask our stockholders to approve the compensation of ATI s named executive officers. This proposal, commonly known as a Say On Pay proposal, gives our stockholders the opportunity to express their views on our NEOs compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this proxy statement.

While this vote is advisory, and not binding on our company, it provides valuable information to our Personnel and Compensation Committee regarding investor sentiment about our executive compensation philosophy, policies and practices. The Committee will consider the outcome of this vote when determining executive compensation for the remainder of 2016 and in future years. Last year, our Say On Pay proposal received a very disappointing level of support, at 49%, which is unacceptable to us. The Board of Directors and the Committee value the opinions of our stockholders. The Personnel and Compensation Committee has redesigned the executive compensation program beginning in 2016 bearing in mind our stockholders concerns. We believe that, going forward, ATI s executive compensation will be better aligned with stockholder interests.

Before voting, we encourage you to read the Compensation Discussion and Analysis section to learn more about our executive compensation program.

How We Use Executive Compensation to Create Long-Term Stockholder Value

The Committee continually reviews the compensation program for our NEOs to ensure that it achieves the desired goal of offering total compensation consisting of base salary competitive with an identified peer group of companies and incentive opportunities that are performance-oriented and linked to the interests of stockholders.

When casting your Say on Pay vote, we urge you to consider:

Linking compensation to ATI performance.

Approximately 84% of the CEO s 2015 compensation opportunities are tied to performance and are at risk. Performance drives pay.

Short-term cash incentive and long-term equity incentive plans are based on the attainment of business plan performance metrics such as net income, cash flow, return on capital, strategic goals, and total stockholder return relative to a peer group.

Payments are made only when the performance targets are achieved.

Aligning compensation to stockholder interests.

All of the long-term incentive compensation opportunities for the NEOs are equity-based.

The business plan performance metrics are aimed to achieve sustained profitable growth.

In February 2016, we revised our stock ownership guidelines for senior executives to denote ownership as a multiple of base salary, requiring 6X ownership for our CEO. The revised guidelines require 100% retention until ownership guidelines are met.

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ITEM 3 ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS

For 2016, we redesigned the executive compensation program.

We aligned our long-term incentives to match our business strategies, with greater weighting on financial performance.

We simplified the program by reducing the number of plans and components within the plans to make them more transparent and easier to understand.

We reduced the total compensation opportunities for the CEO and other NEOs to align with the market median.

At our 2011 Annual Meeting of Stockholders our Board determined to hold annual Say On Pay votes. A stockholder vote on the frequency of having Say on Pay votes is required at least once every six years; the next vote will be held in 2017.

We ask our stockholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the stockholders of Allegheny Technologies Incorporated approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company s Proxy Statement for the 2016 Annual Meeting of Stockholders, pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related material disclosed in the Company s Proxy Statement for the 2016 Annual Meeting of Stockholders.

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Executive Compensation

Compensation Discussion and Analysis

This section discusses material information relating to our executive compensation program and plans for the following executive officers of the Company:

Richard J. Harshman

Chairman, President and Chief Executive Officer

Patrick J. DeCourcy

Senior Vice President, Finance, and Chief Financial Officer

Hunter R. Dalton

Executive Vice President, Strategic Growth Initiatives

John D. Sims

Executive Vice President, High Performance Materials & Components Segment

Kevin B. Kramer

Senior Vice President, Chief Commercial and Marketing Officer

Messrs. Harshman, Dalton, DeCourcy, Sims, and Kramer are collectively referred to as the

named executive officers (NEOs).

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COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE COMPENSATION SUMMARY

Executive Compensation Summary

2016 Say on Pay Proposal

Why should you vote in favor of our 2016 Say on Pay proposal?

We were able to position the Company for future growth and success, despite that 2015 was a difficult year.

Our CEO did not receive an annual incentive award for 2015 even though earned.

The earned annual incentive awards for the other NEOs were below target and further reduced by the maximum of 20%.

There were no payouts under LTI programs for performance periods ending 2015.

We listened to stockholders, redesigned our compensation program for 2016 to simplify it, and reduced total compensation opportunities for the CEO to below the market median, and other NEOs to align with the market median.

There are no salary increases in 2016 for the CEO and NEOs.

We implemented more rigorous stock ownership guidelines for management.

2015 BUSINESS PERFORMANCE

While our financial performance in 2015 was disappointing, we continued to focus on strategic initiatives designed to position ATI for improved financial performance and long-term profitable growth. Throughout 2015, we continued our journey of *Building the World s Best Specialty Materials & Components Company*™. These actions included:

Investing in enhanced manufacturing capabilities in the HPMC segment for nickel alloy powder, titanium investment castings, and forgings to support the anticipated market demand increases, and growing new part introductions (NPIs) for the aerospace market.

Advancing the strategy of operating as an integrated and aligned business, by consolidating the leadership in the HPMC segment under one executive vice president to streamline and improve operating efficiencies and enhance the competitive position of the segment. We integrated multiple business units within the HPMC segment. We also furthered alignment by implementing more consistent and market- and cost- competitive health, welfare and retirement benefit programs across our operations.

Implementing rightsizing actions that are intended to return the FRP business to profitability as quickly as possible and the further advancement of our strategy for sustainable long-term profitable growth. Certain production facilities that serve commodity-oriented markets that currently are facing very challenging business conditions are being temporarily idled.

Fully integrating our HRPF into all applicable production processes. The HRPF enables ATI to grow our high value product lines, such as nickel-based and specialty alloys, and titanium and titanium alloys, across both business segments. These differentiated products serve key global markets including Aerospace and Defense, Oil & Gas/Chemical and Hydrocarbon Processing Industry and Electrical Energy. The HRPF also enables the decommissioning of two higher-cost legacy hot-rolling operations.

Completing the premium-quality (PQ) qualification process for our products used in jet engine rotating parts made with titanium sponge produced by our Rowley, UT facility. This marked the completion of a journey to full qualification of Rowley as a PQ titanium sponge producer for all applications.

Continuing our focus on safety, with our 2015 OSHA Total Recordable Incident Rate of 1.88 and our Lost Time Case Rate of 0.29, which we believe to be competitive with world-class performance for our industry.

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COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE COMPENSATION SUMMARY

Maintaining a solid liquidity position with $150 million in cash at year-end 2015 and a $400 million domestic asset-based lending (ABL) facility, which was undrawn at year-end 2015. We have no significant debt maturities for the next three years.

ATI s business is cyclical, as are the end markets that use our products. In 2015, ATI s stock price declined significantly, by over 67%, due to weak demand and historically low base prices for our commodity stainless steel sheet products driven mainly by global excess capacity and exacerbated by falling nickel prices throughout the year. These factors resulted in historic low transaction prices for commodity stainless steel sheet products. In addition, due to falling prices for crude oil and natural gas, demand for our products from the oil and gas market, which is ATI s second largest end market, weakened significantly. Other manufacturing companies, specifically those in steel, metals and mining, were similarly affected. While earnings and stockholder returns are depressed during a down business cycle, such as 2015, our actions to improve and enhance ATI s manufacturing capabilities through capital investments, cost reductions and productivity improvements, restructuring our businesses, and reposition ATI to be more focused on growing global markets using ATI s more differentiated high-value products enables ATI to optimize returns as business conditions and end market demand improves.

PAY FOR PERFORMANCE

Paying for performance is a key attribute of ATI s compensation philosophy. For many years, a fundamental principle of ATI s executive compensation program has been to tie compensation to the achievement of specific financial and performance goals that further ATI s business strategies, reward actual performance, and are effective in achieving the company s underlying compensation goals. As such, a significant portion of the NEOs compensation is subject to the achievement of rigorous performance goals and, therefore, is at risk. The Company uses three-year performance measurement periods for all but our annual cash incentive plan in recognition of performance over a longer period of time and to mitigate compensation risk.

In 2015, our CEO, Rich Harshman, was paid only his base salary. No amounts were earned under the long-term incentive plans in effect for the 2013-2015 performance period. In addition, the Personnel and Compensation Committee determined that our CEO should forego his earned AIP (annual incentive) in 2015 due to overall company performance.

The other NEOs earned cash awards under the 2015 Annual Incentive Plan, however, the Committee exercised negative discretion under the plan to reduce the other NEOs AIP payouts by the 20% maximum to reflect ATI s overall performance.

STOCK OWNERSHIP GUIDELINES

ATI requires executives and other managers to own certain amounts of ATI stock to foster an ownership culture within the Company and to motivate employees by aligning their interests with stockholders. The ownership guidelines for the CEO and management that were in effect in 2015 are shown below.

Chief Executive Officer	125,000
Executive Council members	35,000
Business Unit Presidents	15,000
Vice Presidents & Corporate Officers	10,000
Business Unit Vice Presidents and other Executives as deemed appropriate	5,000

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As of year-end 2015, all of our NEOs owned shares that surpassed their required share ownership guideline.

The Personnel and Compensation Committee, at its February 2016 meeting, approved new stock ownership requirements based on targeting actual ownership as a multiple of base salary. Effective for 2016, the new stock ownership requirements for our NEOs and other Executive Council members are as follows:

Chief Executive Officer:	6 times base salary
Executive Vice Presidents and the Chief Financial Officer:	3 times base salary
Senior Vice Presidents:	2 times base salary

Executives will also be required to retain 100% of the after-tax value of shares issued upon the vesting of restricted stock units and performance share units until the ownership requirement is satisfied.

This change, from a fixed number of shares as the method of determining ownership percentage to targeting a multiple of base salary, requires a meaningful level of ownership for all NEOs even during the cyclicality in our markets and declining stock prices.

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COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE COMPENSATION SUMMARY

Executive Compensation Highlights

WHAT WE DO	WHAT WE DON T DO
o **Link compensation to ATI performance.** Performance drives pay. A significant portion of compensation opportunities for the NEOs is variable, that is, tied to performance. Cash and equity incentive plans are based on the attainment of business plan performance metrics. Payments are made only when the performance targets are achieved.	X **No employment agreements for executive officers.** X **No excise tax gross-ups in change in control agreements.**
o **Compensation aligned with stockholder interests.** Long-term incentive compensation opportunities for the NEOs are equity-based and tied to business plan performance metrics. New simplified compensation program in effect for 2016 is more aligned with stockholders interests.	X **Executive perquisites.** We do not have executive perquisites such as personal air travel and club dues and tax gross-ups.
o **Double trigger change in control agreements.**	X **No hedging transactions or pledging of ATI stock by officers and directors.** We have always prohibited officers and directors from engaging in hedging or pledging transactions with respect to ATI stock.
o **Clawback policy.** Clawback arrangements require the return of compensation to the extent that information used to calculate the achievement of earnings or other performance measures is subsequently determined to be materially incorrect.	X **No repricing of awards.** No previously granted awards can be repriced or surrendered in exchange for new awards.

o **Robust Stock Ownership Guidelines for Directors and Executive Management.** In February 2016, stock ownership guidelines for management were updated to include 6X base salary ownership for the CEO and require 100% retention until ownership guidelines are met.

o **Board compensation risk oversight.**

o **Balanced compensation program.** The compensation program includes complementary but diverse performance goals, a balance of types of compensation, and caps on the amount of compensation that can be awarded.

o **Independent Compensation Consultant** of the Personnel & Compensation Committee.

o **162(m) compliant.** We intend that payouts under our short- and long-term incentive programs satisfy the requirements of qualified performance-based compensation under Section 162(m) of the Internal Revenue Code.

X **No defined benefit plan restoration.** The company froze future accruals under the Supplemental Pension Plan and the defined benefit portion of the Benefit Restoration Plan as of December 31, 2014.

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COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE COMPENSATION SUMMARY

2016 REDESIGNED EXECUTIVE COMPENSATION PROGRAM THE PATH AHEAD

The incentive compensation plans in effect for 2014 remained in place for 2015. However, as an outgrowth to the company s transformation and significant strategic investments over the past several years, and due to prior Say on Pay voting results, for 2016, we overhauled our executive compensation program and took a clean sheet approach to its re-design. ATI engaged external compensation consultants and advisors to provide research and review peer company practices and the practices of other manufacturing companies. We also considered the business challenges and goals and motivation and retention issues that we face. In the fall of 2015, we also reached out to our largest stockholders to solicit their feedback on a tentative program design. As a result of this extensive process, we developed a new executive compensation program that is more aligned with stockholders interests, easier to understand, retentive, and focused on ATI s business objectives. *For more information on stockholder feedback about our executive compensation program, see the Investor Outreach sections on pages 22 and 46 of this proxy statement.*

Redesigned our short-term incentive program (annual cash performance-based incentive)

Changed our financial measures to put more emphasis on total ATI results through income/income-related and cash flow measures.

Redesigned our long-term incentive program (3-year equity performance-based incentive)

Re-aligned our long-term incentives to match our future business strategies, with 70% weighting on performance shares for the CEO, Executive Council

Simplified our Executive Compensation Program

Long-term equity performance-based incentive program has been reduced from its current format of three plans with multiple metrics and features.

Competitive and Market-Based

Decreased the 2016 long-term incentive opportunities for the CEO and all Executive Council members to reflect a target at the market median based on position. This resulted in

Changed the weighting of the financial portion to 90% for the CEO and Executive Council members. Program prohibits positive discretion to increase award amounts.	members, and other top leaders. New long-term incentive financial performance metrics, with a focus on two metrics: ROIC (return on invested capital), and net income. Maintained total stockholder return performance relative to a peer group of companies as a modifier to ROIC and net income performance. No dividends are earned on restricted stock units.	There are no separate programs for the CEO and Executive Council members. The new executive compensation program is more transparent and easier to understand.	decreases from 20% to 33% as a percentage of base salary. Specifically, the CEO s LTI was reduced from 400% of base salary to 320%. Contemporary design that aligns with other mid-sized and large manufacturing companies.

These changes are effective for awards beginning in 2016. Due to their prospective nature, 2016 changes will not be fully reflected in the compensation of the NEOs until the applicable long-term incentive plans fully mature. To learn more about the 2016 executive compensation program, please see the 2016 Executive Compensation Program Redesign Clean Sheet section on page 66 of this proxy statement.

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COMPENSATION DISCUSSION AND ANALYSIS | EXECUTIVE COMPENSATION SUMMARY

History of Executive Compensation Program Changes

The 2016 redesign of the executive compensation program follows years of continuous improvement to the program that continued to be in effect for the NEOs in 2015. The changes described below were made effective for the compensation plans beginning in the years 2012, 2013 and 2014. This progression shows our willingness to incorporate compensation best practices and developments into our program and affirms our responsiveness to and alignment with stockholders.

2012

- Maintained CEO target opportunity at reduced levels from prior CEO in AIP, PRSP and TSRP.
- Reduced the maximum payout opportunity under TSRP to 200% of base salary from 300%.
- Changed structure of long-term cash incentive plan to make financial performance targets incrementally more challenging.
- Eliminated perquisites of personal use of corporate aircraft, payment of club dues, and related gross-ups.
- Revised executive stock ownership guidelines to apply deeper into organization and require retention of stock until guidelines are met.

2013

Further reduced CEO s target award opportunity under PRSP and TSRP.

Eliminated the excise tax gross-up provision from the CEO s change in control agreement and new or modified agreements.

Increased the minimum (threshold) level of Company performance required for payout to be 35th percentile relative to peer group (from 25th percentile).

Restructured the benchmarking peer group to remove outlier companies.

Under long-term cash incentive plan, reduced maximum payout opportunity under Level I by half, while preserving rigorous performance goals, and discontinued Level II under which additional awards could be earned.

Eliminated remaining gross-ups.

Formalized long-standing policy to prohibit hedging and pledging of stock by officers and directors.

2014

Reduced CEO s target opportunity under AIP from 125% to 115%.

Froze the Supplemental Pension Plan effective December 31, 2014.

Adopted the Long-Term Performance Plan, with two equity components, TSR and LTSV, to replace awards under TSRP and KEPP. The maximum amount that can be earned under the LTPP is lower than what had been available previously under the combination of the TSRP and KEPP.

Froze the defined benefit pension plan and related portion of the Benefit Restoration Plan effective December 31, 2014.

Increased CEO s stock ownership guideline to a minimum of 125,000 shares.

2015

2016

Stockholders adopted the 2015 Incentive Plan.

Annual Performance Plan measures financial including Clawback policy.

Revised benchmarking peer group.

Began process of clean sheet redesign of entire executive compensation program

performance of profitability and cash flow at 90% and strategic/individual goals at 10%.

Long-Term Incentive Plan is streamlined and is comprised of 70% performance share units and 30% time-vesting restricted stock units for leadership level participants.

Reduced CEO and NEOs target award opportunities under LTI programs.

Updated stock ownership guidelines to require 6X base salary ownership for CEO.

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COMPENSATION DISCUSSION AND ANALYSIS | INVESTOR OUTREACH AND THE EXECUTIVE COMPENSATION PROGRAM

Investor Outreach and the Executive Compensation Program

Beginning in December 2014, and as a result of concerns expressed by ISS and Glass Lewis in prior years, ATI management was commissioned by the Personnel & Compensation Committee of the Board of Directors to undertake a Clean Sheet approach to executive compensation, including the short-term incentive (STI-annual cash incentive) and long-term incentive (LTI-equity) programs. The new approach included two rounds of stockholder outreach in April and September of 2015, and will be an annual part of our process going forward. Specifically, we engaged with our 50 largest stockholders, which represent over 60% of our share ownership, and discussed stockholders comments on our executive compensation program and corporate governance practices. The results of our engagement are best reflected in our corporate governance practices and our new clean sheet executive compensation program. Below is a table that outlines the stockholder feedback from those sessions, and ATI s responsive changes to our STI and LTI programs.

Program Element	Stockholder Feedback	ATI 2016 Program Changes
Annual Cash Incentive Plan	Now that large capital investments have been completed, we prefer more weight on financial goals for the annual incentive plan.	CEO and Executive Council members annual cash incentive plan changed to 90% financial goals (income and cash flow) from 70% financial goals.
	The discretionary bonus allowance outside/above the standard features in the annual incentive plan is unusual. Other plans incorporate strategic/ individual goals as part of the plan.	This feature has been removed from the plan and strategic/individual goals are part of the plan, but limited to 10% of the plan for CEO and Executive Council members. Achievement of a minimum cash flow target is a prerequisite to the achievement of strategic/individual goals.
	Is the annual incentive plan driving the ATI strategy?	The plan now includes an all ATI component for all participants; everyone has at least 20% of their participation based on ATI s financial results.
Equity Incentive Plan	Equity program seems complex; does it communicate and drive the right behaviors?	Equity programs for CEO and Executive Council reduced from 3 programs with multiple measures to 2 programs: Performance Shares (70%) and Time Vested Shares (30%).

	Long term incentives should include a heavier weight on ROIC.	There are no separate programs for CEO and Executive Council members. Performance Share equity programs for CEO, Executive Council members, and top leaders changed to 50% ROIC and 50% Net Income
Best Practices	Are all programs following best practices?	Additional features changed: Stock Ownership guidelines updated to include 6X base salary ownership for CEO and require 100% retention until guidelines are met. LTI changed to remove dividend payments on unvested shares.
Level of Compensation	Are all programs payout percentages in line with market data?	LTI program percentage at target reduced for CEO and Executive Council members to reflect the market median; reduction of 20% 33%. All other compensation elements are at the median of the market for actual pay (base), or target opportunity (STI).
Other Matters	Board declassification is now a common practice. How is ATI managing this?	ATI had a board declassification proposal in 2014 that was defeated. We are sponsoring another declassification proposal for the annual meeting in 2016.

2015 ATI Performance Impact on NEO Compensation

No amounts were earned under the long-term incentive plans in effect for the 2013-2015 performance period. Although our NEOs earned cash incentives under the 2015 Annual Incentive Plan (AIP), the Personnel and Compensation Committee determined that our CEO, Rich Harshman, would not be paid the earned AIP incentive award for 2015 due

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COMPENSATION DISCUSSION AND ANALYSIS | 2015 ATI PERFORMANCE IMPACT ON NEO COMPENSATION

to overall company performance falling below the pre-established threshold performance level. For the other NEOs, the Committee exercised negative discretion to the AIP formula and reduced actual AIP incentive payouts by the 20% maximum to reflect ATI s overall performance.

The following table shows the compensation paid to each NEO based on ATI s 2015 performance.

Named Executive Officer	2015 Base Salary	2015 AIP[1]	2013-2015 PRSP[2]	2013-2015 TSR	2013-2015 KEPP (Gradient Achievement/ Multiple of Base Salary)
Harshman	1,050,692	0	0	0	0
DeCourcy	472,244	80,909	0	0	N/A
Dalton	507,679	169,075	0	0	0
Sims	507,673	187,354	0	0	0
Kramer	421,122	71,638	0	0	N/A

(1) For named executive officers other than Mr. Harshman, reflects a below target award, further reduced by 20%.

(2) Half of the performance/restricted stock award including accumulated dividends was forfeited. The remaining half of the award will vest in February 2018.

Our Compensation Philosophy

ROLE OF THE PERSONNEL AND COMPENSATION COMMITTEE

The Committee s primary responsibility is to design compensation plans that drive the Board and management s long-term strategic vision for ATI, and to ensure that those plans support ATI s goal of creating stockholder value over the long-term. Over the last several years, the Committee has emphasized design clarity and transparency to better communicate with our stockholders and to ensure that our compensation programs are aligned with evolving best practices.

The Committee is composed of four independent, non-employee directors. The Committee has the sole responsibility to carry out ATI s overarching policy of linking the executive compensation program to the interests of stockholders. The Committee is responsible for determining compensation for the NEOs and other members of the management Executive Council (EC), which is comprised of eight members of senior management including the CEO. The Committee also has the responsibility for oversight of the Company s equity plans, variable compensation plans for management employees and supervising management s implementation of those plans to ensure a continuing source of leadership and succession planning for ATI. In addition, the Committee reviews compliance with independence standards applicable to ATI s compensation consultant.

ROLE OF INDEPENDENT COMPENSATION CONSULTANTS

The Committee, under its charter, has the sole authority to retain and terminate any compensation consultant used in the evaluation of executive compensation and has the sole authority to approve the retention terms of the consultant, including fees. The compensation consultant retained by the Committee is responsible only to the Committee. The Committee reviews the qualifications of the consultant, including independence. The Committee re-evaluates the consultant s independence on an ongoing basis. The Committee may, at any time, contact the consultant without interaction from management.

Since 2012, the Committee has retained Pay Governance, a nationally recognized executive compensation consultant, for benchmarking compensation and program design and advice on a variety of compensation related matters. Pay Governance provides no other services to ATI and has been determined to be independent by the Committee. Further, because Pay Governance is involved only in the business of compensation consulting, Pay Governance does not attempt to sell other services to the Company.

In 2015, management also retained Meridian Compensation Partners, LLC to provide market data and advice on design features and performance targets relating to the 2016 executive compensation program.

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COMPENSATION DISCUSSION AND ANALYSIS | COMPENSATION PHILOSOPHY

OUR PHILOSOPHY

The Committee s approach to compensation is to offer a base salary that is competitive with an identified benchmarking peer group of companies and incentive opportunities that are performance-oriented and linked to the interests of stockholders. The Committee has developed a balance of annual and long-term programs using diverse criteria to discourage inappropriate risk taking. For the NEOs, the program consists of base salary, an annual performance-based cash incentive, and longer-term (generally three-year) performance-based compensation opportunities.

The Committee views the executive compensation program as a management tool that, through a detailed and quantitative target-setting process establishes challenging financial performance goals that encourage the management team to achieve or surpass ATI s business objectives.

The Committee has determined that the executive compensation program should:

pay competitively by setting overall target compensation, which is realized when performance targets are met, in line with target compensation at peer companies and other companies and industries with which ATI competes for executive talent;

provide performance-oriented incentive pay opportunities that are linked to the interests of stockholders by (i) putting substantial portions of potential compensation at risk, (ii) supporting ATI s business strategy by tying performance goals to specific Company annual and longer-term strategic objectives; and

retain executives that are essential to driving ATI s strategies and future growth.

Competitive Compensation

The Committee reviews, with outside compensation and legal advisors, the compensation policies and practices at peer companies that ATI competes with for talent and skill sets in the company s multiple locations, or are in our industry and serving our end markets. We use this information to help establish base compensation levels throughout the management organization at the approximate median of these groups. The incentive plans provide opportunities to earn additional amounts if performance goals are met or exceeded, but do not pay out if performance goals are not met.

Performance-Oriented and Linked to the Interests of Stockholders

The Committee believes that the more senior the manager, the larger the percentage of compensation that, over time, should be at risk. The goals and targets used across all management levels include both company-wide financial performance measures as well as pre-set goals within a particular participant s area of responsibility. They are designed to encourage a team-oriented approach to achieving ATI profitability and strategic objectives and positioning the Company for the future challenges. The Committee scales compensation challenges and opportunities by level of responsibility and focuses performance on the measures that particular managers can most directly influence.

The Committee implements its pay-for-performance philosophy by using performance metrics that are linked to the interests of stockholders, such as operating profit, EBITDA, net income/earnings, total stockholder return, and/or strategic goals that are designed to help create stockholder value over the long-term. In the new compensation program design for 2016, performance goals focus on income, cash flow, and ROIC (return on invested capital). ATI s business plans have focused on internal generation of the funds necessary for sustainable profitable growth and product and end market diversification.

Attract and Retain Talent

We designed our program to attract and retain a deep pool of managerial talent who share ATI s commitment to enhancing stockholder value in the short- and longer-terms. The Committee believes that the plans and performance goals will attract, challenge, and retain superior managers experienced in ATI s businesses and direct their efforts toward achieving specific tasks that the Board and senior management determine to be necessary for profitable growth through business cycles.

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COMPENSATION DISCUSSION AND ANALYSIS | COMPENSATION SETTING PROCESS

Compensation Setting Process

SETTING COMPENSATION LEVELS AND OPPORTUNITIES

This section explains the Committee s multi-step process for setting compensation levels and opportunities and validating our pay targets. The table below, and description that follows, summarizes the analyses involved in this process:

Process Step/ Analysis	Responsibility or Data Source	Purpose	How It s Used	When It s Conducted
Review of Annual and Long-Term Business Plans	Board/management	Aligning incentive compensation with business objectives	To support determination of performance targets in incentive plans	December February
Individual Performance Assessments	Committee; Executive feedback	Evaluating individual performance of CEO and Executive Council (EC) members (for EC members, based on CEO input)	To determine short-term incentive award payments for the award period that recently ended and merit increases and adjustments to individual award opportunities for the next year/ award cycle	December January
Company Achievement of Performance Goals	Board/management	Determining award payments based on company performance in completed performance periods	Considered when determining appropriate performance goals for upcoming periods	January

Market and Peer Analysis	Compensation consultants	Setting pay for our executives	To set competitive base pay and short- and long-term incentive targets and compensation opportunities for the next year/award cycle	December February
Pay and Performance Analysis	Publicly available financial and compensation information	Evaluating pay and performance to validate individual compensation plans that were established in February	To assess achievement under the incentive plans relative to company and peer performance	Ongoing
Tally Sheets	Compensation consultants; Internal compensation and benefits data	Evaluating total remuneration and internal pay equity of our executives	To evaluate the total remuneration and projected payments to the NEOs under various termination scenarios. This helps to determine if each executive s compensation package is appropriately aligned with that of internal peers and whether any adjustments to our compensation plans or programs, or an individual s pay package, is necessary	Ongoing
Stockholder Outreach	Board/management	To obtain stockholder feedback on concerns and questions relating to plan design and performance	To understand expectations of investors and monitor trends in executive compensation from the perspective of stockholders. Used to evaluate compensation policies, practices and plans.	Ongoing

Near the end of each year, the Board (including members of the Committee) reviews ATI s annual and long-term business and strategic plans with management. At the Committee s January meeting, following the review of the Company s year-end financial results, the Committee determines the award payments to be made under the compensation plans with performance measurement periods that concluded at the end of the previous year based upon the Committee s assessment of the achievement of the predefined financial goals and objectives.

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COMPENSATION DISCUSSION AND ANALYSIS | COMPENSATION SETTING PROCESS

Generally, at the Committee s February meeting, the Committee authorizes compensation plans for future periods and establishes the specific financial performance goals under the incentive plans in light of the Board-approved business and strategic plans for that future period.

The Committee considers which incentive plans, award levels and performance goals would optimize the achievement of ATI s future business objectives without introducing systemic risk driven by the executive compensation program. The Committee solicits the views of its advisors as to whether the plans under consideration reflect and support achievement of the Company s short-term and long-term business objectives and strategies. In addition, at that time, the Committee approves individual participation levels in the compensation plans for the CEO and members of the management Executive Council, and directs executive management to establish participation levels in the plans for other eligible employees within the guidelines given by the Committee. Generally, all prospective compensation opportunities under the long-term compensation plans are made at the Committee s February meeting.

INTERNAL PAY EQUITY

Using market data, the compensation consultant advises the Committee on relative compensation among the Executive Council members, including the NEOs. The compensation levels generally reflect the job functions normally associated with a particular title and the degree of responsibility inherent with the job duties.

In setting compensation opportunities, the Committee considers the ratios of CEO compensation opportunities and the compensation opportunities of each of the other NEOs. The ratio of the 2015 total realized compensation for Mr. Harshman, Chairman, President and Chief Executive Officer, compared to the average of the compensation of the other NEOs, as reflected in the Total Realized Compensation Table, is 1.9. Recognizing his ultimate management responsibility as Chairman, President and CEO, base pay and compensation opportunities are significantly greater for the CEO than for the other NEOs of the Company.

BENCHMARKING PEER GROUP

The Committee considers, with information provided by the compensation consultant, the compensation practices across a broader group of manufacturing companies. The Committee uses the peer group as a reference in developing its executive compensation program and in determining the competitiveness of its executive compensation levels. The Committee also uses the broader manufacturing company practices as a check against the peer group information. Annually, the Committee reviews the peer group to ensure that the companies constituting the peer group remain relevant and provide meaningful comparisons for compensation and business purposes. ATI believes that there are no public companies that engage in the full range of the Company s specialty materials and components manufacturing, fabrication, marketing and distribution. To address this reality, Pay Governance, the Committee s independent compensation consultant, developed the following criteria to guide the selection of peer companies for benchmarking compensation.

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COMPENSATION DISCUSSION AND ANALYSIS | COMPENSATION SETTING PROCESS

Specifically, peer companies should:

1) Be competitors for business and/or executive talent and be primarily from the metals industry or adjacent sectors;

2) Be reflective of the general complexity and business orientation of ATI:

- Global footprint, product lines, foreign competition
- Revenues that approximate 50% to 200% of ATI with some flexibility
- Capital intensive businesses as indicated by lower asset turnover ratios (i.e., 0.5 to 1.5)
- Higher company stock price volatility, or beta (i.e., greater than 1.0)
- Market capitalization reasonably aligned with ATI; Some flexibility for outliers that may be aligned from different perspectives (i.e., revenues, competition)
- Similar number of employees

3) Have stock prices reasonably correlated with ATI over the past five years indicating sensitivity to similar external market influences.

As a result, for performance measurement periods under the executive compensation plans beginning on January 1, 2015, the Benchmarking Peer Group consists of the following companies:

($millions) Company	Revenue Actual	Total Assets	Market Capitalization	Employees	Asset Turnover	Beta 12/31/2015

	FY2015	FY2015	12/31/2015			
Precision Castparts Corp.	$ 10,005	$ 19,428	$31,922	29,900	0.5	0.6
Reliance Steel & Aluminum Co.	$ 9,351	$ 7,122	$ 4,149	14,900	1.3	1.1
Steel Dynamics Inc.	$ 7,594	$ 6,202	$ 4,327	7,500	1.2	1.4
AK Steel Holding Corporation	$ 6,693	$ 4,084	$ 398	8,500	1.6	2.1
Terex Corporation	$ 6,543	$ 5,637	$ 2,005	20,400	1.2	2.4
Trinity Industries Inc.	$ 6,393	$ 8,886	$ 3,672	22,030	0.7	1.6
Oshkosh Corporation	$ 6,098	$ 4,613	$ 2,854	13,300	1.3	1.4
Commercial Metals Company	$ 5,943	$ 3,372	$ 1,596	9,126	1.8	1.3
Worthington Industries, Inc.	$ 3,384	$ 2,085	$ 1,872			