

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

(1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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(4) Date Filed:

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)