

ALLEGHENY TECHNOLOGIES INC
Form DEFA14A
April 21, 2015

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

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):

No fee required.

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April 2015

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ATI Say on Pay Discussion

Shareholder Goals

ATI Current State: CEO

Amount of compensation at risk

81%

Amount of equity-based compensation linked to performance

83%

Level of compensation compared to industry peers

Total slightly below median

of peers

Contemporary best practices for executive compensation:

- Double trigger for change in control agreements
- Elimination of tax gross-ups
- Elimination of excessive perqs
- Anti-hedging, anti-pledging policies
- Clawback provisions
- Robust stock ownership guidelines for NEOs
- Comprehensive risk evaluation of program administration

Adopted from 2011-2015

Compensation programs designed to reflect company strategy to create long-term shareholder value

Yes; see pages 3 and 4

Also described in CD&A

Investor Feedback on Say on Pay

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ATI Compensation Plans and Changes

Factors affecting ATI's compensation plans from 2011-2015:

Reduced several aspects of existing exec comp programs to align with investors philosophies and changing exec comp environment

Implemented changes carefully in order to manage retention throughout the change

period (evolution vs. revolution)

Hot Rolling & Processing Facility completion/commissioning (Brackenridge, PA)

New titanium sponge facility Premium Quality qualification (Rowley, UT)

Strategic acquisitions (e.g., Ladish)

Addition of executive position (CCMO) for centralizing and standardizing market penetration and emphasizing revenue growth

Other
changes
throughout
the
executive
staff
from
2012

early
2015

Completion of nearly \$3 billion in strategic investments (including acquisitions)
within specific time frames necessary to realize the expected long-term ROI

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Newly appointed CEO: Richard Harshman
Board
and
CEO
understanding
of
the
future
challenges
and
need
to
create
the
organization necessary to meet the challenges

CEO Compensation and Relative TSR
Relevant facts for CEO compensation:

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2011

2012

2013
2014
Equity Awards-LT
4,128,092
3,093,395
3,181,302
3,846,929
Cash Awards-LT (KEPP)
2,934,214
1,075,649
-
-
Cash Awards-ST (AIP)
2,200,000
1,680,187
-
1,376,450
Salary
806,667
923,123
954,006
993,019
Total Realized Compensation
8,223,066
6,888,539
2,763,169
3,289,353
3 Yr Relative TSR (ATI peers)
208%
76%
53%
74%
0%
50%
100%
150%
200%
250%
4,000,000
6,000,000
8,000,000
10,000,000
12,000,000
-
2,000,000

TSR for ATI past 12 months is in top quartile

No annual bonus paid for 2013 based on performance

Decreased CEO s target awards year over year (combination of LTI and annual bonus)

Froze accruals under the DB plan and SERP (effective Dec. 31, 2014)