LEE FRANCIS F
Form 4
January 06, 2011

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
LEE FRANCIS F
(Last) (First) (Middle)
3120 SCOTT BLVD., STE. 130
(Street)
SANTA CLARA, CA 95054
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SYNAPTICS INC [SYNA]

3. Date of Earliest Transaction (Month/Day/Year)
01/04/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/04/2011		M		10,000	A	$ 10.93	67,729	I	By Trust (1)
Common Stock	01/04/2011		S (2)		10,000	D	$ 30.6	57,729	I	By Trust (1)
Common Stock								4,764	D	
Common Stock								42,422	I	By Trust (3)
Common Stock								42,422	I	By Trust (4)
								4,000	I	

Common Stock	As Custodian (5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	$ 10.93	01/04/2011		M			10,000	(6)	01/21/2014	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEE FRANCIS F 3120 SCOTT BLVD., STE. 130 SANTA CLARA, CA 95054	X			

Signatures

Kermit Nolan, as attorney-in-fact	01/04/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The shares are held by Francis F. Lee and Evelyn C. Lee as Co-Trustees of the Lee 1999 Living Trust dated March 16, 1999.

(2) The shares were sold pursuant to a 10b5-1 Sales Plan dated November 17, 2010.

(3) The shares are held by Francis F. Lee, Trustee of the Francis Lee 2002 Irrevocable Trust.

(4) The shares are held by Evelyn C. Lee, the reporting person's spouse, Trustee of the Evelyn Lee 2002 Irrevocable Trust.

(5) The shares are held by the reporting person as custodian for his child.

(6) 25% of the total number of shares subject to the option vested and became exercisable on the twelve month anniversary of the January 21, 2004 vesting commencement date, and 1/48th of the total number of shares subject to the option vested and became exercisable on the 21st day of each month thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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1.1

Steel Dynamics Inc.

$

7,594

$

6,202

Explanation of Responses:

$ 4,327

7,500

1.2

1.4

AK Steel Holding Corporation

Explanation of Responses:

$

6,693

$

4,084

$ 398

8,500

Explanation of Responses:

1.6

2.1

Terex Corporation

$

6,543

$

5,637

Explanation of Responses:

$

$ 2,005

20,400

1.2

2.4

Trinity Industries Inc.

$

Explanation of Responses:

6,393

$

8,886

$ 3,672

22,030

0.7

Explanation of Responses:

1.6

Oshkosh Corporation

$

6,098

$

4,613

$ 2,854

Explanation of Responses:

13,300

1.3

1.4

Commercial Metals Company

$

5,943

Explanation of Responses:

$

3,372

$ 1,596

9,126

1.8

Explanation of Responses:

1.3

Worthington Industries, Inc.

$

3,384

$

2,085

$ 1,872

10,500

1.6

1.4

Westinghouse Air Brake Technologies Corporation

$

3,308

Explanation of Responses:

$

3,300

$ 6,862

13,000

1.0

Explanation of Responses:

1.2

Joy Global, Inc.

$

3,172

$

3,712

$ 1,235

Explanation of Responses:

13,400

0.9

2.2

The Timken Company[1]

$

2,872

$

Explanation of Responses:

2,790

$ 2,373

14,709

1.0

1.5

Explanation of Responses:

Crane Co.

$

2,741

$

3,362

$ 2,778

11,200

Explanation of Responses:

0.8

1.2

Kennametal Inc.

$

2,647

$

2,850

Explanation of Responses:

$ 1,528

12,718

0.9

1.6

Valmont Industries, Inc.

$

2,619

$

2,399

$ 2,443

10,697

1.1

1.1

Carpenter Technology Corp.

$

2,227

$

2,906

Explanation of Responses:

$ 1,487

4,900

0.8

1.5

$

1,915

$

962

$ 384

2,955

Explanation of Responses:

2.0

0.9

SPX Corporation

$

1,777

$

2,181

Explanation of Responses:

$

$ 381

6,000

0.8

0.8

25th Percentile

$

Explanation of Responses:

2,671

$

2,805

$ 1,497

8,675

0.8

Explanation of Responses:

1.1

Median

$

3,346

$

3,367

$ 2,189

Explanation of Responses:

11,959

1.1

1.4

75th Percentile

$

6,506

$

5,381

$ 3,467

14,382

1.3

1.6

ATI

$

3,720

$

5,752

$ 1,229

%

9,200

0.6

1.7

Percentile

54

%

Explanation of Responses:

78

%

18

%

30

%

4

%

Explanation of Responses:

83

%

Source: Standard & Poor s Capital IQ Database (Compustat financials)

Data represents each company s fiscal year, which may not align with ATI s fiscal year end of December 31

(1) In July 2014, The Timken Company spun off its steel-making business into a public company, TimkenSteel Corporation. The Timken Company remains part of the benchmarking peer group.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | COMPENSATION SETTING PROCESS

For 2015, after the annual review of the benchmarking peer group, Pay Governance recommended the addition of, and the Committee added Trinity Industries, Inc. and Oshkosh Corporation to the above peer group for use in benchmarking executive and director compensation levels.

The peer group used for measuring the Company s relative total stockholder return (TSR Peer Group) is different from the benchmarking peer group. The TSR Peer Group companies, though having a range of sizes, all remain aligned with ATI on the basis of relative similarity to one or more of the aspects of the Company s businesses. These companies compete in one or more of the markets in which ATI competes, and the risk profiles typically assigned to those companies by the capital markets are similar to ATI. *For further information, please see page 59*.

MONITORING OF PERFORMANCE AND PROGRESS THROUGHOUT THE YEAR

The Committee meets regularly during the year to monitor the Company s performance as well as the individual performance of members of management s Executive Council, relative to the incentive plan goals. At these meetings, the Committee is provided with current financial data and with internal status reports on key performance measures. The Committee uses this information to:

- assess management s interim progress toward achieving the predetermined performance goals and the potential payouts under the various executive compensation plans, and
- assist in the evaluation of whether the compensation plans continue to support and direct performance as required to achieve the Company s business goals.

Members of management attend portions of these meetings. The Committee also meets with its outside compensation and legal advisors during non-management executive session in order to ensure independent feedback on all compensation-related matters.

2015 Executive Compensation Program

The Committee believes that the compensation program strikes an appropriate balance of various forms of compensation:

- the balance between annual and long-term compensation achieves consistency in goal setting that considers both short-term results and building a platform for longer-term profitable growth;

the cash to equity compensation ratio, along with the stock ownership guidelines for executives, puts a substantial majority of compensation at risk and payable only upon the achievement of performance goals and aligns management s interests with the stockholders;

diversity in performance metrics enables us to measure success across many aspects of our operations and financial results and aligns the compensation plans with stockholder interests; and

the balance of payment forms, overlapping performance measurement periods, and complementary but diverse goals serve to substantially reduce the possibility that the compensation program could provide incentive to undertake imprudent risk.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

For 2015, the executive compensation program consisted of the following elements:

	Plan	Purpose	Relevant Performance Metric and Description	
ANNUAL	**Base Salary**	To provide fair and competitive compensation for individual performance and level of responsibility of position held.	Individual performance	FIXED
	Annual Incentive Plan (AIP)	To provide performance-based annual cash award for ATI and business unit performance to motivate and reward key employees for achieving our short-term business objectives and drive performance.	Mix of metrics, including: Operating profit Cash flow Continuous improvements Cost reductions Customer responsiveness	VARIABLE
LONG-TERM	**Performance/Restricted Stock Program (PRSP)**	To provide performance- and time-based equity compensation in the form of restricted stock to drive ATI s earnings and retain key managers.	Net Income Full award will vest after 3 years if performance targets	

		are achieved; if not, 1/2 of award will be forfeited and remaining 1/2 will vest 5 years from grant date.
Long-Term Performance Plan (LTPP)	To provide a broader base of equity compensation by allowing for performance-based awards.	(1) TSR: Total stockholder return relative to an identified peer group of companies (see peer group on page 59). (2) LTSV: Strategic operational performance-based goals, including a return on capital metric.

For 2015, beginning with AIP, PRSP and LTPP, the number of participants in each respective plan becomes increasingly more select because the performance metrics in the plan are more aligned to and influenced by more senior executives, who are therefore, more able to influence ATI s performance. A prerequisite to the payment of any award is compliance with ATI s *Corporate Guidelines for Business Conduct and Ethics.*

The pie charts below show the mix of aggregate NEO compensation by type, form, and length, at target for 2015:

2015 ANNUAL INCENTIVE PLAN (AIP)

Overview. The AIP is an annual, performance-based cash incentive plan in which approximately 400 key employees (including the NEOs) participate. Performance is measured based on a weighted formula that takes into account several different factors as measurable indices of performance for ATI and its business units, as further described below in the

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

discussion of each NEO s award. The diverse mix of performance criteria directs participants attention to the goals and achievements within their direct control.

Performance Criteria. The performance goals for the 2015 AIP were set in February 2015 based on ATI s business and operations plans for 2015. Corporate-wide goals are established in a bottom-up process through which each business unit s business plan and business conditions are separately reviewed in setting targets, as are the expectations for other performance factors at each business unit. The performance goals consist of a mix of financial, operational, and strategic performance targets. The Committee recognized that opportunities for 2015 should allow for competitive rewards for meeting, and larger amounts for exceeding, the performance goals that represented substantial challenges to AIP participants.

Relative weight for each performance metric was assigned to reflect the interests of stockholders, with profitability generally receiving the largest weighting followed closely by internal cash generation. However, other hallmarks of performance, including cost reductions, operational improvement, and customer-oriented goals, are included because these factors support the financial performance goals. These other, more operations-focused goals, are specific, measurable, and objectively verifiable. In accordance with SEC guidance to us, the details of the particular metrics are confidential because they are competitively sensitive.

Level of Difficulty. The Committee sets the financial and operational AIP measures so that the relative difficulty of achieving the target level is consistent from year to year. The objective is to establish target goals in any given year that are challenging yet achievable, with a much higher level of difficulty to achieve performance that generates the maximum payout.

Award Opportunities. The opportunities for the NEOs under the AIP are granted at threshold, target and maximum levels expressed as a percentage of base salary. The Committee sets the potential award ranges as percentages of base salary (the annual incentive percentage) for each NEO using comparative market data provided by the compensation consultant. The payout associated with achieving threshold performance is equal to 50% of target while the payout associated with achieving the maximum performance level is capped at 200% of target. No payout is earned for performance below the threshold level.

	Annual Incentive Percentage			
Named Executive Officer	Below Threshold	Threshold	Target	Maximum

Harshman	0%	57.5%	115%	230%
DeCourcy	0%	35%	70%	140%
Dalton	0%	35%	70%	140%
Sims	0%	35%	70%	140%
Kramer	0%	35%	70%	140%

To calculate a potential award amount, the target percentage of salary for each NEO is multiplied by a formula based on performance.

Formula

Base Salary as of December 31, 2015	x	Target Annual Incentive Percentage	x	Performance Achievement (0-200%)	=	Annual Incentive Payout ($)

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

2015 Earned and Paid Amounts For Each NEO:

	At Target (100%)			Actual	
Named Executive Officer	Target (% of Base Salary)	Dollar Amount ($)	Actual Weighted Achievement (% of Target)	Earned Cash Award ($)	Paid Cash Award ($)
Harshman	115	1,219,000	30.1	366,919	**0**
DeCourcy	70	336,000	30.1	101,136	**80,909**
Dalton	70	357,000	59.2	211,344	**169,075**
Sims	70	357,000	65.6	234,192	**187,354**
Kramer	70	297,500	30.1	89,548	**71,638**

Although the NEOs earned cash incentives under the 2015 Annual Incentive Plan, the Personnel and Compensation Committee decided that our CEO, Rich Harshman, would not be paid the earned AIP incentive award in 2015 due to overall company performance. The Committee exercised negative discretion under the plan to reduce the other NEOs AIP incentive award payouts by the 20% maximum to reflect ATI s overall performance.

2015 Performance Goals and Achievement Levels for the Named Executive Officers:

Messrs. Harshman, DeCourcy, and Kramer:

The 2015 AIP awards for Messrs. Harshman, DeCourcy and Kramer were determined by performance of the goals relevant to total ATI performance, as described below with relative weighting and achievement.

ATI Corporate

Performance Goals	Relative Weighting (%)	2015 Actual Achievement (% of Threshold)
ATI Operating Profit	40	**0**
ATI Operating Cash Flow	30	**0**
Continuous Improvement	10	**161.3**
Cost Reductions	10	**75.3**
Customer Value Creation	10	**64.8**
	100%	**30.1%**

2015 Achievement: For 2015, the threshold, target and maximum goals for ATI Operating Profit and ATI Operating Cash Flow, as defined, were as set forth below. AIP awards were earned based on the weighted achievement of each operating goal. The financial goals were not met.

	(millions)			
	Threshold	Target	Maximum	2015 Actual Performance
ATI Operating Profit	$163	$275	$378	**$(240)**
ATI Operating Cash Flow	$111	$189	$261	**$ (13)**

ATI Operating Profit for AIP is defined as segment operating profit less corporate and interest expenses.

ATI Operating Cash Flow is derived from Cash Flow provided by Operating Activities as reported in the Consolidated Statement of Cash Flows and adjusted for capital expenditures.

For further information about ATI financial performance, please see ATI s Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

Mr. Dalton:

The 2015 AIP award for Mr. Dalton was determined by performance of the goals relevant to the ATI Specialty Materials business unit for seven full months, with relative weighting and achievement as described below, until August 2015, when Mr. Dalton s role changed to EVP, Strategic Growth Initiatives. His award was also based on ATI Corporate performance, described above, for five months of 2015. Mr. Dalton s 2015 earned award was at 59.2% of target.

ATI Specialty Materials

Performance Goals	Relative Weighting (%)	2015 Actual Achievement (% of Threshold)
ATI Specialty Materials Operating Profit	40	**0**
ATI Specialty Materials Operating Cash Flow	30	**108.2**
Continuous Improvements	10	**200.0**
Cost Reductions	10	**150.6**
Customer Value Creation	10	**124.1**
	100%	**79.9%**

Business Unit Operating Profit is operating profit within the High Performance Materials & Components Segment.

Business Unit Cash Flow is cash flow generated by the business unit.

Mr. Sims:

The 2015 AIP award for Mr. Sims was determined by performance of the goals relevant to the ATI High Performance Components Group for seven full months, with relative weighting and achievement as described below, until August 2015, when Mr. Sims became EVP, High Performance Materials & Components segment, which included responsibility for ATI Specialty Materials. His award was based on achievement of the ATI Specialty Materials Business Unit and the High Performance Group for five months. Mr. Sims 2015 earned award was at 64.3% of target.

ATI High Performance Components Group

Performance Goals	**Relative Weighting (%)**	**2015 Actual Achievement (% of Threshold)**
ATI High Performance Components Group Operating Profit	40	**0**
ATI High Performance Components Group Operating Cash Flow	30	**83.7**
Continuous Improvements	5	**104.7**
Cost Reductions	5	**200.0**
Customer Value Creation	5	**102.3**
ATI Cast Products Expansion	5	**100.0**
ATI Rowley Operations Targets	5	**51.2**
ATI Richland Operations Targets	5	**164.0**
	100%	**61.2%**

Group Operating Profit is operating profit within the High Performance Materials & Components Segment.

Group Cash Flow is cash flow generated by the group.

Under the AIP formulas in effect for 2015, the Committee, with regard to the NEOs and other members of the management Executive Council, may assess qualitative performance factors in addition to the quantitative criteria described above. Based on the qualitative assessment of an individual s performance, the Committee could increase or decrease an individual s award by up to a maximum of 20%. Generally, the sum of positive qualitative adjustments for all eligible participants cannot exceed 5% of the aggregate calculated awards. The Committee expects that any such adjustments would be considered performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

LONG-TERM INCENTIVE PLANS

In 2015, the Company issued equity awards under two long-term equity incentive plans, the Performance/Restricted Stock Program (PRSP) and the Long-Term Incentive Performance Plan (LTPP), which has two components the Total Shareholder Return Program (TSR) and the Long-Term Shareholder Value (LTSV). All of the programs with ongoing performance periods, including those under which new awards were discontinued in 2014, are described separately below. The plans are intended to promote cooperative and effective actions by the various operations of ATI to drive achievement of strategic and operational goals, aggregate earnings, and ultimately return and value creation for the stockholders. Employee participation in the programs is determined by relative responsibilities at the corporate or business unit level.

Performance/Restricted Stock Program (PRSP)

Overview. Under the PRSP, shares of performance/restricted stock are awarded to participants at the beginning of a three-year performance measurement period. The PRSP is designed to drive Company earnings while retaining key managers. Approximately 120 key managers, including the NEOs, participate in this plan. One-half of the award under the PRSP has a performance-based vesting feature and the other half has both performance-based and time vesting components, as more fully described below. The performance goals in this plan are established with a primary objective of being realistically achievable in the applicable three-year period in order to fulfill the purpose of the plan of aligning the incentives of managers and stockholders. The time-based vesting retention feature is used to retain those key managers who represent the talent pool for future management.

Performance Criteria. The PRSP uses an aggregate net income target that reflects ATI s baseline expectations for earnings under the three-year business plan. In February 2015, the Committee set the following performance criteria for Executive Council members including the NEOs for 2015-2017 performance measurement period:

Performance Feature: This one-half of the stock-based award granted will vest, if at all, only upon ATI s achievement of at least an aggregate of $325 million in net income (determined in accordance with U.S. generally accepted accounting principles) for the period of January 1, 2015 through and including December 31, 2017, excluding Hot Rolling and Processing Facility start-up costs and underutilization costs associated with the Rowley, Utah titanium sponge plant in the aggregate for fiscal years 2015, 2016 and 2017.

If the net income target is not reached or exceeded on or before December 31, 2017, or if the individual leaves the employ of the Company for a reason other than retirement, death or disability before that date, this one-half of the award will be forfeited.

Conversely, if the net income target is reached or exceeded on or before December 31, 2017, the vesting of the remaining one-half of the award (described below) will accelerate so that 100% of the award is payable at the end of the third year.

Time-Based and Performance Feature: This one-half of each award will vest upon the earlier of (i) five years from the date of grant, or February 25, 2020 if the participant is still an employee of the Company on that date (or if the participant has retired, died or become disabled), or (ii) December 31, 2017, if the net income performance criteria is attained for the January 1, 2015 through December 31, 2017 period.

Award Opportunities.

The Committee set the following incentive percentages for 2015 for each NEO using comparative market data provided by the compensation consultant.

The threshold is the minimum amount, expressed as a percentage of base salary, that can be earned under the PRSP for the 2015-2017 performance measurement period and would be earned if only the time-based portion of the award vested.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

The target is also the maximum amount, expressed as a percentage of base salary, which can be earned if the performance goals are met in the three-year performance measurement period and both portions of the award vest at that time.

The number of shares of an individual s performance/restricted stock award is calculated as a percentage of base salary, or incentive percentage, on the date of grant, then divided by the average of the high and the low trading prices of ATI s Common Stock on the NYSE on the date of grant.

Base Pay Percentages for 2015 for Each NEO

		Number of Restricted Shares	
Named Executive Officer	**Base Pay Percentage**	**Threshold/ Minimum**	**Target/ Maximum**
Harshman	150%	23,483	46,965
DeCourcy	100%	7,089	14,178
Dalton	100%	7,532	15,064
Sims	100%	7,532	15,064
Kramer	100%	6,277	12,554

Formula. The number of shares of performance/restricted stock awarded to each NEO is calculated by using the following formula:

Base Salary	x	Target Incentive Percentage	÷	$33.855 (Fair Market Value of ATI stock on grant date of February 25, 2015)	=	Number of restricted shares awarded

Dividends declared on the Company s Common Stock are accumulated and paid in stock to the holders of performance/ restricted stock when and if the restrictions lapse on the shares.

Performance.

2013-2015 Performance. The PRSP implemented in 2013 had a performance goal of aggregate net income of $450 million for the 2013-2015 performance measurement period. Based on ATI s actual aggregate net loss of $194.7 million over that time, **half of the award was forfeited** as of January 28, 2016. The fair market value of ATI stock on the grant date of February 20, 2013 was $30.67.

Long-Term Incentive Performance Plan (LTPP)

The LTPP was discontinued beginning in 2016. It began as a stand-alone plan in 2014 (for the performance period 2014-2016) and was in effect in 2015 (for the performance period 2015-2017).

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

Overview. The Long Term Incentive Performance Plan is designed to drive overall ATI performance and the achievement of strategic goals while retaining key managers.

TSR Component: Measures total stockholder return
The Committee awards a target number of shares (the Opportunity Shares) to the recipient for the applicable performance measurement period calculated using a specified percentage of base pay. At the end of the applicable performance measurement period, the number of shares received by the recipient, if any, is based on the Company s total stockholder return (generally, the change in the trading prices of a share of Company common stock plus dividends paid) (TSR) relative to the TSR of a peer group of publicly traded companies deemed comparable by the Committee.

Eligibility: Approximately 60 key managers participate under this component of the LTPP.

LTSV Component: Measures long-term stockholder value
The Committee grants performance restricted stock which will vest after three years, in whole or in part, subject to the achievement of various pre-set strategic operational goals that are expected to create stockholder value over the long-term, using specified percentages of base pay to calculate the grant.

Eligibility: Members of the management Executive Council participate under this component of the LTPP.

Total Shareholder Return (TSR) Component

Performance Criteria, Including Peer Group. The Committee established a three-year performance measurement period selected the eligible participants, established the Opportunity Shares for each participant, and identified the peer group of companies for that performance measurement period.

For the performance measurement period beginning in 2015, the Committee selected the peer group companies listed below because of their similarity to ATI the peer companies are all in the materials business, sell to the same end users or markets, are actual competitors in one or more of the markets in which ATI competes, and have similar risk and stock volatility profiles. Most importantly, companies in the peer group below are cyclical, similar to ATI, encountering the same challenges at the bottom of the business cycle and like underlying conditions at business cycle peaks. Therefore, we believe this is the appropriate group for reference to relative TSR performance.

Relative Total Stockholder Return Peer Group for 2015 TSR Component

AK Steel Holding Corporation	Reliance Steel & Aluminum Co.
Alcoa Inc.	RTI International Metals, Inc.
Carpenter Technology Corporation	Schnitzer Steel Industries, Inc.
Castle (A.M.) & Co.	Steel Dynamics, Inc.
Commercial Metals	The Timken Company
Kennametal Inc.	United States Steel Corporation
Materion Corporation	Universal Stainless & Alloy Products, Inc.
Nucor Corporation	Worthington Industries, Inc.
Precision Castparts Corp.	

There is significant overlap between our TSR Peer Group and our benchmarking peer group, which is identified on page 51 of this proxy statement.

Award Opportunities. The Committee set the target percentage of base pay, arriving at the number of opportunity shares, for each NEO under the TSR component for the 2015-2017 performance measurement period using comparative market data provided by the compensation consultant.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

Formula:

Base Salary	**x**	**Target Incentive Percentage**	**÷**	**$33.54** **(Average of high and low trading prices of ATI stock for 30 trading days preceding January 1, 2015)**	**=**	**Target TSR Opportunity Shares**

The target number of shares of an individual s TSR component is calculated as a percentage of base salary on the date of grant, then divided by the average of the high and the low trading prices of ATI s Common Stock on the NYSE on the date of grant.

Named Executive Officer	**Base Pay Percentage**	**Number of Opportunity Shares**
Harshman	150%	47,406
DeCourcy	100%	14,311
Dalton	100%	15,206
Sims	100%	15,206

Kramer	100%	12,671

Measurement Criteria. The performance ranges for threshold, target and maximum performance are as follows, which are rigorous and consistent with other TSR-measured plans used by peers:

Threshold: 35th percentile of the peer group results in a payout equal to 50% of target;

Target: 50th percentile of the peer group results in a payout equal to 100% of target; and

Maximum: 90th percentile or greater of the peer group results in a payout capped at 200% of target.
Interpolation is used to determine the payout for performance between threshold, target, and maximum performance levels.

Long Term Shareholder Value (LTSV) Component

Performance Criteria. Under the LTSV component, for the 2015-2017 performance measurement period, the Committee established various strategic, operational goals, the achievement of which are crucial to the completion and implementation of the Company s capital improvement, acquisitions, and business development strategies, and assigned relative weight was assigned to each performance metric.

Cast Products expansion on budget and on time	30%
Powder expansion on budget and on time	30%
Regain investment grade credit rating	15%
ROCE* target no less than 6.7% (16.6%**)	25%

* Based on Net Income

**Excluding Rowley and HRPF assets value

Award Opportunities. The Committee set the incentive percentage for each NEO under the LTSV Component for the 2015-2017 performance measurement period using comparative market data provided by the compensation consultant.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

Formula. The number of shares of performance/restricted stock awarded to each NEO is calculated by using the following formula:

Base Salary	x	Target Incentive Percentage	÷	$33.855 (Fair Market Value of ATI stock on grant date of February 25, 2015)	=	Number of restricted shares awarded

Performance. At the end of the performance measurement period, the Committee will determine the degree to which each of the performance goals has been met, and may determine that such goals have been partially met. The achievement level of the respective performance goals with relative weighting will be added together and the sum, expressed as percentage, will be multiplied by the number of shares of restricted stock granted to each participant, to determine the number of shares of restricted stock that will vest.

Named Executive Officer	Base Pay Percentage	Number of Restricted Shares
Harshman	100%	31,310
DeCourcy	100%	14,178
Dalton	100%	15,064
Sims	100%	15,064

Kramer	100%	12,554

Dividends declared on the Company s Common Stock are accumulated and paid in stock to the holders of this performance/ restricted stock when and if the restrictions lapse on the shares.

No new awards are being made under the following two plans. The final performance period under which awards were issued was for 2013-2015.

Total Shareholder Return Incentive Compensation Program (TSRP)

As noted above, the separate TSRP was discontinued as a stand-alone plan beginning in 2014. The following describes the TSRP as in effect for awards made in 2013 and prior years.

2013-2015 Performance. ATI s relative TSR for the 2013-2015 performance measurement period was at the 33rd percentile, which is below threshold, therefore **yielding no payment**.

Overview. The purpose of this program was to focus management directly on returns to stockholders. Approximately 60 key executives (including the NEOs, other than Mr. Kramer) participated in this plan.

The TSRP was an equity-based incentive plan in which awards are denominated in shares of ATI Common Stock. Under the TSRP, participants had an opportunity to earn a number of shares based on the Company s TSR over a three-year performance measurement period, compared to the TSR of a peer group of companies approved by the Committee for the same performance measurement period. The target number of Opportunity Shares was determined at the start of the three-year performance measurement period using a per share value equal to the average of the high and low trading prices over the 30 trading days immediately preceding the first day of the performance measurement period. The number of shares, if any, received by the participants at the end of the period was determined by the Company s TSR over the period relative to the TSR of the selected peer group.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

Performance Criteria, including Peer Group. The Committee established an annual three-year TSRP performance measurement period, the last of which expired at the end of 2015. Under the terms of the TSRP, the Committee selected the eligible participants, established the Opportunity Shares for each participant, and constructed the peer group of companies for that performance measurement period. The Committee selected peer group companies on the basis of relative similarity to one or more of the aspects of the Company s businesses, actual competition in one or more of the markets in which ATI competes, similar risk profiles and stock volatility, and similar business cycles to ATI, encountering the same challenges at the bottom of the business cycle and similar conditions at business cycle peaks.

Award Opportunities. The target number of shares of an individual s TSR component is calculated as a percentage of base salary on the date of grant, then divided by the average of the high and the low trading prices of ATI s Common Stock on the NYSE on the date of grant. At the end of the three-year performance measurement period, participants could earn percentages of their respective Opportunity Shares that vary depending on the percentile rank of the Company s TSR for the performance measurement period as compared to the TSR of the selected peer group for the same period. Interpolation was made between these points on a straight-line basis.

Opportunity Shares, if any, were issued to the participants after the end of the performance measurement period once the Company s relative TSR for the period was determined. The dollar value of any Opportunity Shares received could exceed the dollar value of the Opportunity Shares at the time of the grant because a focus of the TSRP was to increase returns to stockholders, and performance above the target level could contribute to a higher trading price of the Common Stock. Similarly, depending on ATI s performance, the value of Opportunity Shares ultimately received could be less than the dollar value of the shares when granted.

Measurement Criteria. The performance ranges for threshold, target and maximum performance are as follows, which are rigorous and consistent with other TSR-measured plans:

Threshold: 35th percentile of the peer group results in a payout equal to 50% of target;

Target: 50th percentile of the peer group results in a payout equal to 100% of target; and

Maximum: 90th percentile of the peer group results in a payout capped at 200% of target.

Interpolation is used to determine the payout for performance between threshold, target, and maximum performance levels.

When the TSRP program was initially adopted, it used the then conventional structure of threshold at the 25th percentile and 50% of shares, target at 50th percentile and 100% of shares, outstanding at 75th percentile for 200% of shares and maximum at 90th percentile and 300% of shares. In recent years, the Committee responded to industry trends and (i) capped the maximum reward at 200%, (ii) eliminated the outstanding level completely and (iii) raised the minimum from the 25th percentile to the 35th percentile (interpolation between levels above threshold).

Key Executive Performance Plan (KEPP)

As noted above, the KEPP was discontinued beginning in 2014. The following describes the KEPP as in effect for awards in the performance period 2013-2015, the last performance period for which KEPP awards exist as a result of the discontinuance of the KEPP in 2014.

KEPP Performance. For the recently completed 2013-2015 KEPP performance measurement period, **no awards were earned or paid**. The threshold target of $1,085 million in aggregate income before taxes was not met.

Overview. The KEPP was a cash-based incentive plan with a three-year performance measurement period. Only members of the management s Executive Council were eligible to participate in this plan. The overall objective of the KEPP was to position ATI for long-term, profitable growth as a result of the achievement of defined financial goals.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 EXECUTIVE COMPENSATION PROGRAM

Performance Criteria. As described below, for the 2013-2015 KEPP plan, cash targets under the KEPP were based on only one level Level I. Level I focuses on income before taxes, or IBT, achievement over a three-year period. In prior years, the cash targets also were based on a second level, known as Level II, which focused on the accomplishments of specific, operational, team-oriented strategic objectives designed to position the Company for future opportunities. Level II was discontinued for the 2013-2015 KEPP.

KEPP Level I. For the 2013-2015 KEPP plan, Level I consisted of predetermined levels of aggregate IBT for the applicable performance measurement period. Level I was directed at Company earnings because this measure generates the resources for the Company to create and sustain stockholder value. Level I incentive awards increased on a graduated scale as aggregate IBT increases through the specified gradients to a maximum level of aggregate IBT at the highest of the five gradients. The Committee set the IBT gradients to drive year-over-year earnings growth for ATI, recognizing the inherently cyclical nature of the Company s business. The Committee intended for the IBT levels for this plan to be increasingly challenging as achievement levels move from the first performance gradient (threshold/target) to the maximum performance gradient.

KEPP Gradients. For the 2013-2015 KEPP performance measurement period, the Level I threshold performance target was set at an aggregate of $1.085 billion in IBT to a maximum of $2.255 billion at the fifth (maximum) gradient.

Vesting Feature. The KEPP had a vesting feature whereby, if the actual achievement for any one or more years in the performance measurement period exceeds the threshold IBT pro-rated for that year, a KEPP payment may be reserved until the end of the performance measurement period. All vested amounts under the KEPP were not payable until the completion of the applicable performance measurement period and were subject to forfeiture prior to the end of the period if employment was terminated for reasons other than death, disability or retirement. Once the relevant performance measurement period was completed, awards were paid out at the greater of: the performance level at the end of the period, or the total of vested amounts for the year(s) earned.

Other Compensation Policies

Employment Agreements; Change in Control Agreements.

ATI does not have any employment agreements with its named executive officers.

The Company has change in control agreements with each NEO and Executive Council member in the event that a change in control occurs and the individual is terminated from his or her position (double trigger). These change in control agreements do not include an excise tax gross-up provision. The change in control agreements are intended to better enable ATI to retain the NEOs in the event that it is the subject of a potential change in control transaction. Based on past advice from its compensation consultant, the Committee believes that the potential payments under these agreements are, individually and in the aggregate, in line with competitive practices.

For a more detailed discussion of these agreements, see the *Employment and Change in Control Agreements* section of this Proxy Statement.

Adherence to Ethical Standards; Clawbacks

The payment of awards under the incentive compensation plans is conditioned on adherence to the Company s *Corporate Guidelines for Business Conduct and Ethics*, which are published on our website www.atimetals.com. There are clawback agreements with each member of the management Executive Council (which includes the NEOs) that provide for key executives to return compensation to the extent that information used to calculate achievement of earnings or other performance measures is subsequently determined to be materially incorrect.

Pension and Retirement Plans

ATI maintains a qualified defined benefit pension plan that has a number of benefit formulas that apply separately to various groups of employees and retirees. Effective December 31, 2014, the Company froze future benefit accruals in the ATI Pension Plan for all participating employees other than those in collectively bargained employment arrangements. Also effective December 31, 2014, the Company froze the defined benefit-type non-qualified deferred compensation plans in which salaried employees participate, which includes the Supplemental Pension Plan in which Mr. Harshman participates and the defined benefit portion of the ATI Benefit Restoration Plan in which Messrs. Harshman, DeCourcy, Dalton and Sims participate. The Company continues to sponsor a qualified defined contribution plan and a non-qualified defined contribution restoration plan compliant with Section 409A of the Code aimed at restoring the effects of limitations on defined contribution accruals imposed by the Code. For more information regarding the pension plans of the NEOs, see the *Pension Benefits table* and accompanying narrative.

Perquisites

Over the past several years, the Company has adopted policies to eliminate the personal use of corporate aircraft by employees without reimbursement to ATI, payment of club membership dues of employees, and tax reimbursement arrangements related to the payment of club membership dues and parking at corporate headquarters. There has been, and will be, no compensation to employees in connection with the elimination of these perquisites. ATI does provide a parking benefit to the NEOs who work at corporate headquarters on the same terms as provided to a broader group of corporate employees.

The Company may elect to enter into aircraft timeshare agreements with certain executives pursuant to which the Company will be reimbursed for any personal use of Company-leased aircraft at reimbursement rates permitted under Federal Aviation Administration regulations (14 C.F.R. Section 91.501). ATI entered into an Aircraft Time Sharing Agreement with Mr. Harshman effective January 1, 2012.

Tax Deductibility of Compensation Expense.

Section 162(m) of the Internal Revenue Code places a $1 million limit on the amount of compensation a company can deduct in any one year for compensation paid to the chief executive officer and the three most highly-compensated executive officers employed by the company at the end of the year (other than the chief financial officer). However, the $1 million deduction limit generally does not apply to compensation that is performance-based and provided under a stockholder-approved plan. While the Committee considers the deductibility of awards as one factor in determining executive compensation, the Committee also looks at other factors in making its decisions, and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the awards are not deductible by the Company for tax purposes.

In general, the 2015 incentive opportunities for executive officers were designed in a manner intended to be exempt from the deduction limitation of Section 162(m) because they are paid based on achievement of pre-determined performance goals established by the Committee pursuant to our stockholder-approved equity incentive plan.

If the Committee were to exercise its discretion to increase the compensation paid under these plans to recognize extraordinary performance, such upward adjustments may not be deductible for federal income tax purposes.

Despite the Committee s efforts to structure the executive team annual cash incentives and long-term awards in a manner intended to be exempt from Section 162(m) and therefore not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, no assurance can be given that compensation we intend to satisfy the requirements for exemption from Section 162(m) in fact will.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | OTHER COMPENSATION POLICIES

No Hedging or Pledging of Stock

ATI policy prohibits directors, officers and key employees from engaging in publicly traded options and hedging transactions with regard to ATI securities, including the pledging of shares to secure personal loans.

Stock Ownership Guidelines

The Company has robust stock ownership guidelines in place that are applicable to its executives, including for all of the NEOs, which are designed to further link these executives interests with the interests of stockholders generally. The ownership guidelines for the CEO and management that were in effect for 2015, which required that executives own a specified number of shares of ATI common stock commensurate with their position, are as follows:

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

As of year-end 2015, all of the 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 the 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 the CEO and all NEOs even during the cyclicality in our markets and declining stock prices.

Executives subject to the guidelines have until the later of February 25, 2021 or five years from the date of promotion to one of the designated positions, as the case may be, to meet the guideline applicable to his/ her position.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2016 EXECUTIVE COMPENSATION PROGRAM REDESIGN

2016 Executive Compensation Program Redesign Clean Sheet

For 2016, we overhauled our executive compensation program and took a clean sheet approach to its re-design. This was an as an outgrowth to the Company s transformation and strategic capital investments over the past several years and as a result of prior say on pay votes.

The clean sheet process included:

Evaluation of alternative annual and long-term incentive plan designs to vet and refine incentive designs deemed to be a best-fit for the business and best-in-class;

Benchmarking executive compensation levels, as well as short term incentives and long-term incentive opportunities, to ensure total compensation levels would be aligned with the market median;

Modeling the impact of incentive designs and compensation reductions;

Introduction of new financial performance metrics, including return on invested capital (ROIC) and one ATI initiative and ensuring affordability;

Increasing performance expectations embedded in the annual and long-term incentive plan goals to ensure meaningful progress was achieved before payouts were generated; and

Reducing individual long-term incentive targets for the CEO and Executive Council members as well as other executive participants to be aligned with market median.

The resulting program consists of the Annual Performance Plan and the Long-Term Incentive Plan. The new executive compensation program is designed to be more aligned with stockholders interests, more transparent, easier to understand, retentive, and focused on ATI s business objectives, such as driving the achievement of financial goals and emphasizing alignment between the interests of ATI s management and ATI s stockholders. The changes are reflective of investor feedback, a market analysis of competitive practices, and a goal to simplify the overall structure. We intend for this new program to be in place for the next several years.

ANNUAL PERFORMANCE PLAN (APP)

This is the short-term cash incentive plan. For Executive Council members, 90% of the performance goals will be based on financial metrics, and 10% on strategic/individual goals, as described below.

The APP imposes a minimum cash flow target as a prerequisite to achievement of strategic/individual goals and prohibits the use of positive discretion to increase award amounts.

Individual APP opportunities are granted at Threshold, Target and Maximum levels, which are predetermined levels of achievement of certain financial performance goals that are expressed as a percentage of base salary. The respective opportunities granted to the NEOs under the 2016 APP are:

	Below Threshold	**Threshold (50% of Target)**	**Target**	**Maximum (200% of Target)**
CEO	0%	57.5%	115%	230%
Other NEOs	0%	35-40%	70-80%	140-160%

The CEO s individual APP target remained constant with his prior year target, at 115%.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2016 EXECUTIVE COMPENSATION PROGRAM REDESIGN

The financial performance goals under the 2016 APP are weighted as follows:

For Corporate participants (including the CEO): 60% on ATI EBITDA, 30% on ATI cash flow and 10% on strategic/individual goals.

For Business Segment NEOs: 30% on ATI EBITDA, 30% on business segment operating profit, 30% on business segment operating cash flow and 10% on strategic/individual goals.

Strategic/individual goals can be operational or project-based goals.

LONG-TERM INCENTIVE PLAN (LTIP)

This plan consists of two components performance share units and restricted share units. 70% of the LTIP for NEOs is performance-based entirely on quantitative performance measures, the remaining 30% of the long-term incentive program is time-based to provide retention incentives.

Vehicle	Performance Metric	Vesting	Payout Ranges
Performance Share Units (70%)	Income 50% Return on Invested Capital 50% h oī TSR Modifier of 20% for Executive Council members and leadership level participants	3-Year performance period	Threshold = 50% of Target* Target = 100% Maximum = 200% of Target* ** At the inception of the award period, the Committee can reduce the threshold and*

			maximum payout levels at their discretion. ***For 2016:*** *Threshold = 25% of Target* *Target = 100%* *Maximum = 150% of Target* *See page 68*
Restricted Share Units (30%)	N/A	3-Year Ratable Vesting	

Individual opportunities under the LTIP are granted at Threshold, Target and Maximum levels, which are expressed as a

percentage of base salary. **The respective opportunities granted to the CEO and NEOs under the 2016 LTIP have been reduced from 2015. The CEO s target is below the market median and the other NEOs targets align with the market median, as follows:**

	2015 Target	2016 Target
CEO	400%	**320%**
Other NEOs	300%	**200%**

All LTIP participants have a PSU component based on income and ROIC metrics.

Performance Share Units (PSUs):

PSUs will vest to the extent that cumulative earnings (defined as income from continuing operations attributable to ATI) and return on invested capital (ROIC, defined as net operating profit after taxes divided by average invested capital) meet or exceed a Threshold, Target or Maximum level of performance set by the Committee at the beginning of the three year performance measurement period. ROIC performance will be averaged over the three year performance measurement period. Whether the income or ROIC performance goals are met, and the extent to which the PSUs vest, will be determined by the Committee at the end of the performance measurement period. When vested, each PSU will convert into a share of the Company s common stock. No dividends will be accumulated or paid on the PSUs.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2016 EXECUTIVE COMPENSATION PROGRAM REDESIGN

2016 Payout Percentages if Performance Goals are Met

For the 2016 PSU component, the Committee reduced the Threshold and Maximum payout percentages from the plan design of 50% Threshold and 200% Maximum, to 25% Threshold and 150% Maximum, as a result of the challenges that the Company is facing relating to industry and pricing uncertainty.

Total Shareholder Return Adjustment.

If the Committee determines that the income and ROIC goals for the 2016-2018 performance measurement period meet or exceed Threshold, the number of shares earned may be increased or decreased by up to an additional 20% based on the Company s TSR relative to the TSR of a peer group of companies, as follows:

Restricted Stock Units (RSUs): In order to provide a retention component to the long-term incentive program, granted RSUs will vest ratably over three years so long as the individual remains an employee of the Company. If and when vested, each RSU converts into a share of Company common stock. No dividends will be accumulated or paid on the RSUs.

2016 Award Opportunities:

For the 2016 LTIP, the Committee substantially reduced NEO award levels at target by 20%-33% from the respective long- term incentive award levels for the previous periods. The aggregate number of units granted to an individual under the LTIP components is determined by dividing a predetermined percentage of the individual s base salary by the average of the high and low trading prices of a share of the Company s common stock on the date of grant.

Base Salaries: For 2016, base salaries for the CEO and NEOs remain at 2015 levels.

PSU Awards: The PSUs awarded at Target as a percentage of base salary are 224% for the CEO and 140% for each other NEO.

RSU Awards: The RSUs awarded at Target as a percentage of base salary are 96% for the CEO and 60% for each other NEO.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | 2015 TOTAL REALIZED COMPENSATION

2015 Total Realized Compensation

The 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 by SEC rules and set forth in the Total column of the Summary Compensation Table	the **aggregate grant date fair value of equity awards** (as reflected in the Stock Awards column of the 2015 Summary Compensation Table)	any **vested amounts** for the KEPP 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**	the **year-over-year change in 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)	if any, the **value realized in 2015 from shares 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)

Compensation Committee Report

The Personnel and Compensation Committee (referred to in this Report as the Committee) has reviewed and discussed the preceding Compensation Discussion and Analysis with Company management. Based on this review and discussion, the Committee recommends to the Board of Directors that the Compensation Discussion and Analysis be included in the Company s 2016 Proxy Statement. The Committee furnishes this Report for inclusion in the 2016 Proxy Statement and recommends its inclusion in ATI s Annual Report on Form 10-K.

Submitted by:

PERSONNEL AND COMPENSATION COMMITTEE,

Members:

James E. Rohr, Chairman

Carolyn Corvi

Diane C. Creel

J. Brett Harvey

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | SUMMARY COMPENSATION TABLE FOR 2015

Summary Compensation Table for 2015

The following Summary Compensation Table sets forth information about the compensation paid by the Company to the Chief Executive Officer, the Chief Financial Officer, each of the other three most highly compensated executives who were serving as executive officers as of December 31, 2015.

Name and Principal Position	Year	Salary ($)(3)	Bonus ($)(4)	Stock Awards ($)(5)	Non-Equity Incentive Plan Compensation ($)(6)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(7)	All Other Compensation ($)(8)	Total ($)
Richard J. Harshman	2015	1,050,692		4,638,181	0	803,656	380,611	6,873,140
Chairman, President and	2014	993,019		3,846,929	1,376,450	1,532,375	209,731	7,958,504
Chief Executive Officer	2013	954,006		3,181,302	0	169,063	358,810	4,663,181
Patrick J. DeCourcy(1)	2015	472,244		1,550,711	80,909	59,893	119,218	2,282,975
Senior Vice President, Finance	2014	430,000		1,236,931	338,715	117,354	64,476	2,187,476
and Chief Financial Officer	2013	275,792		305,367	0	(9,532)	61,356	632,983
Hunter R. Dalton(2)	2015	507,679		1,647,648	169,075	599,085	132,938	3,056,425
Executive Vice President,	2014	488,252		1,423,947	580,734	1,025,950	63,969	3,582,852
Strategic Growth Initiatives	2013	449,302		1,002,708	0	150,574	106,805	1,709,389

John D. Sims Executive Vice	2015	507,673		1,647,648	187,354	202,863	148,184	2,693,722
President, High Performance	2014	484,141		1,423,947	518,364	443,088	80,750	2,950,290
Materials & Components segment	2013	436,378		943,858	0	(106,801)	216,725	1,490,160
Kevin B. Kramer Senior Vice President, Chief Commercial and Marketing Officer	2015	421,122	150,000	1,373,053	71,638		98,384	2,114,197

(1) Mr. DeCourcy was named Interim Chief Financial Officer in July 2013 and Senior Vice President, Finance and Chief Financial Officer in December 2013.

(2) Mr. Dalton will retire from the Company effective March 31, 2016.

(3) Reflects actual amounts of target base salary paid in 2015. There is no increase to base salary levels in 2016.

(4) Signing bonus agreed to in February 2014 when Mr. Kramer joined ATI; $150,000 to be paid annually for three years. The last payment was made in February 2016.

(5) **Stock awards:** The values in this column are based on the aggregate grant date fair value, determined in accordance with FASB ASC Topic 718, of awards made under the Company s PRSP, LTPP-TSR and LTSV in 2015, each of which has a three-year performance measurement period. Grant date fair values of the awards are calculated based on the expected outcome of the related performance conditions to which the awards are subject, as applicable. If maximum performance were to be achieved, the 2015 amounts for each NEO would be as follows: Mr. Harshman, $6,783,303; Mr. DeCourcy, $2,198,284; each of Mr. Dalton and Mr. Sims, $2,335,720; and Mr. Kramer, $1,946,416.

The fair value of nonvested performance/restricted stock awards granted under the PRSP is measured based on the stock price at the grant date, adjusted for non-participating dividends, as applicable, based on the current dividend rate. For nonvested stock awards to employees made under the PRSP, one-half of the nonvested stock (performance shares) vests only upon the attainment of a cumulative net income target measured over a three-year period. The remaining one-half of the nonvested stock award vests over a service period of five years, with accelerated vesting to three years if the performance shares vesting criterion is attained. The per share fair value of the PRSP awards made in 2015 is $31.85.

Fair values for the LTPP-TSR awards at target were estimated using Monte Carlo simulations of stock price correlation, projected dividend yields and other variables over three-year time periods matching the TSRP performance periods. The per share fair value of the LTPP-TSR awards made in 2015 is $45.25.

The fair value of nonvested performance/restricted stock awards granted under the LTSV is measured based on the stock price at the grant date, adjusted for non-participating dividends, as applicable, based on the current dividend rate. For nonvested stock awards to employees made under the LTSV, performance shares vest only upon the achievement of various pre-set strategic operational goals that are expected to create stockholder value over the long term measured over a three-year period. The per share fair value of the LTSV awards made in 2015 is $31.85.

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.

(6)

Non-equity Incentive Plan Compensation: Consists of performance-based cash awards paid under the 2015 AIP. The Committee exercised negative discretion to reduce amounts based on ATI s 2015 financial performance.

(7) **Changes in Pension Value and Non-Qualified Deferred Compensation Earnings:** The amounts in this column include amounts that are not vested and may not ultimately be received by the named executive officer. The amounts reflect the actuarial change in the present value of the NEO s benefits under all defined benefit pension plans established by the Company, determined using interest rate and mortality rate assumptions consistent with those used in the Company s financial statements. Effective December 31, 2014, the Company froze future benefit accruals in the ATI Pension Plan for all participating employees other than those in contractual employment arrangements. Also effective December 31, 2014, the Company froze the defined benefit-type non-qualified deferred compensation plans in which salaried employees participate, which includes the Supplemental Pension Plan in which Mr. Harshman participates and the defined benefit portion of the ATI Benefit Restoration Plan in which Messrs. Harshman, DeCourcy, Dalton and Sims participate. In 2015, payment of AIP pertaining to fiscal year 2014 had the effect of increasing the 2015 value of certain pension benefits to the NEOs. In 2015, the discount rate used was 4.65% and had the effect of decreasing the pension benefit to the NEOs.

(8) **All Other Compensation:** The values of any perquisites are calculated based on the aggregate incremental cost to the Company. The Company does not provide perquisites or personal benefits of air travel or club memberships, or tax reimbursements relating to perquisites or personal benefits. *Please see the All Other Compensation Table for 2015 that follows for additional information.*

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | ALL OTHER COMPENSATION FOR 2015

ALL OTHER COMPENSATION FOR 2015

In addition to those items reported in footnote 8 to the Summary Compensation Table, amounts in the All Other Compensation Column include the following:

Name	Nonqualified Defined Contribution Plans ($)(1)	Contributions made by the Company to 401(k) and Other Defined Contribution Plans ($)	Insurance Premiums ($)	Dividends on Nonvested Performance/ Restricted Stock ($)(2)	Other ($)(3)	Total ($)
Harshman	205,187	25,392	10,578	138,144	1,310	380,611
DeCourcy	52,429	24,612	2,466	38,401	1,310	119,218
Dalton	53,392	21,275	7,643	50,528	100	132,938
Sims	66,118	26,225	4,979	49,552	1,310	148,184
Kramer	35,308	26,225	4,085	31,456	1,310	98,384

(1) Amounts relate to the ATI Benefit Restoration Plan or the Executive Deferred Compensation Plan, as applicable. Under the non-qualified defined contribution portion of the ATI Benefit Restoration Plan, the Company supplements payments received by participants under the Company s defined contribution plan by accruing benefits on behalf of participants in amounts that are equivalent to the portion of the formula contributions or benefits that

cannot be made under such plan due to limitations imposed by the Code. *See also the narrative discussion preceding the Non-Qualified Deferred Compensation Table.*

(2) Quarterly dividends paid on shares of performance/restricted stock are paid either in cash or in stock, in which case are based on average of the high and low of the intra-day price of the shares on the applicable dividend payment date. The price used to reinvest shares, and the mechanism and manner in which the dividends are reinvested, are consistent with the Company s dividend reinvestment plan. The Company does not pay cash dividends or dividend equivalents on future grants of non-vested performance stock until the amounts are earned.

(3) For Messrs. Harshman, DeCourcy, Sims and Kramer, amounts are for parking. The parking benefit for the NEOs who work at corporate headquarters is provided on the same terms as to a broader group of corporate employees. Amount for Mr. Dalton is a patent award.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | GRANTS OF PLAN-BASED AWARDS FOR 2015

Grants of Plan-Based Awards for 2015

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock	All Other Option Awards: Number of Securities Underlying Options	Exercis Or Bas Price o Option Award
	Grant	Threshold	Target	Maximum	Threshold	Target	Maximum			
escription(1)	Date	($)	($)	($)	(#)	(#)	(#)	(#)	(#)	($/sh
P		609,500	1,219,000	2,438,000						
SP	2/25/2015				23,483	46,965	46,965			
TPP-TSR	2/25/2015				23,703	47,406	94,812			
TPP-LTSV	2/25/2015				0(3)	31,310	31,310			
tal		609,500	1,219,000	2,438,000	47,186	125,681	173,087			
P		168,000	336,000	672,000						
SP	2/25/2015				7,089	14,178	14,178			
TPP-TSR	2/25/2015				7,156	14,311	28,622			
TPP-LTSV	2/25/2015				0(3)	14,178	14,178			
tal		168,000	336,000	672,000	14,245	42,667	56,978			
P		178,500	357,000	714,000						
SP	2/25/2015				7,532	15,064	15,064			

TPP-TSR	2/25/2015				7,603	15,206	30,412
TPP-LTSV	2/25/2015				0(3)	15,064	15,064
tal		178,500	357,000	714,000	15,135	45,334	60,540
P		178,500	357,000	714,000			
SP	2/25/2015				7,532	15,064	15,064
TPP-TSR	2/25/2015				7,603	15,206	30,412
TPP-LTSV	2/25/2015				0(3)	15,064	15,064
tal		178,500	357,000	714,000	15,135	45,334	60,540
P		148,750	297,500	595,000			
SP	2/25/2015				6,277	12,554	12,554
TPP-TSR	2/25/2015				6,336	12,671	25,342
TPP-LTSV	2/25/2015				0(3)	12,554	12,554
tal		148,750	297,500	595,000	12,613	37,779	50,450

(1) Represents the Company s Annual Incentive Plan (AIP), Performance/Restricted Stock Program (PRSP), the TSR component of the LTPP (LTPP-TSR) and the LTSV component of the LTPP (LTPP-LTSV).

(2) The values in this column are based on the aggregate grant date fair value of awards determined in accordance with FASB ASC Topic 718 and correspond to the aggregate values disclosed in the Stock Awards column in the Summary Compensation Table. For the PRSP nonvested stock award, one-half of the award (performance shares) vests only upon the attainment of a cumulative net income target measured over a three-year performance measurement period. The fair value of a PRSP nonvested stock award as presented above is measured based on the stock price at the grant date, with the assumption that the performance criteria will be achieved. The remaining one-half of the nonvested PRSP stock award vests over a service period of five years, with accelerated vesting to three years if the performance shares vesting criterion is attained. Fair value for the LTPP-TSR award was estimated using Monte Carlo simulations of stock price correlation, projected dividend yields and other variables over a three-year time period matching the performance measurement period. For nonvested stock awards made under the LTSV, performance shares vest only upon the achievement of various pre-set strategic operational goals that are expected to create stockholder value over the long term measured over a three-year period. The fair value of a LTSV nonvested stock award as presented above is measured based on the stock price at the grant date, with the assumption that the performance criteria will be achieved. 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.

(3) Under the LTPP-LTSV, vesting of awards is dependent upon the degree that the pre-set strategic, operational goals are achieved. The threshold value, which could be a percentage of target, assumes minimum achievement of goals. No amounts greater than target can vest.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END FOR 2015

Outstanding Equity Awards at Fiscal Year-End for 2015

		Stock Awards			
Name	Grant Date	Number of Shares or Units of Stock that Have Not Vested (#)(1)(2)	Market Value of Shares or Units of Stock that Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)(3)
Harshman	2/22/2012	17,741	199,586		
	2/28/2013	23,354	262,733		
	2/26/2014	24,027	270,304	24,027(4)	270,304
	2/26/2014			44,749(5)	503,426
	2/26/2014			32,036(6)	360,405
	2/25/2015	23,483	264,184	23,482(4)	264,173
	2/25/2015			26,547(5)	298,654
	2/25/2015			31,310(6)	352,238
		88,605	996,807	182,151	2,049,200
DeCourcy	2/22/2012	1,548	17,415		
	2/28/2013	2,242	25,223		
	2/26/2014	6,888	77,490	6,887(4)	77,479
	2/26/2014			12,828(5)	144,315
	2/26/2014			13,775(6)	154,969
	2/25/2015	7,089	79,751	7,089(4)	79,751
	2/25/2015			8,014(5)	90,158
	2/25/2015			14,178(6)	159,503

		17,767	199,879	62,771	706,175
Dalton	2/22/2012	4,931	55,474		
	2/28/2013	7,361	82,811		
	2/26/2014	7,929	89,201	7,929(4)	89,201
	2/26/2014			14,767(5)	166,129
	2/26/2014			15,858(6)	178,403
	2/25/2015	7,532	84,735	7,532(4)	84,735
	2/25/2015			8,515(5)	95,794
	2/25/2015			15,064(6)	169,470
		27,753	312,221	69,665	783,732
Sims	2/22/2012	4,222	47,498		
	2/28/2013	6,929	77,951		
	2/26/2014	7,929	89,201	7,929(4)	89,201
	2/26/2014			14,767(5)	166,129
	2/26/2014			15,858(6)	178,403
	2/25/2015	7,532	84,735	7,532(4)	84,735
	2/25/2015			8,515(5)	95,794
	2/25/2015			15,064(6)	169,470
		26,612	299,385	69,665	783,732
Kramer	2/26/2014	6,407	72,079	6,407(4)	72,079
	2/26/2014			11,933(5)	134,246
	2/26/2014			12,814(6)	144,158
	2/25/2015	6,277	70,616	6,277(4)	70,616
	2/25/2015			7,096(5)	79,830
	2/25/2015			12,554(6)	141,233
		12,684	142,695	57,081	642,162

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END FOR 2015

The Company does not issue stock option awards and has not issued stock options to its employees since 2003.

(1) This table relates to shares of (i) performance/restricted stock awarded under the PRSP, and (ii) awards under each of the LTPP-TSR and LTPP-LTSV for the performance measurement periods ending in 2016 and 2017. Half of the PRSP shares awarded in each of the years 2012 and 2013 forfeited after three years because the company did not meet the cumulative net income target for that performance period; the remaining one-half of each such award will vest after five years, in 2017 and 2018, respectively, generally subject to the continued employment of the participant.

(2) Consists of shares of time-based restricted stock under the PRSP. The number of shares reported in this column represents the number of shares that would be awarded pursuant to the time-based vesting portion of the PRSP grants made in 2012, 2013, 2014 and 2015. With respect to the 2014 and 2015 PRSP grants, such shares may vest earlier upon the Company s achievement of a cumulative net income target during the applicable performance measurement period.

(3) Amounts were calculated using $11.25 per share, the closing price of Company Common Stock at December 31, 2015.

(4) Consists of shares of performance-based restricted stock under the PRSP. The number of shares reported represents the number of shares that would be awarded if the applicable performance measures under the PRSP grants made in 2014 and 2015 are met at the end of their respective three-year performance measurement periods.

(5) Represents the number of shares that would be awarded if the next higher performance measure (threshold, target, or maximum) was achieved under the LTPP-TSR. In accordance with applicable SEC rules and interpretations, for the 2014-2016 and 2015-2017 performance measurement periods, performance is disclosed at target because TSR performance for the award periods ended December 31, 2015 was below target.

(6) Consists of shares of performance-based restricted stock under the LTPP-LTSV. The number of shares reported represents the number of shares that would be awarded if all applicable performance measures under the LTSV grants made in 2014 and 2015 are met at the end of the applicable three-year performance measurement period.

Option Exercises and Stock Vested for 2015

	Stock Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
Name	(#)(1)	($)

Harshman	0	0
DeCourcy	0	0
Dalton	0	0
Sims	0	0
Kramer	0	0

The Company does not issue stock option awards and has not issued stock options to its employees since 2003.

(1) No shares were earned or paid under the 2013-2015 TSRP plan because Company performance was below threshold, at the 33rd percentile. Half of the PRSP shares granted to the NEOs (other than Mr. Kramer) in 2013 were forfeited because the performance criteria were not met; the remaining half of the shares granted will vest in February 2018.

Pension Benefits for 2015

Name	Plan Name	Years of Credited Service (#)(2)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Harshman	ATI Pension Plan	28	2,156,646	
	ATI Benefit Restoration Plan	21	8,624,832	
	Supplemental Pension Plan	10	3,520,801	
DeCourcy	ATI Pension Plan	8	244,426	
	ATI Non-Qualified Benefit Restoration Plan	8	219,569	
Dalton	ATI Pension Plan	33	1,519,173	
	ATI Non-Qualified Benefit Restoration Plan	33	3,846,718	
	ATI Pension Plan	17	543,509	

Sims			
	ATI Non-Qualified Benefit Restoration Plan	17	1,295,913
Kramer[(1)]	N/A		

(1) Mr. Kramer does not participate in any defined benefit plans.
(2) Years of credited service reflect the number of years of service used for determining benefits for each individual during their participation under the respective plans.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | PENSION BENEFITS FOR 2015

Plan	Benefit Formulas and Retirement Information
ATI Pension Plan *Qualified defined benefit plan*	ATI Pension Plan has a number of benefit formulas that apply separately to various groups of employees and retirees, generally, by work location and job classification. A principal determinant of which formula applied prior to December 31, 2014 is whether the employee was employed by TDY, as in the case of Messrs. Harshman, Dalton and Sims, at the time the respective companies became members of the controlled group that includes the Company. Mr. DeCourcy s pension benefit formula includes periods of service with both Allegheny Ludlum and TDY.
The Allegheny Technologies Incorporated Pension Plan (ATI Pension Plan) is the result of the mergers of several plans previously sponsored by:	Allegheny Ludlum ceased pension accruals under its pension formula in 1988, except for employees who then met certain age and service criteria.
Allegheny Ludlum Corporation (Allegheny Ludlum),	Each formula for Allegheny Ludlum, and TDY multiplies years of service by compensation and then by a factor to produce a benefit amount payable as a straight life annuity. That benefit amount is reduced with respect to Social Security amounts payable to determine the annuity amount payable. Participants can choose alternate benefit forms, including survivor benefits. The Allegheny Ludlum and TDY definitions of service and compensation differ somewhat, as do the factors used in the respective formulas. However, the differences in the resulting benefits between the two formulas are small for the NEOs to which they apply.
Teledyne Inc. (TDY)	Upon becoming a corporate employee in 1998, Mr. Harshman ceased receiving credit for service under the TDY formula after having been credited with approximately twenty-one years of service under that formula.
Effective December 31, 2014, the Company froze future benefit accruals under the ATI Pension Plan for all participating employees other than those with contractual employment arrangements.	Normal retirement age under the ATI Pension Plan is age 65. Participants can retire with immediate commencement of an undiscounted accrued benefit at the normal retirement age or after thirty years of service regardless of age for Allegheny Ludlum and TDY participants.

Participants can retire prior to attaining age 65 or thirty years of service with benefit payments discounted for early payment at age 62 with at least ten years of service or, with a greater discount, at age 55 with at least ten years of service.

ATI Benefit Restoration Plan

Non-Qualified benefit plan

Under the non-qualified ATI Benefit Restoration Plan, the Company accrues benefits for the NEOs that restores to eligible NEOs the amounts that cannot be paid to them under the terms of the Company s defined contribution plans or the defined benefit plan (the ATI Pension Plan), in either case due to the limitations set forth in the Code. All NEOs are eligible to participate in the ATI Benefit Restoration Plan to the extent of benefits that cannot be accrued under the defined contribution plan in which the respective NEO participates.

Effective December 31, 2014, the Company froze future benefit accruals under the defined benefit portion of the ATI Benefit Restoration Plan, under which Messrs. Harshman, DeCourcy, Dalton and Sims participated.

Distributions under the ATI Benefit Restoration Plan are available only at the times and in the same forms as under the ATI Pension Plan, subject to payment delays to comply with Section 409A of the Code.

Supplemental Pension Plan

Effective December 31, 2014, the Company froze future benefit accruals under the Supplemental Pension Plan

The Supplemental Pension Plan had provided certain key employees of ATI and its subsidiaries, including Mr. Harshman (or their beneficiaries in the event of death), with monthly payments in the event of retirement, disability or death, equal to 50% of monthly base salary as of the date of retirement, disability or death. Monthly retirement benefits start following the end of the two month period (subject to delay to comply with Section 409A of the Code) after the later of (i) age 62, if actual retirement occurs prior to age 62 but after age 58 with the approval of the Board of Directors, or (ii) the date actual retirement occurs, and generally continue for a 118-month period. The plan describes the events that will terminate an employee s participation in the plan.

Non-Qualified Deferred Compensation for 2015

Name	Registrant Contributions In Last FY	Aggregate Earnings	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE

	($)(1)	In Last FY ($)(2)	($)	($)
Harshman	205,187	41,875		1,962,745
DeCourcy	52,429	2,299		107,763
Dalton	82,124	(26,942)		673,112
Sims	66,118	1,840		86,245
Kramer	35,308	942		44,175

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | NON-QUALIFIED DEFERRED COMPENSATION FOR 2015

(1) Reflects contributions made pursuant to the non-qualified defined contribution portion of the ATI Benefit Restoration Plan. Under the terms of the plan, the participants do not contribute; only the Company contributes to the plan on the participants behalf. These amounts are included in the All Other Compensation column of the Summary Compensation Table for 2015. Calculation also includes incremental adjustments in the account for the benefit of Mr. Dalton under the Executive Deferred Compensation Plan, which ceased accepting new contributions from participants in 2003.

(2) Aggregate earnings for the ATI Benefit Restoration Plan are calculated using the fiscal year-end balance, including current year contributions, multiplied by the interest rate on the Fixed Income Fund investment option in the Company s qualified defined contribution plan. For 2015, this rate was 2.18%.

Employment and Change in Control Agreements

EMPLOYMENT AGREEMENTS

ATI does not have any employment agreements with its named executive officers.

CHANGE IN CONTROL AGREEMENTS

The Company has agreements with each continuing NEO and other key employees to assure that it will have the continued support of the executive and the availability of the executive s advice and counsel notwithstanding the possibility, threat or occurrence of a change in control. All members of the management Executive Council and corporate officers have change in control agreements that do not include an excise tax gross-up provision.

Under the agreements, a **change in control** is defined as:

the Company s actual knowledge that (x) an individual or entity has acquired beneficial ownership of 20% or more of the voting power of Company stock or (y) persons have agreed to act together for the purpose of acquiring 20% or more of the voting power of Company stock,

the occurrence of a successful solicitation electing or removing 50% of the members of the Board or the Board consisting less than 51% of continuing directors, or

the occurrence of a merger, consolidation, sale or similar transaction.

the completion of a tender offer pursuant to which 20% or more of the voting power of Company stock has been acquired,

In general, the agreements provide for the payment of severance benefits if a change in control occurs, and within 24 months after the change in control either:

the Company terminates the executive s employment with the Company without cause, which is defined to mean a felony conviction, breach of fiduciary duty involving personal profit, or intentional failure to perform stated duties after 30 days notice to cure; or

the executive terminates employment with the Company for **good reason,** which is defined to mean:

a material diminution of duties, responsibilities or status or the assignment of duties inconsistent with position,

relocation more than 35 miles from principal job location,

reduction in annual salary or material reduction in other compensation or benefits,

failure by the Company to cause a successor corporation to adopt and perform under the agreement, or

purported termination other than as expressly permitted in the agreement.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

In addition to amounts accrued through the date of termination, an employee entitled to severance benefits under a change in control agreement will be paid a lump sum cash payment within thirty days of the date of termination equal to the sum of:

- base salary plus annual cash incentive at the greater of target or the actual level of performance achieved through the date of termination projected through the end of the year times a multiple (which is 3x for Mr. Harshman and 2x for Messrs. DeCourcy, Dalton, Sims and Kramer);
- prorated annual incentive for the then uncompleted year measured at the greater of target or the level of performance achieved through the date of termination projected through the end of the year; and
- the value of all long-term incentive awards for then uncompleted measurement periods determined at the greater of target or actual performance levels achieved to the date of termination projected through the remainder of the measurement period.

An employee eligible for severance will also be provided:

- the continuation of perquisites and welfare benefits for a period (36 months);
- reimbursement for outplacement services up to $25,000 for Mr. Harshman and $15,000 for Messrs. DeCourcy, Dalton, Sims and Kramer; and
- the number of years corresponding to the applicable multiples above of credited service and full vesting under the Company s supplemental pension plans in which the executive participates.

The agreements also provide for the lifting of restrictions on stock awarded.

The agreements have a term of three years, which three-year term will continue to be extended until either party gives written notice that it no longer wants to continue to extend the term. If a change in control occurs during the term, the agreements will remain in effect for the longer of three years or until all obligations of the Company under the agreements have been fulfilled.

The Personnel and Compensation Committee has reviewed the change in control valuation, as well as the purposes and effects of the agreements, and determined that it is in the Company s best interests to retain the change in control agreements on their terms and conditions.

Potential Payments upon Termination or Change in Control

The tables below reflect estimates of the amount of compensation in addition to the amounts shown in the compensation tables payable to each NEO in the event of termination of such executive s employment. The amount of enhanced compensation payable to each NEO upon voluntary termination, retirement, involuntary not for cause termination, for cause termination, involuntary not for cause termination or good reason termination by the executive within 24 months following a change in control, and in the event of disability or death of the executive, is shown as follows. The amounts shown assume that such termination was effective as of December 31, 2015. The closing price of Company Common Stock on the NYSE on that date was $11.25. The amounts shown are estimates of the amounts that would be paid out to the executives upon their termination. For purposes of the tables, calculations are based on the greater of the target award or the value earned for actual performance against the preset performance goals thorough the assumed date of termination. The actual amounts payable can only be determined at the time of such executive s separation from the Company.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

Payments Made Upon Termination

Regardless of the manner in which a named executive officer s employment terminates, he may be entitled to receive amounts earned during his term of employment. Such amounts include:

- non-equity incentive compensation earned during the fiscal year;
- amounts contributed under the savings portion of the defined contribution plan and the Benefit Restoration Plan;
- unused vacation pay; and
- amounts accrued and vested through the ATI Pension Plan and Supplemental Pension Plan.

Payments Made Upon Retirement

In the event of the retirement of a NEO, in addition to the items identified above, such officer will be entitled to (subject to the Company s consent for certain amounts):

- receive a prorated share of each outstanding LTPP-TSR award upon the completion of such cycle when, if and to the extent such award is earned during the applicable performance measurement period;
- receive a prorated share of performance/restricted stock when the restrictions on such shares lapse upon the passage of time or the achievement of the applicable performance criteria; and
- receive payments under the Supplemental Pension Plan, beginning two months after retirement, subject to Section 409A of the Internal Revenue Code.

Consent of the Company is required for payments of awards under the long-term compensation plans upon retirement as described.

Payments Made Upon Death or Disability

In the event of the death or disability of a NEO, in addition to the benefits listed under the headings Payments Made Upon Termination and Payments Made Upon Retirement above, the NEO will receive benefits under the Company s disability plan or payments under the Company s life insurance plan, as appropriate, each as generally available to all salaried employees.

Payments Made Upon a Change in Control

The Company is a party to a change in control severance agreement with each NEO that provides the NEO with payments in the event his employment is terminated by the Company for reasons other than cause or by the NEO for good reason (defined to include diminishment of pay, benefits, title or job responsibilities or transfer from the home office) within 24 months after a change in control. See the information under the caption Employment and Change in Control Agreements for definitions. The tables below illustrate the amount of payments due in various circumstances.

As noted, the column Involuntary Not for Cause Termination or Good Reason Termination by Executive (w/in 24 Months of a Change in Control) assumes that there was a change in control at the December 31, 2015 closing price of $11.25 per share and all of the NEOs had a triggering event on December 31, 2015 and all cash amounts due, all deferred compensation enhancements, and all potential benefit payments were to be paid in a single lump sum.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

POTENTIAL PAYMENTS UPON TERMINATION, RETIREMENT, DEATH, DISABILITY OR CHANGE IN CONTROL

Richard J. Harshman ($ in thousands):

Executive Benefit and Payments Upon Separation	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Involuntary Not for Cause Termination or Good Reason Termination by Executive (w/in 24 months of Change in Control)	Disability	Death
Base Severance:	0	0	0	0	3,180	0	0
Short-Term Incentive Compensation:							
AIP	0	0	0	0	6,095	0	0
Long-Term Incentive Compensation:							

PRSP	0	999	0	0	1,531	999	999
LTPP-TSR, TSRP[1]	0	513	0	0	1,037	513	513
LTPP-LTSV	0	358	0	0	713	358	358
Other Benefits:							
Non-qualified defined contribution plan	0	0	0	0	302	0	0
Non-qualified defined benefit plan[2]	0	0	0	0	0	0	0
Health & Welfare Benefits	0	0	0	0	50	0	0
Outplacement	0	0	0	0	25	0	0
Supplemental Pension Plan[2]:	0	0	0	0	5,000	0	0
Total	**0**	**1,870**	**0**	**0**	**17,933**	**1,870**	**1,870**

(1) For all awards made under plans based on the Company s total stockholder return performance.

(2) The Company froze future benefit accruals under the non-qualified defined benefit pension plan and the Supplemental Pension Plan effective December 31, 2014.

Patrick J. DeCourcy ($ in thousands):

Executive Benefit and Payments Upon Separation	**Voluntary Termination**	**Retirement**	**Involuntary Not for Cause Termination**	**For Cause Termination**	**Involuntary Not for Cause**	**Disability**	**Death**

			Termination		Termination or Good Reason Termination by Executive (w/in 24 months of Change in Control)		
Base Severance:	0	0	0	0	960	0	0
Short-Term Incentive Compensation:							
AIP	0	0	0	0	1,344	0	0
Long-Term Incentive Compensation:							
PRSP	0	199	0	0	357	199	199
LTPP-TSR, TSRP(1)	0	150	0	0	305	150	150
LTPP-LTSV	0	156	0	0	314	156	156
Other Benefits:							
Non-qualified defined contribution plan	0	0	0	0	91	0	0
Non-qualified defined benefit plan(2)	0	0	0	0	213	0	0
Health & Welfare Benefits	0	0	0	0	43	0	0
Outplacement	0	0	0	0	15	0	0

Total	**0**	**505**	**0**	**0**	**3,642**	**505**	**505**

(1) For all awards made under plans based on the Company s total stockholder return performance.

(2) The Company froze future benefit accruals under the non-qualified defined benefit pension plan effective December 31, 2014.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

Hunter R. Dalton ($ in thousands):

Executive Benefit and Payments Upon Separation	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Involuntary Not for Cause Termination or Good Reason Termination by Executive (w/in 24 months of Change in Control)	Disability	Death
Base Severance:	0	0	0	0	1,020	0	0
Short-Term Incentive Compensation:							
AIP	0	0	0	0	1,428	0	0
Long-Term Incentive Compensation:							

PRSP	0	314	0	0	486	314	314
LTPP-TSR, TSRP[1]	0	168	0	0	337	168	168
LTPP-LTSV		175	0	0	348	175	175
Other Benefits:							
Non-qualified defined contribution plan	0	0	0	0	97	0	0
Non-qualified defined benefit plan[2]	0	0	0	0	593	0	0
Health & Welfare Benefits	0	0	0	0	43	0	0
Outplacement	0	0	0	0	15	0	0
Total	**0**	**657**	**0**	**0**	**4,367**	**657**	**657**

(1) For all awards made under plans based on the Company s total stockholder return performance.

(2) The Company froze future benefit accruals under the non-qualified defined benefit pension plan effective December 31, 2014.

John D. Sims ($ in thousands):

Executive Benefit and Payments Upon Separation	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Involuntary Not for Cause Termination or Good	Disability	Death

					Reason Termination by Executive (w/in 24 months of Change in Control)		
Base Severance:	0	0	0	0	1,020	0	0
Short-Term Incentive Compensation:							
AIP	0	0	0	0	1,428	0	0
Long-Term Incentive Compensation:							
PRSP	0	301	0	0	473	301	301
LTPP-TSR, TSRP[1]	0	168	0	0	337	168	168
LTPP-LTSV	0	175	0	0	348	175	175
Other Benefits:							
Non-qualified defined contribution plan	0	0	0	0	97	0	0
Non-qualified defined benefit plan[2]	0	0	0	0	757	0	0
Health & Welfare Benefits	0	0	0	0	43	0	0
Outplacement	0	0	0	0	15	0	0

Total	**0**	**644**	**0**	**0**	**4,518**	**644**	**644**

(1) For all awards made under plans based on the Company s total stockholder return performance.

(2) The Company froze future benefit accruals under the non-qualified defined benefit pension plan effective December 31, 2014.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS | EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

Kevin B. Kramer ($ in thousands):

Executive Benefit and Payments Upon Separation	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Involuntary Not for Cause Termination or Good Reason Termination by Executive (w/in 24 months of Change in Control)	Disability	Death
Base Severance:	0	0	0	0	850	0	0
Short-Term Incentive Compensation:							
AIP	0	0	0	0	1,190	0	0
Long-Term Incentive Compensation:							
PRSP	0	143	0	0	285	143	143

LTPP-TSR	0	137	0	0	277	137	137
LTPP-LTSV	0	143	0	0	285	143	143
Other Benefits:							
Non-qualified defined contribution plan	0	0	0	0	81	0	0
Health & Welfare Benefits	0	0	0	0	42	0	0
Outplacement	0	0	0	0	15	0	0
Total	**0**	**423**	**0**	**0**	**3,025**	**423**	**423**

Table of Contents

Item 4 Ratification of the Selection of Independent Auditors

Ernst & Young LLP (Ernst & Young) has served as our independent registered public accounting firm (the independent auditors) for several years. They have unrestricted access to the Audit Committee to discuss audit findings and other financial matters. The Audit Committee of the Board of Directors believes that Ernst & Young is knowledgeable about ATI s operations and accounting practices and is well qualified to act in the capacity of independent auditors.

In appointing Ernst & Young as our independent auditors for the fiscal year ending December 31, 2016, and making its recommendation that stockholders ratify the selection, the Audit Committee considered whether the audit and non-audit services Ernst & Young provides are compatible with maintaining the independence of our outside auditors.

If the stockholders do not ratify the selection of Ernst & Young, the Audit Committee will reconsider the selection of Ernst & Young as the Company s independent auditors.

Representatives of Ernst & Young will be present at the Annual Meeting. They will be given the opportunity to make a statement if they desire to do so, and they will be available to respond to appropriate questions following the Annual Meeting.

Audit Committee Pre-Approval Policy

Under the Pre-Approval Policy, the Audit Committee will review and approve all services to be provided by Ernst & Young before the firm is retained to perform any such services. Under this policy, the engagement terms and fees of all audit services and all audit-related services are subject to the approval of the Audit Committee. In addition, while the Committee believes that the independent auditor may be able to provide tax services to the Company without impairing the auditor s independence, absent unusual circumstances, the Audit Committee does not expect to retain the independent auditor to provide tax services. Under the policy, the Committee has delegated limited pre-approval authority to the Chair of the Committee with respect to permitted, non-tax related services; the Chair is required to report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee pre-approved all audit and non-audit services provided by Ernst & Young in 2015 and 2014.

Independent Auditor: Services and Fees

The fees and expenses of Ernst & Young for the indicated services performed during 2015 and 2014 were as follows:

Service	2015	2014

Audit fees	**$ 3,944,000**	$ 3,592,000
Audit-related fees	**12,000**	14,000
Tax fees	**0**	0
All other fees	**2,000**	2,000
Total	**$ 3,958,000**	$ 3,608,000

Audit fees consisted of fees related to the annual audit of the Company s consolidated financial statements and review of the consolidated financial statements in our Quarterly Reports on Form 10-Q, Sarbanes-Oxley Section 404 attestation services, audit and attestation services related to statutory or regulatory filings, the issuance of consents, and captive insurance company audits.

Audit-related fees consisted of fees related to a compliance audit and the audits of employee benefit and pension plans.

All other fees consisted of subscriptions to Ernst & Young s web-based EYOnline accounting reference library.

Table of Contents

ITEM 4 RATIFICATION OF THE SELECTION OF INDEPENDENT AUDITORS | AUDIT COMMITTEE REPORT

Audit Committee Report

The following is the report of the Audit Committee with respect to the Company s audited consolidated financial statements for the year ended December 31, 2015.

ROLES AND RESPONSIBILITIES

The Audit Committee monitors and oversees the financial reporting process on behalf of the Board. Management has the primary responsibility for the Company s internal controls and financial reporting process. The Committee reviews and discusses management s report on internal control over financial reporting. Ernst & Young LLP, our independent auditor, is responsible for performing an independent audit of ATI s financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States), expressing an opinion as to their conformity with U.S. generally accepted accounting principles, and for attesting to the effectiveness of the ATI s internal control over financial reporting.

REQUIRED DISCLOSURES AND DISCUSSIONS

The Audit Committee has reviewed, met and held discussions with ATI s management, internal auditors, and the independent auditors regarding the financial statements, including a discussion of quality, not just acceptability, of the Company s accounting principles, and Ernst & Young s judgment regarding these matters.

The Audit Committee discussed with the internal auditors and independent auditors matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU§ 380). The Committee met with the internal auditors and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the company s internal controls over financial reporting, and the overall quality of ATI s financial reporting. The Audit Committee has also discussed with Ernst & Young matters required to be discussed by applicable auditing standards.

The Audit Committee has received the written disclosures and the letter from Ernst & Young required by applicable requirements of the Public Company Accounting Oversight Board (United States) regarding the independent accountant s communications with the Audit Committee concerning independence. The Committee also considered the compatibility of non-audit services with Ernst & Young s independence. This information was also discussed with Ernst & Young.

COMMITTEE RECOMMENDS INCLUDING THE FINANCIAL STATEMENTS IN THE ANNUAL REPORT

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in our annual report on Form 10-K for the year ended December 31, 2015 as filed with the Securities and Exchange Commission. The Board of Directors has approved this inclusion.

Submitted by:

AUDIT COMMITTEE:

Chair:	John R. Pipski
Members:	James C. Diggs
	David J. Morehouse
	Louis J. Thomas

Table of Contents

Annual Meeting Information

2016 Annual Meeting of Stockholders   Questions and Answers

You can help ATI save money by electing to receive future proxy statements and annual reports over the Internet instead of by mail. *See question 16*.

1. Where is the 2016 annual meeting being held?

The 2016 Annual Meeting of Stockholders will be held on Friday, May 6, 2016, at 11:00 a.m. Pacific Time in the Sequoia Ballroom of The Fairmont Newport Beach Hotel, 4500 MacArthur Boulevard, Newport Beach, California, 92660. We are holding the annual meeting in California near the ATI Forged Products facility in Irvine, California.

2. Who is entitled to vote at the annual meeting?

If you held shares of Allegheny Technologies Incorporated common stock, par value $0.10 per share (Common Stock   ), at the close of business on March 9, 2016, you may vote your shares at the annual meeting. On that day, 108,912,564 shares of Common Stock were outstanding.

In order to vote, you must follow the instruction provided on your proxy card to designate a proxy to vote on your behalf or attend the meeting and vote your shares in person. Please return your proxy as soon as possible to ensure that your shares are represented and will be voted at the meeting, whether or not you plan to attend the meeting.

3. How do I cast my vote?

There are four different ways you may cast your vote. You may vote by:

- **telephone,** using the toll-free number listed on each proxy or voting instruction card;
- the **Internet,** at the web address provided on each proxy or voting instruction card;
- **marking, signing, dating and mailing** each proxy or voting instruction card and returning it in the postage-paid envelope provided. If you return your signed proxy card, but do not mark the boxes showing how you wish to vote on any particular item, your shares will be voted as the Board of Directors recommends for any such items; or

attending the meeting and voting your shares in person, if you are a stockholder of record (that is, your shares are registered directly in your name on the Company s books and are not held in street name through a broker, bank or other nominee).

If you are a stockholder of record wishing to vote by telephone or electronically through the Internet, you will need to use the individual control number that is printed on your proxy card in order to authenticate your ownership. **The deadline for voting by telephone or the Internet is 11:59 p.m. Eastern Time on May 5, 2016.**

If your shares are held in street name (that is, they are held in the name of broker, bank or other nominee), or if your shares are held in one of the Company s savings or retirement plans, you will receive instructions with your materials that you must follow in order to have your shares voted. *For voting procedures for shares held in ATI s savings or retirement plans, see the response to question 14 below.*

Table of Contents

ANNUAL MEETING INFORMATION | 2016 ANNUAL MEETING OF STOCKHOLDERS QUESTIONS AND ANSWERS

4. What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those owned beneficially.

Stockholders of Record. If your shares are registered directly in your name with our transfer agent, Computershare Shareowner Services, you are considered to be the stockholder of record with respect to those shares, and the Notice of Annual Meeting and proxy materials are being sent directly to you. As the stockholder of record, you have the right to grant your voting proxy directly, to vote electronically, or to vote in person at the Annual Meeting. If you have requested printed proxy materials, we have enclosed a proxy card for you to use.

Beneficial Owners. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the Notice of Annual Meeting and these proxy materials are being forwarded to you by your broker, bank or nominee who is considered to be the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote and are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you request, complete and deliver a legal voting proxy from your broker, bank or nominee. If you requested printed proxy materials, your broker, bank or nominee has enclosed a voting instruction card for you to use in directing the broker, bank or nominee regarding how to vote your shares.

5. How many votes can be cast by all stockholders?

Each share of ATI Common Stock is entitled to one vote. There is no cumulative voting. We had 108,912,564 shares of Common Stock outstanding and entitled to vote on the record date.

6. How many votes must be present to hold the annual meeting?

A majority of the shares entitled to vote as of the record date must be present in person or by proxy at the Annual Meeting in order to hold the Annual Meeting and conduct business. This is called a quorum. Your shares will be counted as present at the Annual Meeting if you properly cast your vote in person, electronically or telephonically, or a proxy card has been properly submitted by you or on your behalf. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

7. How many votes are required to elect directors (Item 1)?

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.

While directors are elected by a plurality of votes cast, our Bylaws include a director resignation policy. This policy states that in an uncontested election, any director nominee who receives a greater number of votes WITHHELD from his or her election, as compared to votes FOR such election, must tender his or her resignation. The Nominating and Governance Committee of the Board is required to make recommendations to the Board of Directors with respect to 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.

Table of Contents

ANNUAL MEETING INFORMATION | 2016 ANNUAL MEETING OF STOCKHOLDERS QUESTIONS AND ANSWERS

Full details of our director resignation policy are set forth in our Bylaws, which are available on our website at www.atimetals.com.

8. How many votes are required to amend the Company s Certificate of Incorporation to declassify the board of directors (Item 2)?

For Item 2 (amendments to our Certificate of Incorporation to declassify the Board of Directors), the affirmative vote of the holders of at least 75% of the shares of ATI Common Stock outstanding and entitled to vote is necessary for approval. If your shares are represented at the Annual Meeting but you abstain from voting on Item 2, your shares will be counted as present and entitled to vote on Item 2 for purposes of establishing a quorum, and the abstention will have the same effect as a vote AGAINST that Item. Similarly, broker non-votes will have the same effect as votes AGAINST Item 2 (see question 10 below).

9. How many votes are required to adopt the other proposals (Items 3 and 4)?

All of the other proposals will be approved if such items receive the affirmative vote of at least a majority of the shares of ATI Common Stock represented at the Annual Meeting and entitled to vote on the matter. If your shares are represented at the Annual Meeting but you abstain from voting on any of these matters, your shares will be counted as present and entitled to vote on a particular matter for purposes of establishing a quorum, and the abstention will have the same effect as a vote against that proposal.

Your vote on Item 3 (executive compensation) is advisory, which means the result of the vote is non-binding. Although non-binding, the Board and its committees value the opinions of our stockholders and will review and consider the voting result when making future decisions regarding executive compensation.

10. What if I don t give specific voting instructions?

Stockholders of Record. If you are a stockholder of record and you indicate when voting by Internet or by telephone that you wish to vote as recommended by our Board of Directors, or if you return a signed proxy card but do not indicate how you wish to vote, then your shares will be voted:

in accordance with the recommendations of the Board of Directors on all matters presented in this Proxy Statement; and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the meeting.

If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions.

Beneficial Owners. If you are a beneficial owner and hold your shares in street name and do not provide the organization that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. In very limited circumstances, brokers have the discretion to vote on matters deemed to be routine. Under applicable law and the rules of the New York Stock Exchange, brokers generally do not have discretion to vote on most matters. For example, if you do not provide voting instructions to your broker, the broker could vote your shares in its discretion with respect to the proposal to ratify the selection of Ernst & Young LLP as our independent auditors for 2016 (Item 4) because that is deemed to be a routine matter, but the broker likely could not vote your shares for any of the other proposals on the agenda for the Annual Meeting. We encourage you to provide instructions to your broker regarding the voting of your shares.

Table of Contents

ANNUAL MEETING INFORMATION | **2016 ANNUAL MEETING OF STOCKHOLDERS QUESTIONS AND ANSWERS**

If you do not provide voting instructions to your broker and the broker has indicated that it does not have discretionary authority to vote on a particular proposal, your shares will be considered broker non-votes with regard to that matter. Broker non-votes will be considered as represented for purposes of determining a quorum. Broker non-votes are not counted for purposes of determining the number of votes cast with respect to a particular proposal and are not considered to be shares entitled to vote on non-routine matters. Thus, a broker non-vote will make a quorum more readily obtainable, but the broker non-vote will not otherwise affect the outcome of the vote on Items 2, 3 and 4, which each require the affirmative vote of a majority of the shares present and entitled to vote.

11. How do I revoke or change my vote?

You may revoke your proxy or change your vote at any time before it is voted at the meeting by:

- notifying the Corporate Secretary at ATI s executive office;
- transmitting a proxy dated later than your prior proxy, either by mail, telephone or Internet; or
- attending the meeting and voting in person or by proxy (except for shares held in street name through a broker, bank or other nominee, or in the Company s savings or retirement plans).

The latest-dated, timely, properly completed proxy that you submit, whether by mail, telephone or the Internet, will count as your vote. If a vote has been recorded for your shares and you subsequently submit a proxy card that is not properly signed and dated, the previously recorded vote will stand.

12. What shares are included on the proxy or voting instruction card?

The shares indicated on your proxy or voting instruction card represent those shares registered directly in your

name, those held on account in the Company s dividend reinvestment plan and shares held in the Company s savings or retirement plans. If you do not cast your vote, your shares (except those held in the Company s savings or retirement plans) will not be voted. *See question 14 for an explanation of the voting procedures for shares in the Company s savings or retirement plans.*

13. What does it mean if I receive more than one proxy or voting instruction card?

If your shares are registered differently and are in more than one account, then you will receive more than one card. Please complete and return *all* of the proxy or voting instruction cards you receive (or vote by telephone or the Internet all of the shares on each of the proxy or voting instruction cards you receive) in order to ensure that all of your shares are voted.

14. How are shares that I hold in a company savings or retirement plan voted?

If you hold ATI Common Stock in one of the Company s savings or retirement plans, then you may tell the plan trustee how to vote the shares of Common Stock allocated to your account. You may either sign and return the voting instruction card provided by the plan trustee or transmit your instructions by telephone or the Internet. If you do not transmit instructions, your plan shares will be voted as the plan administrator directs or as otherwise provided in the plan.

The deadline for voting the shares you hold in the Company s savings or retirement plans by telephone or the Internet is 11:59 p.m. Eastern Time on May 2, 2016.

15. Is my vote confidential?

ATI maintains a policy of keeping stockholder votes confidential.

Table of Contents

ANNUAL MEETING INFORMATION | 2016 ANNUAL MEETING OF STOCKHOLDERS QUESTIONS AND ANSWERS

16. Can I, in the future, receive my proxy statement and annual report over the internet?

Stockholders can elect to view future ATI proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. This saves us the cost of producing and mailing these documents. Costs normally associated with electronic access, such as usage and telephone charges, will be borne by you.

If you are a stockholder of record and you choose to vote over the Internet, you can choose to receive future annual reports and proxy statements electronically by following the prompt on the voting page when you vote using the Internet. If you hold your Company stock in street name (such as through a broker, bank or other nominee account), check the information provided by your nominee for instructions on how to elect to view future proxy statements and annual reports over the Internet.

Stockholders who choose to view future proxy statements and annual reports over the Internet will receive instructions electronically that contain the Internet address for those materials, as well as voting instructions, approximately six weeks before future meetings.

If you enroll to view ATI s future annual reports and proxy statements electronically and vote over the Internet, your enrollment will remain in effect for all future stockholders meetings unless you cancel it. To cancel, stockholders of record should access www.computershare.com/investor and follow the instructions to cancel your enrollment. You should retain your control number appearing on your enclosed proxy or voting instruction card. If you hold

your Company stock in street name, check the information provided by your nominee holder for instructions on how to cancel your enrollment.

If at any time you would like to receive a paper copy of the annual report or proxy statement, please write to the Corporate Secretary, Allegheny Technologies Incorporated, 1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479.

17. What is householding?

The term householding, means that we will deliver only one copy of our annual report and proxy statement to stockholders of record who share the same address and last name unless we have received contrary instructions from you. This procedure reduces our printing costs and mailing costs and fees. Upon written or oral request, we will promptly deliver a separate annual report and proxy statement to any stockholder at a shared address to which a single copy of either of those documents was delivered.

If you would like to receive a separate copy of the annual report or proxy statement for this meeting or opt out of householding, or if you are a stockholder eligible for householding and would like to participate in householding, please send a request addressed to ATI s Corporate Secretary at 1000 Six PPG Place, Pittsburgh, PA 15222-5479, or call (412) 394-2800. Many brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker or other holder of record to request information about householding.

Table of Contents

ANNUAL MEETING INFORMATION | **2017 ANNUAL MEETING AND STOCKHOLDER PROPOSALS**

2017 Annual Meeting and Stockholder Proposals

Stockholder proposals submitted for inclusion in the proxy statement and form of proxy relating to the 2017 Annual Meeting of Stockholders must be received no later than November 28, 2016. Stockholder proposals should be sent to the Corporate Secretary, Allegheny Technologies Incorporated, 1000 Six PPG Place, Pittsburgh, PA 15222-5479.

If you wish to submit director nominations or other business to be properly brought before an annual meeting, you must give timely notice of your intent to submit a proposal in writing to the Corporate Secretary. For such notices to be timely, notice must be received by the Corporate Secretary not less than 75 days and not more than 90 days before the first anniversary of the date of the preceding year s annual meeting. For our 2017 Annual Meeting of Stockholders, we must receive any such notice on or after February 5, 2017 and on or before February 20, 2017. The notice must contain certain information specified in the Company s Certificate of Incorporation and Bylaws.

The Nominating and Governance Committee will consider director candidates recommended by stockholders. The Committee will evaluate stockholder-recommended candidates on the same basis as other candidates. Stockholder recommendations should be sent to the Corporate Secretary at the address above, who will forward the information to the Committee.

Stockholders may obtain copies of our Certificate of Incorporation and Bylaws by writing to the Corporate Secretary at the address set forth above. Copies of our Certificate of Incorporation and Bylaws have been filed with the SEC and can be viewed on our website, www.atimetals.com at About ATI Corporate Governance.

Other Business and Information

The Company knows of no business to be presented for consideration at the meeting other than the items indicated in the Notice of Annual Meeting. If other matters are properly presented at the meeting, the persons designated as proxies on your proxy card may vote on such matters at their discretion.

Following adjournment of the formal business meeting, Richard J. Harshman, Chairman, President and Chief Executive Officer, will address the meeting and will hold a general discussion period during which the stockholders will have an opportunity to ask questions about the Company and its business.

Annual Report on Form 10-K

Copies of ATI s Annual Report on Form 10-K, without Exhibits, can be obtained free of charge by written request to the Corporate Secretary, Allegheny Technologies Incorporated, 1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479 or by calling (412) 394-2800.

Proxy Solicitation

We pay the cost of preparing, assembling and mailing this proxy-soliciting material. We will reimburse banks, brokers and other nominee holders for reasonable expenses they incur in sending these proxy materials to our beneficial stockholders whose stock is registered in the nominee s name.

Table of Contents

ANNUAL MEETING INFORMATION | OTHER INFORMATION

ATI has engaged Georgeson Inc., 199 Water Street, 26th Floor, New York, New York 10038 to help solicit proxies from brokers, banks and other nominee holders of Common Stock at a cost of $10,000 plus expenses. Our employees may also solicit proxies for no additional compensation.

On behalf of the Board of Directors:

Elliot S. Davis

Corporate Secretary

Dated: March 28, 2016

Table of Contents

Appendix A

CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF ALLEGHENY TECHNOLOGIES INCORPORATED

ALLEGHENY TECHNOLOGIES INCORPORATED (the Corporation), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That a resolution was adopted by the Board of Directors of the Corporation duly setting forth the proposed amendment of the Restated Certificate of Incorporation of the Corporation, declaring said amendment to be advisable and directing that it be submitted to the stockholders of the Corporation for approval and adoption. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that ARTICLE TEN of the Corporation s Restated Certificate of Incorporation shall be amended to read in its entirety as follows:

TEN: (A) Except as otherwise fixed pursuant to the provisions of Article FOUR hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors of the Corporation shall be fixed from time to time by the affirmative vote of a majority of the whole Board of Directors. Until the election of directors at the annual meeting of stockholders held in 2019, the Board of Directors, other than those directors who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, designated Class I, Class II and Class III. The terms of office of the classes of directors shall be as follows: the Class I Directors shall hold office for a term to expire at the annual meeting of stockholders held in 2018; the Class II Directors shall hold office for a term to expire at the annual meeting of stockholders held in 2019; and the Class III Directors shall hold office for a term to expire at the annual meeting of stockholders held in 2017; and, in the case of each class, shall serve until their respective successors are duly elected and qualified or until their respective earlier resignations or removals. Commencing with the annual meeting of stockholders held in 2017, successors to the Class of directors whose terms expire at such meeting shall be elected to hold office for terms expiring at the next succeeding annual meeting of stockholders, and shall serve until their respective successors have been duly elected and qualified or until their respective earlier resignations or removals; provided, however, that any director elected or appointed prior to the annual meeting of stockholders held in 2017 shall complete the term to which such director has been elected or appointed, and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. The division of directors into classes shall terminate upon the election of directors at the annual meeting of stockholders held in 2019, and all directors shall be elected to hold office for terms expiring at the next succeeding annual meeting of stockholders and shall serve until their respective successors have been duly elected and qualified or until their respective earlier resignations or removals.

(B) Except as otherwise fixed pursuant to the provisions of Article FOUR hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors:

(a) In case of any increase in the number of directors, the additional director or directors, and in case of any vacancy in the Board of Directors due to death, resignation, removal, disqualification or any other reason, the successors to fill the vacancies, shall be elected only by a majority of the directors then in office, even though less than a quorum, or by a sole remaining director and not by the stockholders, unless otherwise provided by law or by resolution adopted by a majority of the whole Board of Directors.

Table of Contents

APPENDIX A | CERTIFICATE OF AMENDMENT OF RESTATED CERTIFICATE OF INCORPORATION OF ALLEGHENY TECHNOLOGIES INCORPORATED

(b) Any director appointed in the manner provided in paragraph (a) due to a vacancy on the Board of Directors resulting from the death, resignation, removal or disqualification of a prior director, or any other failure of a prior director to continue his or her term as a director, shall hold office for the unexpired term of his or her predecessor in office and shall remain in office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. Any director appointed in the manner provided in paragraph (a) to a newly created directorship resulting from any increase in the authorized number of directors shall hold office for a term expiring at the next annual meeting of stockholders and shall remain in office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

(c) No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(C) Except as otherwise fixed pursuant to the provisions of Article FOUR hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors, any director or directors (i) serving in a class of directors for a term expiring at the third annual meeting of stockholders following the election of such class may be removed from office at any time, but only for cause, and (ii) serving for a term expiring at the next succeeding annual meeting of stockholders may be removed from office at any time, with or without cause; provided, however, that in any case any such removal pursuant to this Article 10(C) shall be only by the affirmative vote of 75% of the Voting Power, voting together as a single class.

SECOND: Pursuant to a resolution of its Board of Directors, a meeting of stockholders of the Corporation was duly called and held on May 6, 2016, upon notice in accordance with Section 222 of the Delaware General Corporation Law, at which meeting the necessary number of shares as required by statute were voted in favor of said amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

Table of Contents

Our Core Values

While we believe that change is constant, one thing will not change. As we continue on our journey Building the World s Best Specialty Materials Components Company we are guided by a shared commitment to ATI s Core Values.

Integrity as the cornerstone of our business. To that end, we must be honest and forthright in everything we do.

We expect everyone to be treated with dignity and respect and we embrace the values of innovation, cooperation, accountability, and teamwork.

ATI is committed to more than just adherence to laws and regulations. Our commitment is to reflect the highest level of integrity and ethics in our dealings with each other, and all of our stakeholders.

Safety, Health and Sustainability are the prerequisites to all operations, and our goal is to finish each day incident- and injury-free.

Product Quality and Excellence is demonstrated in everything we do.

Diversity, Creativity, Learning, and Freedom of people to reach their individual potential is ATI s culture.

Our commitment to Do What s Right® continues to guide us throughout our global operations and business activities.

Table of Contents

Admission Ticket

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m., Eastern Time, on May 5, 2016.

Vote by Internet

Go to **www.envisionreports.com/ati**

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

Vote by telephone

Call toll free
1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone
Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. x

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals — The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposals 2, 3 and 4.

1. Election of Class II Directors: +

01 - Richard J. Harshman | 02 - Carolyn Corvi | 03 - Barbara S. Jeremiah | 04 - John D. Turner

¨ **Mark here to vote FOR all nominees** ¨ **Mark here to WITHHOLD vote from all nominees** ¨ **For All EXCEPT** - To withhold authority to vote for any nominee(s), write the name(s) of such nominee(s) below.

	For	Against	Abstain		For	Against	Abstain
2. Approval of amendments to the Company s Certificate of Incorporation to declassify the Board of Directors.	¨	¨	¨	4. Ratification of the selection of Ernst & Young LLP as independent auditors for 2016.	¨	¨	¨
3. Advisory vote to approve the compensation of the Company s named executive officers.	¨	¨	¨				

B Non-Voting Items

Change of Address — Please print your new address below.

Comments — Please print your comments below.

Meeting Attendance Mark the box to the right if you plan to attend the Annual Meeting. ¨

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign EXACTLY as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, or custodian, please give your full title as such.

Date (mm/dd/yyyy) Please print date below.
/ /

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

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Table of Contents

2016 Annual Meeting Admission Ticket

2016 Annual Meeting of

Allegheny Technologies Incorporated Stockholders

Friday, May 6, 2016

11:00 a.m. Pacific Time

The Fairmont Newport Beach Hotel

Sequoia Ballroom

4500 MacArthur Boulevard

Newport Beach, California 92660

Upon arrival, please present this admission ticket

and photo identification at the registration desk.

For the personal use of the stockholder named hereon - not transferable

Dear Stockholder,

Enclosed or available on the Internet at **http://www.envisionreports.com/ati** are materials relating to the Allegheny Technologies Incorporated 2016 Annual Meeting of Stockholders. The Notice of the Meeting and Proxy Statement describe the formal business to be transacted at the meeting.

Your vote is important. Please vote your proxy promptly whether or not you expect to attend the meeting. You may vote by toll-free telephone, by Internet or by signing and returning the proxy card (below) by mail in the enclosed postage-paid envelope.

Elliot S. Davis

Corporate Secretary

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.

The Proxy Statement and the 2015 Annual Report to Stockholders are available at: **www.envisionreports.com/ati**

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy   Allegheny Technologies Incorporated

Proxy for 2016 Annual Meeting

Solicited on Behalf of the Board of Directors of Allegheny Technologies Incorporated

The undersigned hereby appoints Patrick J. DeCourcy, Elliot S. Davis and Marissa P. Earnest or any of them, each with power of substitution and revocation, proxies or proxy to vote all shares of Common Stock which the stockholder named herein is entitled to vote with all powers which the stockholder would possess if personally present, at the Annual Meeting of Stockholders of Allegheny Technologies Incorporated on May 6, 2016, and any adjournments or postponements thereof, upon the matters set forth on the reverse side of this card and, in their discretion, upon such other matters as may properly come before such meeting.

STOCKHOLDERS MAY VOTE BY TOLL-FREE TELEPHONE OR THE INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE REVERSE SIDE OR STOCKHOLDERS MAY VOTE BY COMPLETING, DATING AND SIGNING THIS PROXY CARD AND RETURNING IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

This proxy, when properly executed, will be voted as directed herein, but if you do not specify a vote, the proxies will vote FOR Items 1, 2, 3 and 4, and in their discretion on other matters.

If you wish to use this card to vote your shares, please vote, date and sign on the reverse side.

(Continued and to be marked, dated and signed, on the other side)

Table of Contents

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m., Eastern Time, on May 2, 2016.

Vote by Internet

Go to **www.envisionreports.com/ati**

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** x as shown in this example. Please do not write outside the designated areas.

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

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B **Non-Voting Items**

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Comments Please print your comments below.

Meeting Attendance Mark the box to the right if you plan to attend the Annual Meeting. ¨

C **Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below**

Please sign EXACTLY as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, or custodian, please give your full title as such.

Date (mm/dd/yyyy) Please print date below.
/ /

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

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Table of Contents

Allegheny Ludlum Corporation Personal Retirement and 401(k) Savings Account Plan

The ATI 401(k) Savings Plan

The 401(k) Plan

ATI Precision Finishing, LLC Employees 401(k) and Profit Sharing Plan

Allegheny Technologies Retirement Savings Plan

ATI Ladish Co., Inc. Hourly Savings and Deferral Investment Plan

As a Plan participant, you have the right to direct Mercer Trust Company, the Trustee of the above Plans, how to vote the shares of Allegheny Technologies Incorporated Common Stock that are allocated to your Plan account and shown on the attached voting instruction card. The Trustee will hold your instructions in complete confidence except as may be necessary to meet legal requirements.

You may vote by telephone, Internet or by completing, signing and returning voting instructions herein by mail. A postage-paid return envelope is enclosed.

The Trustee must receive your voting instructions by 11:59 p.m., Eastern Time, on May 2, 2016. If the Trustee does not receive your instructions by such date, the Trustee shall vote your shares as the Plan Administrator directs.

You will receive a separate set of proxy solicitation materials for any shares of Common Stock you own other than your Plan shares. **Your non-Plan shares must be voted separately from your Plan shares.**

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.

The Proxy Statement and the 2015 Annual Report to Stockholders are available at: **www.envisionreports.com/ati**

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Voting Instruction Card for 2016 Annual Meeting

Allegheny Technologies Incorporated

The undersigned hereby directs Mercer Trust Company, the Trustee of the above Plans, to vote the full number of shares of Common Stock allocated to the account of the undersigned under the Plans, at the Annual Meeting of Stockholders of Allegheny Technologies Incorporated on May 6, 2016 and any adjournments or postponements thereof, upon the matters set forth on the reverse of this card, and, in its discretion, upon such other matters as may properly come before such meeting.

PLAN PARTICIPANTS MAY GIVE DIRECTIONS BY TOLL-FREE TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE REVERSE SIDE OR PARTICIPANTS MAY GIVE DIRECTIONS BY COMPLETING, DATING AND SIGNING THIS CARD AND RETURNING IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

If you wish to use this card to vote your shares, please vote, date and sign on the reverse side.