



## **CORPORATE GOVERNANCE GUIDELINES**

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

### **Role of the Board and Management**

The core responsibility of the directors is to exercise their business judgment in good faith in what they reasonably believe to be in the best interests of the Company and its stockholders. Both the Board and management recognize that the long-term interests of ATI are advanced by recognition of the concerns of other constituencies, including employees, customers, suppliers and the communities in which ATI operates.

Serving on a board requires significant time and attention on the part of directors. Consistent with the importance of the Board's responsibilities, each director is expected to be familiar with ATI's business and public disclosures, to review carefully materials distributed to the Board, and to attend and participate in meetings of the Board and all committees on which the director serves.

The Board is not involved in day-to-day operations. Members of the Board keep informed about the Company's business through discussions with the senior management and other officers and managers of the Company and its subsidiaries, by reviewing analyses and reports sent to them, and by participating in Board and committee meetings.

### **Board Membership Matters**

1. *Board Size.* ATI's Bylaws provide that the Board determines the number of directors. The Board periodically reviews the appropriate size of the Board in light of then existing circumstances, including (i) the Board's need for directors with specific qualities, skills, experience or background; (ii) the availability of qualified candidates; (iii) committee workloads and membership needs; and (iv) anticipated retirements or resignations of existing directors. It is expected that new directors that the Board appoints to the Board will stand for election by the stockholders at the next Annual Meeting of Stockholders.

2. Independence. At least 75% of ATI's directors are, and at least a substantial majority of ATI's directors will be, "independent" under the New York Stock Exchange definition of independence and the Company's board independence standards set forth in Annex A to these guidelines. A director is "independent" only if the director is a non-management director and, in the Board's judgment, does not have a material relationship with the Company or its management. The Board shall undertake an annual review of the independence of all non-employee directors. The Board will make its determination that a director is independent following a review of all relevant information, including any information that directors are asked to provide the Board regarding the director's business and other relationships with the Company and its affiliates and with senior management of the Company and their respective affiliates, and a recommendation of the Nominating and Governance Committee. Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as "independent."

3. Business Relationships with Directors. All business relationships between a director (including any member of a director's immediate family) and the Company shall be evaluated in accordance with the Statement of Policy with respect to Related Party Transactions.

4. Selection of Board Members. The Board is responsible for recommending director nominees to the stockholders and for selecting directors to fill vacancies between stockholder meetings. The Nominating and Governance Committee recommends candidates to the Board. Stockholders may nominate candidates for election to the Board by following the procedures described in ATI's certificate of incorporation and Bylaws. They generally require that notice 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. The notice must contain certain information specified by ATI's certificate of incorporation and Bylaws.

5. Board Membership Criteria. In addition to the independence and other general criteria set forth in these guidelines, nominees for director are generally selected on the basis of the following criteria: their business or professional experience, recognized achievement in their respective fields, their integrity and judgment, their ability to devote sufficient time to the affairs of the Company, the diversity of their backgrounds and the skills and experience that

their membership adds to the overall competencies of the Board, and the needs of the Company from time to time. Nominees must also represent the interests of the Company's stockholders.

The Nominating and Governance Committee is responsible for evaluating, on an ongoing basis, all directors and director candidates in order to assure that talents, skills and other characteristics that are needed to ensure the Board's effectiveness are possessed by an appropriate combination of directors. As part of the Board's process for identifying and evaluating candidates for director, the Nominating and Governance Committee will conduct individual reviews of current directors whose terms are nearing expiration, but who may be proposed for re-election, in light of the considerations described above and their past contributions to the Board.

The Board is responsible for determining whether one or more members of the Audit Committee are "audit committee financial experts," as contemplated by applicable rules of the Securities and Exchange Commission. Under the Audit Committee Charter, the Board of Directors shall appoint at least one member to the Audit Committee who is an "audit committee financial expert" as defined by the Securities and Exchange Commission. The Nominating and Governance Committee will coordinate closely with the Board in evaluating the background and experience of existing Board members and potential Board nominees to satisfy this responsibility.

6. *Mandatory Retirement Age.* ATI's directors retire from the Board at the end of the term of office that follows their 72<sup>nd</sup> birthday. If a director will reach their 72<sup>nd</sup> birthday during their subsequent term, the Nominating and Governance Committee should take this fact into account in determining whether to recommend the nomination of the director.

7. *Term Limits.* The Board has decided not to adopt arbitrary term limits for its directors. As an alternative to term limits, the Nominating and Governance Committee, in consultation with the Chairman, reviews each director's continuation on the Board near the end of the director's existing term. The Board recognizes that directors who have served on the Board for an extended period of time can provide valuable insight into the operation and future of the Company based on their experience with and understanding of the Company's history, policies and objectives.

8. *Directors Who Change Their Positions.* A director who undergoes a significant change in his or her principal occupation or responsibilities (including retirement) should give written notice to the Board, specifying the details of the change and volunteering to resign from the Board, as soon as feasible. This gives the Board, through the Nominating and Governance Committee, the opportunity to review the continued appropriateness of the director's membership on the Board and each applicable Board committee under the circumstances.

9. *Limitations on Other Board/Committee Service.* While the Board does not believe that its non-management members should be categorically prohibited from serving on boards and/or committees of other organizations, the Board believes that Board members should not simultaneously serve on the boards of directors of more than three other public companies. The Nominating and Governance Committee and the full Board will take into account the nature of and time involved in a director's service on other boards in evaluating whether an individual director should be nominated for re-election to the Board. In addition, directors should notify the Chairman, the Chair of the Nominating and Governance Committee and the Corporate Secretary before accepting a seat on the board of another business organization, in order to avoid potential conflicts.

The Audit Committee Charter provides that Committee members shall not simultaneously serve on the audit committees of more than three public companies, including the Company, unless the Board shall determine in advance that such simultaneous service would not impair the director's ability to effectively serve on ATI's Audit Committee. Such determinations will be disclosed in ATI's annual proxy statement.

The Chief Executive Officer (CEO) must obtain the approval of the Nominating and Governance Committee before accepting an invitation to serve on the board of another public company.

10. *Withheld Votes in Uncontested Elections for Director.* ATI's Bylaws contain provisions governing situations in which a nominee for director in an uncontested election receives a greater number of votes "withheld" from his or her election than votes "for" such election.

## **Board Structure, Operations and Meetings**

1. *Board Leadership and Lead Independent Director.* The Chairman and the Chief Executive Officer are selected by the Board. The Board has no

policy with respect to the separation of the offices of Chairman and Chief Executive Officer. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination in light of factors and considerations prevailing at that time as to whether the Chief Executive Officer should also serve as Chairman of the Board.

The Board has determined that it is useful and appropriate to designate a non-employee, independent director to serve as Lead Independent Director. The Lead Independent Director shall serve until a successor shall have been duly elected or appointed by the independent members of the Board, or until such earlier time as the Lead Independent Director ceases to be a member of the Board, resigns as Lead Independent Director, or is otherwise removed as Lead Independent Director by a majority of the independent directors of the Board.

The specific responsibilities of the Lead Independent Director shall be as follows, unless designated otherwise by the Board:

- Preside at meetings of the Board of Directors in the absence of the Chairman, including executive sessions of the independent directors, and ensure that appropriate feedback, if any, is provided to the Chairman promptly after such meetings.

If the Lead Independent Director is not present at a meeting of the Board or an executive session of independent directors, a majority of the independent directors present at such meeting shall select a director to act as Lead Independent Director for the purpose and duration of the meeting.

- Communicate with, and appropriately facilitate communication among, independent directors between meetings, when appropriate.
- Serve as the principal liaison on Board-wide issues between the independent directors and the Chairman. It should be noted that each director, however, remains free to communicate directly with the Chairman, as appropriate.
- Advise the Chairman regarding schedules, agendas and the quantity, quality, and timeliness of information for the Board and Committee meetings.

- Be available to serve as a contact for the Company's stockholders wishing to communicate with the Board other than through the Chairman, when appropriate, and communicate with other external constituencies, as needed.
- Have the authority to call meetings of the independent directors, when necessary and appropriate.
- Advise and consult with the Chairman on matters related to corporate governance and Board performance.
- Generally serve as a resource for, and counsel to, the Chairman.
- Perform such other duties as may be prescribed by the independent directors from time to time.

2. *Selection of Agenda Items for Board Meetings.* Though the Chairman establishes the agenda for each Board meeting, any director may request items to be included on the agenda.

3. *Distribution of Board Materials.* Board members receive agendas and other information, to the extent practicable, in sufficient time before the Board meetings so they will have an opportunity to prepare for discussion of the items at the meeting.

4. *Attendance of Non-Directors at Board Meetings.* At the discretion of the Chairman or the Chief Executive Officer, ATI's senior officers may attend appropriate portions of Board meetings. The Board also encourages the executive officers to bring non-executive managers to Board meetings, from time to time, who: (1) can provide additional insight into the items being discussed by the Board, or (2) senior management believes have future potential as leaders.

5. *Executive Sessions of Non-Management and Independent Directors.* The non-management directors meet separately from the other directors in regularly scheduled executive sessions without members of management (except to the extent the non-management directors request the attendance of a member of management). The protocol for these executive sessions is as follows:

(i) Scheduling; Notice. The non-management directors meet at least three times a year at the end of, and at the location of, regularly scheduled Board meetings, or at such other time or such other place as the non-management directors shall agree. Any non-management director can request that such a meeting take place. The Lead Independent Director may also call such a meeting. No special notice is required for regularly scheduled meetings of the non-management directors.

(ii) Chairing Arrangements. The Chairman of the Board, if non-management, serves as the Chair of the meetings. If the Chairman is not non-management or is not otherwise present, the Lead Independent Director shall serve as the Chair of the meetings. If the Lead Independent Director is not present, the position of Chair rotates on a per meeting basis, in the following order, among the non-management Chairs of the Board's committees: Nominating and Governance Committee, Audit Committee, Finance Committee, Personnel and Compensation Committee and Technology Committee. If the committee Chair is not non-management, or is unable to attend or is temporarily absent, the position of Chair is assumed by the next non-management Chair in the rotation order described above. The Chair determines the procedure for dealing with individual items at the meetings of the non-management directors.

(iii) Executive Sessions of Independent Directors. If any non-management directors are not independent, the independent directors will meet in executive session at least one time a year at the end of, and at the location of, regularly scheduled Board meetings, or at such other time or such other place as the independent directors shall agree. The Lead Independent Director may also call such a meeting. The protocol for these meetings is the same as the protocol for meeting of the non-management directors.

(iv) Communication with Non-Management Directors. Any interested parties desiring to communicate with the Lead Independent Director or any other of the non-management directors regarding the Company may send correspondence in care of ATI's Corporate Secretary, or contact the toll-free help-line, at 1-877-787-9761, which can be utilized on a confidential and anonymous basis, twenty-four hours a day.

6. Director Orientation and Continuing Education. The Board and the Company have an orientation process for new directors and new members of the Board's committees. Materials and programs will be provided to new directors on an individual basis to familiarize them with the Company's strategic plans, its significant financial, accounting and risk management issues, and its compliance

programs, including its *Corporate Guidelines for Business Conduct and Ethics*. Each new director must participate in the Company's orientation process within six months of the annual meeting at which such new director was elected or within six months of the time such new director otherwise joins the Board. Each new member of a Board committee shall participate in the Company's orientation process for members of that committee as soon as practicable after his or her appointment. All continuing directors or committee members, as the case may be, will be invited to attend orientation programs. The Company will also provide additional formal and informal continuing education materials and programs to directors and committee members on an on-going basis, particularly in light of new developments. Orientation and continuing education programs may include presentations made by outside legal, accounting or other advisors or consultants or, to the extent appropriate, visits to the Company's headquarters or significant facilities. Directors may attend continuing director education courses. Accordingly, the Company will pay for the reasonable cost of such courses and related reasonable travel expenses.

7. *Assessing Performance of the Board*. Each director will annually participate in an evaluation of the performance of the Board as a whole to determine whether the Board and its committees are functioning effectively. The evaluation will focus on the Board's contribution to the Company and will focus on areas in which the Board believes that it or its committees of the Company could improve. The Nominating and Governance Committee will oversee this process.

8. *Director Compensation*. Only non-employee directors are compensated for their service as directors. Their compensation is intended to be sufficient to attract qualified candidates. The Board reviews director compensation from time to time. The Nominating and Governance Committee is responsible for making recommendations to the Board regarding director compensation.

9. *Stock Ownership by Directors*. It is the policy of the Board that all directors hold an equity interest in the Company. In furtherance of this policy, directors should own a minimum of 10,000 shares of Common Stock of the Company within five years of the director's initial election to the Board, to be calculated in accordance with policies adopted by the Board from time to time. Directors are required to retain a minimum of one-third of their Common Stock awards until the guidelines are attained. The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases, and may approve such exceptions from time to time as it deems appropriate.

10. *Participation in Public Forums.* Any participation by an ATI director in a public forum concerning a subject that could have an impact on the Company shall first be submitted to the Chair of the Nominating and Governance Committee and the Chairman of the Board for approval. If such participation is authorized, the director should, during the public engagement, expressly state that any remarks or comments by the director are not made on behalf of ATI.

## **Board Committees**

1. *Number and Type of Committees.* The Board has five standing committees – an Audit Committee, a Finance Committee, a Nominating and Governance Committee, a Personnel and Compensation Committee and a Technology Committee. The Board may add new committees or remove existing committees as it deems advisable for purposes of fulfilling its primary responsibilities.

Only independent directors are permitted to serve on the Audit Committee, the Personnel and Compensation Committee, and the Nominating and Governance Committee. Audit Committee members must meet an additional independence standards under the Securities and Exchange Commission and New York Stock Exchange rules. Specifically, Audit Committee members may not receive any compensation from the Company other than their directors' compensation.

Each committee has a written charter that describes its responsibilities. The current charters of each committee are published on ATI's website and will be mailed to stockholders upon written request. The current charters of each committee will be amended from time to time to include such other provisions as may be required by applicable law or corporate governance rules of the Securities and Exchange Commission or the New York Stock Exchange, or to include such other provisions as may be determined by the Board to be necessary or appropriate under the circumstances in light of then current practices.

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

A summary of the responsibilities of each committee follows:

- Audit Committee. The Audit Committee assists the Board's oversight of the integrity of ATI's financial statements, ATI's compliance with legal and regulatory requirements, the qualifications and independence of ATI's independent auditors, and the performance of ATI's internal audit function and independent auditors. The committee has authority to appoint ATI's independent auditors.
  
- Finance Committee. The Finance Committee makes recommendations and provides guidance to the Board regarding major financial policies of the Company. It also serves as Named Fiduciary of the employee benefit plans maintained by the Company.
  
- Nominating and Governance Committee. The Nominating and Governance Committee is responsible for overseeing corporate governance matters. It conducts an annual evaluation of how the Board is functioning as a whole. It also recommends to the Board individuals to be nominated as directors. This includes evaluation of new candidates as well as evaluation of current directors who are being considered for re-election. This committee is also responsible for administering ATI's director compensation programs. The Committee also performs other duties as are described in these guidelines.
  
- Personnel and Compensation Committee. The Personnel and Compensation Committee reviews and approves corporate goals and objectives relevant to CEO compensation, evaluates the CEO's performance in light of those goals and objectives and determines and approves the CEO's compensation level (either as a committee or together with the other independent directors, as directed by the Board) based on this evaluation. The Personnel and Compensation Committee determines and approves the level of executive officer compensation and makes recommendations to the Board with respect to incentive-compensation plans and equity-based plans that are subject to Board approval. The Personnel and Compensation Committee also administers ATI's incentive compensation plans.
  
- Technology Committee. The Technology Committee reviews changing technologies and evaluates how they affect the Company and its technical capabilities.

2. Appointment and Rotation of Committee Members. The Nominating and Governance Committee is responsible, after consultation with the Chairman, for recommending to the Board the assignment of Board members to the various committees, including the chair of each committee, taking into account each director's particular experience and knowledge of the Company and the preferences of each director. The Board appoints annually the members of the committees and committee chairs.

While rotating committee members will be considered periodically, the Board does not believe that rotation should be mandated as a policy because there are significant benefits attributable to continuity, experience gained in service on particular committees and utilizing effectively the individual talents of Board members.

3. Frequency and Length of Committee Meetings. Subject to any requirements in the applicable charter regarding the frequency of committee meetings, each committee chair, in consultation with committee members, determines the frequency and length of the meetings of the committee, taking into account the duties and responsibilities of the Committee.

4. Committee Agenda, Background Materials and Reports. The chair of each committee, in consultation with the appropriate members of management and staff, develops the committee's agenda. Committee members receive agendas and other information, to the extent practicable, in sufficient time before the committee meetings so they will have an opportunity to prepare for discussion of the items at the meeting.

The agenda for each committee meeting is distributed to other members of the Board at the same time that it is distributed to committee members. Minutes of each committee meeting are provided to each Board member to assure that the Board remains fully apprised of topics discussed and actions taken. The chair of each committee also regularly reports at Board meetings on the matters the committee considered and acted upon since the previous Board meeting.

## **Board Responsibilities**

- *Review and Approve Strategic Direction, Operating Plans and Significant Corporate Actions.*  
The Board reviews and approves ATI's strategic plan, yearly goals and an annual operating plan for the Company. The Board also reviews and approves significant corporate actions, including the declaration of dividends and major transactions.
- *Monitor Company Performance.*  
On an on-going basis during the year, the Board monitors ATI's performance against its annual operating plan and reviews ATI's financial performance.
- *Evaluate the CEO.*  
The Personnel and Compensation Committee evaluates annually the performance of the CEO based on objective criteria, including the performance of the business and the accomplishment of strategic goals and objectives, and such factors as leadership, planning, and personnel development. The results of the evaluation are communicated to the CEO at an executive session of the Board. The Personnel and Compensation Committee uses the results of the evaluation in the course of its deliberations regarding the compensation of the CEO.
- *Review and Approve Executive Compensation.*  
The Personnel and Compensation Committee, in consultation with the non-management directors, reviews and approves the compensation of the CEO, and the Committee reviews and approves the compensation plans for other members of senior management, to ensure they are appropriate, competitive and properly reflect ATI's goals and objectives. Annually, the CEO meets with the Personnel and Compensation Committee to develop appropriate goals and objectives for the annual and longer-term executive incentive plans, which are then reviewed with the entire Board.
- *Review and Approve Management Succession Planning.*  
The Personnel and Compensation Committee and the Board periodically review ATI's management succession plans. They also regularly review policies and procedures for the selection and evaluation of the CEO, as well as policies regarding timely and efficient transfer of responsibilities in the event of an emergency. The Committee may also consider potential

successors to the CEO and other key members of the senior management of the Company in accordance with the Company's management succession plans.

- *Advise and Counsel Management on Significant Issues.*  
The Board is responsible for utilizing the broad range of experiences and perspectives of directors to advise and counsel management, both in meetings and in informal consultations, on significant issues facing ATI. The Board has the authority, as it deems appropriate, to independently engage outside legal, accounting or other advisors or consultants in furtherance of its responsibilities.
- *Monitor Ethical and Legal Compliance.*  
The Board, with the assistance of the Audit Committee, monitors ethical and legal compliance by ensuring that processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements and compliance with ATI's *Corporate Guidelines for Business Conduct and Ethics*, a copy of which is published on ATI's website. The Board also monitors developments in corporate governance practices and implements any further practices that contribute to the integrity of the Company's commitment to ethical and legal compliance.

### **Board Relationship to Senior Management**

1. *Board Access to Senior Management.* Board members have complete access to ATI's management.
2. *Board's Interaction with Institutional Investors, Press, Labor Representatives and Customers.* The Board believes that ATI's management has the authority and responsibility to provide one or more public spokespersons for the Company. Without the prior approval of the Chairman of the Board, individual Board members should not meet or otherwise communicate with the various constituencies of the Company, such as institutional investors, customers, labor representatives, and the press.

### **Re-Pricing of Stock Options**

The Company does not re-price stock options after their issuance.

## **Disclosure and Review of Corporate Governance Guidelines**

These Corporate Governance Guidelines will be posted on ATI's website and will be available in print to any stockholder requesting them.

The Nominating and Governance Committee will review these Corporate Governance Guidelines periodically and will report the results of this review to the full Board.

## Annex A Independence Standards

### 1. *Independence Generally*

An “Independent Director” is one who:

- (a) is not, and has not been within the past three years:
  - (i) an employee of the Company;
  - (ii) directly compensated by the Company in an amount in excess of \$120,000 per year, other than director and committee fees and pension or other forms of deferred compensation for prior service that is not contingent on continued service;
  - (iii) affiliated with or employed by a present or former internal or external auditor of the Company or any of its affiliates;
  - (iv) employed as an executive officer of another company where any of the Company’s present executives serves on the compensation committee of the other company;
  - (v) an executive officer or employee of another company that makes payments to, or receives payments from, the Company for property or services in an amount that exceeds, in any single fiscal year, the greater of \$1 million or 2% of the other company’s consolidated gross revenues;
  
- (b) does not have, and has not had within the past three years, an immediate family member who has been an executive officer of the Company or has received the direct compensation described in clause (a)(ii) above (other than as an employee who is not an executive officer of the Company) or has had a relationship described in clause (a)(iii) above (other than as an employee who is not a partner of the auditor and who does not work on the audit of the Company’s financial statements) or (a)(iv) above or has been an executive officer of another company described in clause (a)(v) above; and
  
- (c) has been determined by the Company’s Board not to have any material relationship with or to the Company (either directly or as a partner, stockholder or officer of an organization that has a material relationship with or to the Company). Ownership of a significant

amount of the Company's stock does not, by itself, preclude a determination of independence.

## 2. *Additional Independence Criteria for Audit Committee Members*

In addition to being an Independent Director, as defined above, each member of ATI's Audit Committee must not, except in his or her capacity as a member of the Audit Committee, the Board or any other Board committee of the Company: (a) accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof; or (b) be an affiliated person of the Company or any subsidiary thereof. For this purpose, the term "affiliated person" means one who, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company or any subsidiary thereof. A person will not be deemed to be in control of the Company or any subsidiary, however, unless the person is: (A) the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities of the Company or (B) an executive officer or director of the Company.

As an amplification of the foregoing:

- (i) Director's fees (including fees for service on committees) must be the sole compensation that an Audit Committee member receives from the Company.
- (ii) Permissible director fees may include equity-based awards and may also include fees that are structured to provide additional compensation for additional duties (such as extra fees for serving on and/or chairing Board committees).
- (iii) A former Company employee who later qualifies as an Independent Director will not be barred from chairing or serving as a voting member of the Audit Committee merely because he or she receives a pension or other form of deferred compensation from the Company for his or her prior service (provided such compensation is not contingent in any way on continued service as a director).
- (iv) Neither an Audit Committee member nor his or her firm may receive any fees from the Company, directly or indirectly, for services as a consultant or a legal or financial adviser. This applies without regard

to whether the Audit Committee member is directly involved in rendering any such services to the Company.

### 3. *Materiality Determination Based on Facts and Circumstances*

In assessing the materiality of any existing or proposed director's relationship with the Company for the purpose of evaluating the director's independence (other than a relationship described in clause (a) of the definition of an Independent Director, which will always be deemed material), the Board will consider all relevant facts and circumstances. Material relationships can include, but are not limited to, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Board should evaluate materiality not only from the perspective of the director, but also from that of persons and organizations with which the director has a relationship. To assist in determining the materiality of specific relationships, the Board has adopted the following non-exclusive standards (the "Materiality Standards"):

- The interest of a person or a person's Immediate Family Member in a transaction or series of similar transactions with the Company or its subsidiaries within the past five years will not be deemed to create a material relationship with the Company for the purposes of determining that person's independence if:
  - (i) the amount of the transaction or series of transactions does not exceed \$120,000, or
  - (ii) the amount of the transaction or series of transactions exceeds \$120,000, but (A) the transaction accounts for less than the greater of 2 percent or \$1 million of the Company's consolidated gross revenues for the last full fiscal year, (B) the transaction is a commercial transaction carried out at arm's length in the ordinary course of business, and (C) the interest of the person or the person's Immediate Family Member arises solely from (1) his or her position as an executive officer or employee of another party to the transaction and the transaction accounts for less than the greater of 2 percent or \$1 million of the consolidated gross revenues of that other party for its last fiscal year or (2) his or her ownership of less than ten percent of the equity ownership of another party to the transaction, or

- (iii) the rate or rates involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority, or
  - (iv) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
- A person's affiliation with a firm, corporation or other entity that engages, or during the fiscal year immediately prior to the date of the determination has engaged, or proposes to engage in a transaction with the Company or its subsidiaries, as a customer or supplier or otherwise, whose business accounts for less than the greater of 2 percent or \$1 million of the Company's consolidated gross revenues for its last full fiscal year and less than the greater of 2 percent or \$1 million of the consolidated gross revenues of the other firm, corporation or other entity for its last fiscal year, will not be deemed to create a material relationship with the Company for purposes of determining that person's independence.
- A person's affiliation with a firm, corporation or other entity to which the Company or its subsidiaries is indebted at the date of the determination in an aggregate amount that is less than 5 percent of ATI's consolidated gross assets for its last full fiscal year, will not be deemed to create a material relationship with the Company for purposes of determining that person's independence.

For purposes of the Materiality Standards only, the term "Company" refers to the Company and its subsidiaries, unless the context requires otherwise, and a person is affiliated with a firm, corporation or other entity if he or she is an executive officer of, or owns, or during the last full fiscal year has owned, either of record or beneficially in excess of a ten percent equity interest in that firm, corporation or other entity.

The basis for the Board's determination that a relationship is not material will be disclosed in ATI's proxy statement. If the relationship does not satisfy the Materiality Standards, the basis for the Board's determination will be specifically explained.

4. *Additional Considerations for Personnel and Compensation Committee Members*

In assessing the independence of any existing or proposed director who will serve on the Personnel and Compensation Committee, the Board shall consider all factors specifically relevant to determining whether such an existing or proposed director has a relationship to the Company which is material to that existing or proposed director's ability to be independent from management in connection with the duties of a member of the Personnel and Compensation Committee, including, but not limited to, the following factors:

- The source of compensation of the existing or proposed director, including any consulting, advisory or other compensatory fee paid by the Company to the existing or proposed director. In particular, the Board shall consider whether the existing or proposed director receives compensation from any person or entity that would impair his or her ability to make independent judgments about the Company's executive compensation.
- Whether the existing or proposed director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company. In particular, the Board shall consider whether any such affiliate relationship places the existing or proposed director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the existing or proposed director and members of senior management, in each case of a nature that would impair his or her ability to make independent judgments about the Company's executive compensation.

5. *Certain Definitions*

- (a) Immediate Family Members. "Immediate Family Members" include a person's spouse, parents, children, stepparents, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than tenants or employees) who shares such person's home.

- (b) Affiliate. Except as otherwise specified in paragraph 2. above for purposes of certain Audit Committee requirements or as otherwise defined for purposes of the Materiality Standards, “affiliate” of the Company means a subsidiary, sibling company, predecessor or parent company, except that another entity shall no longer be deemed an affiliate of the Company after five years following termination of its relationship with the Company. Thus, a director who is or has been within the past two years an executive officer of another entity that stopped being an affiliate of the Company more than five years ago will qualify as an Independent Director absent any other disqualifying relationship.