

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

RTI INTERNATIONAL METALS INC
Form DEF 14A
April 04, 2002

SCHEDULE 14A
(RULE 14A)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement [] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

RTI INTERNATIONAL METALS, INC.

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of filing fee (Check the appropriate box):

- [] \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.
- [] \$500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

(4) Proposed maximum aggregate value of transaction: _____

(5) Total fee paid: _____

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid: _____

(2) Form, Schedule or Registration Statement No.: _____

(3) Filing Party: _____

(4) Date Filed: _____

No fee required

RTI LOGO

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

APRIL 26, 2002
9:30 A.M. CENTRAL TIME

The St. Regis, Houston
1919 Briar Oaks Lane
Houston, Texas

RTI LOGO

1000 Warren Avenue
Niles, Ohio 44446

April 5, 2002

Dear RTI Shareholder:

You are cordially invited to attend our 2002 Annual Meeting of Shareholders on April 26, 2002, in the St. Regis, Houston, 1919 Briar Oak Lane, Houston, Texas.

The meeting will begin promptly at 9:30 a.m. Central Time with a report on Company operations. We will then elect directors and independent accountants.

Whether or not you plan to attend, it is important that you vote your shares. Please sign, and return your proxy card as soon as possible.

We look forward to seeing as many of you as possible at the 2002 Annual Meeting.

Sincerely,

/s/ ROBERT M. HERNANDEZ
ROBERT M. HERNANDEZ

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

Chairman of the Board

/s/ TIMOTHY G. RUPERT
TIMOTHY G. RUPERT
President & Chief Executive Officer

TABLE OF CONTENTS

Notice of Annual Meeting..... 3

Proxy Statement..... 4

 General Information..... 4

The Board of Directors..... 5

 PROPOSAL NO. 1 -- ELECTION OF DIRECTORS..... 7

 PROPOSAL NO. 2 -- ELECTION OF INDEPENDENT ACCOUNTANTS..... 9

Security Ownership..... 11

Executive Compensation..... 12

Stock Performance Graph..... 15

Pension Benefits..... 15

Employment Agreements..... 16

Other Information..... 18

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF
RTI INTERNATIONAL METALS, INC.

TIME:
9:30 a.m., Central Time

DATE:
April 26, 2002

PLACE:
The St. Regis, Houston
1919 Briar Oaks Lane
Houston, Texas

PURPOSE:
- Elect directors
- Elect independent accountants
- Conduct other business if properly raised

Only shareholders of record on March 1, 2002 may vote at the meeting.

YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE, AND RETURN YOUR PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE.

/S/ RICHARD M. HAYS

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

RICHARD M. HAYS
Secretary

April 5, 2002

3

PROXY STATEMENT

GENERAL INFORMATION

- WHO MAY VOTE?

Shareholders of RTI as of the close of business on the record date, March 1, 2002, are entitled to vote at the Annual Meeting.

- WHAT MAY I VOTE ON?

You may vote on:

- the election of nominees to serve on our Board of Directors and
- the election of our independent accountants for 2002.

- HOW DOES THE BOARD RECOMMEND I VOTE?

The Board recommends that you vote FOR each of the nominees and FOR PricewaterhouseCoopers LLP as our independent accountants for 2002.

- HOW DO I VOTE?

Sign and date each proxy card you receive and return it in the envelope provided. If you return your signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the two proposals. You have the right to revoke your proxy at any time before the meeting by:

- (1) notifying RTI's Secretary;
- (2) voting in person; or
- (3) returning a later-dated proxy card.

- WHAT VOTES ARE NEEDED?

The director candidates receiving the most votes will be elected to the Board. Election of the independent accountants requires the favorable vote of a majority of the votes cast. Only votes for or against a proposal count. Abstentions and broker non-votes do not count for voting purposes. Broker non-votes occur when a broker returns a proxy but does not have authority to vote on a particular proposal.

4

THE BOARD OF DIRECTORS

The business and affairs of RTI are under the general direction of the Board of Directors. The Board presently consists of ten members, eight of whom are neither officers nor employees of RTI or its subsidiaries. The Board met six times during 2001. Each of the directors attended more than 75% of the total

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

number of meetings of the Board and Board Committees on which the director served during 2001 except for Mr. Armstrong who attended 8 of the 11 (73%) such meetings. In addition to attending Board and committee meetings, directors on occasion also serve RTI through consultation with the Chairman and the President and Chief Executive Officer and other members of management relative to matters of mutual interest and concern to RTI. During 2001, Mr. Armstrong assisted RTI by leading a team of senior management on an international business trip.

The Board will consider recommendations by shareholders for nominees for election as director. Recommendations, together with the nominee's qualifications and consent to be considered as a nominee, should be sent to the Secretary of RTI for presentation to the Board of Directors.

There are three principal committees of the Board of Directors. Committee membership, the functions of the committees and the number of meetings held during 2001 are described below.

EXECUTIVE COMMITTEE

The members of the Executive Committee are Robert M. Hernandez (Chairman), Craig R. Andersson, Charles C. Gedeon, John H. Odle and Timothy G. Rupert.

The Executive Committee assists the Board in the discharge of its responsibilities and may act on behalf of the Board when emergencies or scheduling make it difficult to convene the Board. All actions taken by the Committee must be reported at the Board's next meeting. During 2001, the Executive Committee held no meetings.

AUDIT COMMITTEE

The members of the Audit Committee are Wesley W. von Schack (Chairman), Craig R. Andersson, Neil A. Armstrong, Daniel I. Booker, Ronald L. Gallatin, Charles C. Gedeon and Edith E. Holiday. Each member of the Committee is an independent director as defined by New York Stock Exchange rules. The Committee has adopted a written charter which has been approved by the Board of Directors.

The Audit Committee recommends the independent accountants to be nominated by the Board for election by the shareholders and reviews the independence of the accountants. It also approves the scope of the annual audit activities, approves the audit fee payable to the independent accountants, reviews audit results and regularly meets with RTI's internal auditors. The Committee monitors developments in accounting standards and principles followed by RTI in its financial reports and discusses with management the system of internal accounting controls. The independent accountants have full and free access to the Committee and may meet with it, with or without management being present, to discuss all appropriate matters. The Audit Committee held four meetings during 2001.

HUMAN RESOURCES COMMITTEE

The members of the Human Resources Committee, all of whom are non-employee directors, are Craig R. Andersson, Neil A. Armstrong, Daniel I. Booker, Ronald L. Gallatin, Charles C. Gedeon, Edith E. Holiday and Wesley W. von Schack.

The Human Resources Committee is responsible for review and approval of executive compensation programs, plans and awards; administering long-term incentive plans and awards; review and approval of general employee pension benefit plans and other benefit plans on an as-needed basis. It also reviews and recommends director nominees to the Board. The Committee held one meeting in 2001.

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

COMPENSATION OF DIRECTORS

RTI employees receive no extra pay for serving as a director. Non-employee directors receive an annual retainer plus a fee for each Board or committee meeting attended, except that no fee is payable for attending a committee meeting if there is a Board meeting on the same day. The annual retainer is \$35,000 (except for the Chairman) and the meeting fee \$1,000. For his services as non-employee Chairman; Mr. Hernandez receives an annual retainer of \$80,000: \$62,500 in RTI common stock and \$17,500 in cash. The non-employee committee chairman retainer is \$3,000. One-half of the annual retainer payable to non-employee directors and to non-employee committee chairmen is paid in RTI common stock. In 2001, the Common Stock utilized for this purpose and for the Chairman's annual retainer was based on \$12.76, the market value of the stock on August 1, 2001.

RTI has adopted the 2002 Non-Employee Director Stock Option Plan providing for the grant of options to purchase up to 500,000 shares during the 10 year term of the Plan. All directors who are not employees of RTI participate in the Plan. On January 25, 2002, each director participating in the Plan was granted a stock option for 3,000 shares at an exercise price of \$9.575 per share.

6

PROPOSAL NO. 1 -- ELECTION OF DIRECTORS

RTI's directors are elected for one year terms. Non-employee directors may not stand for election after age 72. Employee directors leave the Board when they retire from RTI.

The Board has nominated the ten current directors for election. Each nominee for election has previously been elected by the shareholders. Of the ten individuals who are nominees for election, two are current RTI officers and the remaining eight have high level executive or professional experience. If any nominee is unable to serve, your proxy may be voted for another person designated by the Board.

NOMINEES FOR DIRECTOR

| | |
|--|---------------------|
| CRAIG R. ANDERSSON | Age: 64 |
| RETIREED VICE-CHAIRMAN | Director since 1990 |
| ARISTECH CHEMICAL CORPORATION (CHEMICAL PRODUCER) | |

Mr. Andersson retired as a director and Vice-Chairman of Aristech Chemical Corporation on April 30, 1995. Previously, he was President and Chief Operating Officer, a position he had held since December, 1986. He is a director of Albermarle Corporation and Duquesne University. He is a member of the American Institute of Chemical Engineers and Alpha Chi Sigma (a professional chemical society) and has served on the boards and executive committees of The Society of the Chemical Industry, the Chemical Manufacturers Association, the Pennsylvania Business Roundtable and the Greater Pittsburgh Chamber of Commerce. He has a BS degree in chemical engineering from the University of Minnesota and did graduate work in the same discipline at the University of Delaware.

| | |
|---|---------------------|
| NEIL A. ARMSTRONG | Age: 71 |
| CHAIRMAN, EDO CORPORATION | Director since 1990 |
| (ELECTRONIC AND ELECTROMECHANICAL SYSTEMS MANUFACTURER) | |

Mr. Armstrong received a BS degree in aeronautical engineering from Purdue

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

University and an MS degree in aerospace engineering from the University of Southern California. For 17 years he served with the National Aeronautics and Space Administration and its predecessor agency as engineer, test pilot, astronaut and administrator. From 1971 to 1979 he was professor of aerospace engineering at the University of Cincinnati. He became Chairman of Cardwell International, Ltd. in 1980; Chairman of CTA, Inc. in 1982; Chairman of AIL Systems, Inc. in 1989 and Chairman of EDO Corporation in 2000. He is a director of Marathon Oil Company. He is a member of the National Academy of Engineering.

DANIEL I. BOOKER
PARTNER,
REED SMITH LLP
(LAW FIRM)

Age: 54
Director since 1995

Mr. Booker is a partner of the law firm of Reed Smith LLP. From 1992 until December 31, 2000 he was Managing Partner, or chief executive, of Reed Smith. He received an undergraduate degree from the University of Pittsburgh and a law degree from the University of Chicago. He is a member of the District of Columbia, Pennsylvania and U.S. Supreme Court bars. Mr. Booker is a director of Oce USA Holding, Inc. and the Pittsburgh Regional Alliance; Chairman and a director of the Pittsburgh Civic Light Opera; and is active in other community and professional organizations.

7

RONALD L. GALLATIN
RETIRED MANAGING DIRECTOR
LEHMAN BROTHERS INC.
(INVESTMENT BANKING FIRM)

Age: 56
Director since 1996

Mr. Gallatin served as a Managing Director of Lehman Brothers Inc., where he was a member of the Firm's Operating Committee and its Director of Corporate Strategy and Product Development until his retirement on December 31, 1995. During his 24 years with Lehman, Mr. Gallatin had various senior roles in both its investment banking and capital markets divisions and was responsible for a series of financial innovations, most notably Zero Coupon Treasury Receipts, Money Market Preferred Stock and Targeted Stock. He is currently a director of CNA Financial Corporation. A graduate of New York University, and both Brooklyn and New York University Law Schools, Mr. Gallatin has BS, JD and LLM (Taxation) degrees and is a Certified Public Accountant.

CHARLES C. GEDEON
EXECUTIVE VICE PRESIDENT-RAW MATERIALS
AND DIVERSIFIED BUSINESSES
UNITED STATES STEEL CORPORATION

Age: 61
Director since 1991

Mr. Gedeon joined USX Corporation in 1986 as Vice President-Raw Materials and President of U.S. Steel Mining Co., Inc. He was promoted to Senior Vice President-Related Resources for USX in 1988 and advanced to the position of President, U.S. Diversified Group in 1990. He assumed his current position in 1992. From 1983 until he joined USX, Mr. Gedeon had been Vice President-Operations of National Steel Corporation. Mr. Gedeon is a member of the American Iron and Steel Institute.

ROBERT M. HERNANDEZ
CHAIRMAN OF THE BOARD OF THE COMPANY

Age: 57
Director since 1990

On December 31, 2001, Mr. Hernandez retired as Vice Chairman and Chief Financial Officer and director of USX Corporation. He was elected to this position on December 1, 1994. Mr. Hernandez had been elected Executive Vice President--Accounting & Finance and Chief Financial Officer and director of USX

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

on November 1, 1991. He was Senior Vice President-Finance & Treasurer of USX from October 1, 1990, to October 31, 1991. Mr. Hernandez was President-U.S. Diversified Group of USX from June 1, 1989, to September 30, 1990, and in such role had responsibilities for USX's businesses not related to energy and steel. From January 1, 1987, until May 31, 1989, he was Senior Vice President and Comptroller of USX. Mr. Hernandez has his undergraduate degree from the University of Pittsburgh and his MBA from the Wharton Graduate School of the University of Pennsylvania. He is a trustee and Vice Chairman of BlackRock Funds; a director and Chairman of the Executive Committee of ACE Limited; and a director of the Strategic Investment Fund and UPMC Health Systems.

EDITH E. HOLIDAY Age: 50
ATTORNEY Director since 1999

Ms. Holiday was elected a director on July 29, 1999. She served as Assistant to the President and Secretary of the Cabinet in the White House from 1990 to 1993. Prior to that she held several senior positions in the United States Treasury Department including General Counsel. She is a director of Amerada Hess Corporation; Beverly Enterprises, Inc.; Canadian National Railway Company; Digex, Inc.; Hercules Incorporated and H.J. Heinz Company. She is also a director or trustee of a number of investment companies in the Franklin Templeton Group of Funds. She has BS and JD degrees from the University of Florida.

JOHN H. ODLE Age: 59
EXECUTIVE VICE PRESIDENT Director since 1996
OF RTI

Mr. Odle was elected a director on July 26, 1996 and has been Executive Vice President since June 1996. He was Senior Vice President--Commercial from 1989 to 1996 and served as Vice-President--Commercial from 1981 until 1989. Prior to that, Mr. Odle served as General Manager--Sales. He has 24 years of service with RTI and its predecessor. He is a member of the American Society for Metals and the International Titanium Association. He is a graduate of Miami University of Ohio.

8

TIMOTHY G. RUPERT Age: 55
PRESIDENT & CHIEF Director since 1996
EXECUTIVE OFFICER OF RTI

Mr. Rupert was elected a director on July 26, 1996 and President & Chief Executive Officer on July 30, 1999. He had been Executive Vice President & Chief Financial Officer since June 1996. He was Senior Vice President & Chief Financial Officer from 1994 to 1996 and had served as Vice President & Chief Financial Officer since September 1991 when he joined RTI's predecessor. He is a director and President of the International Titanium Association, a director of Columbus Insurance Ltd.; and a member of the Financial Executives Institute. He has a BS degree from Indiana University of Pennsylvania.

WESLEY W. VON SCHACK Age: 57
CHAIRMAN, PRESIDENT AND Director since 1991
CHIEF EXECUTIVE OFFICER,
ENERGY EAST CORPORATION
(ENERGY SERVICES COMPANY)

Mr. von Schack joined Energy East Corporation's predecessor New York State Electric & Gas Corp. in September, 1996. He is a director of Energy East and is also a director of Mellon Financial Corporation, Mellon Bank, N.A.; American Gas Association; The Business Council of New York State, Inc.; The Peconic Land

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

Trust and Aegis Insurance Limited. Mr. von Schack has an AB in economics from Fordham University, an MBA from St. John's University and a Doctorate Degree from Pace University.

PROPOSAL NO. 2 -- ELECTION OF INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP has served as independent accountants for RTI and its predecessors for a number of years. For 2001, PricewaterhouseCoopers LLP rendered professional services in connection with the audit of the financial statements of RTI and its subsidiaries, including examination of certain employee benefit plans, review of quarterly reports and review of filings with the Securities and Exchange Commission. It also provided internal audit and tax consulting services and reviewed RTI's enterprise resource planning software system from the accounting controls standpoint. It is knowledgeable about RTI's operations and accounting practices and is well qualified to act in the capacity of independent accountants.

AUDIT FEES

The aggregate fees billed for professional services rendered for the audit of RTI's annual financial statements for 2001 and review of financial statements in RTI's Form 10-Q Reports in 2001 were \$296,435.

ALL OTHER FEES

The aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP during 2001 to RTI and its subsidiaries other than fees disclosed above were \$613,295. Included in other fees was approximately \$284,000 related to tax services, \$174,000 related to internal audit services, \$63,000 related to due-diligence services and \$32,000 related to employee benefit plans. RTI and PricewaterhouseCoopers LLP have agreed that beginning August 1, 2002, PricewaterhouseCoopers will no longer provide internal audit services to RTI.

INDEPENDENT STATUS OF PRICEWATERHOUSECOOPERS LLP

The Audit Committee has considered whether the provision by PricewaterhouseCoopers LLP of the professional services covered by the above-described billings (other than those described under Audit Fees) was compatible with the maintenance by PricewaterhouseCoopers LLP of its independent status and has determined that it was.

9

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF
PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT ACCOUNTANTS
FOR RTI FOR 2002.

AUDIT COMMITTEE REPORT

We have reviewed and discussed RTI's 2001 audited financial statements with management and with PricewaterhouseCoopers LLP. We have also discussed with the independent accountants the matters required to be communicated by Statement on Auditing Standard (SAS) No. 61 as amended by SAS No. 90 (Communications With Audit Committees).

In addition we have received from the independent accountants the written

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

disclosures required by Independence Standards Board Standard No. 1 and have discussed with them their independence from RTI and its management.

Based on these reviews and discussions, we recommended to RTI's Board of Directors, and the Board has approved, that the Audited Financial Statements be included in RTI's Annual Report on Form 10-K for the year ended December 31, 2001 for filing with the Securities and Exchange Commission.

| | |
|---------------------------------|-------------------|
| Wesley W. von Schack (Chairman) | Neil A. Armstrong |
| Craig R. Andersson | Daniel I. Booker |
| Ronald L. Gallatin | Charles C. Gedeon |
| Edith E. Holiday | |

10

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

To the knowledge of RTI, as of March 1, 2002, no person or group owned beneficially more than five percent of the outstanding Common Stock of RTI except:

| NAME AND ADDRESS OF BENEFICIAL OWNER ----- | AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP ----- | PERCENT OF CLASS ----- |
|---|---|------------------------------|
| ICM Asset Management, Inc..... 601 W. Main Ave., Ste. 600 Spokane, WA 99201 | 2,704,586 (1) | 13.0% |
| AXA Financial, Inc..... 1290 Avenue of the Americas New York, NY 10104 | 2,565,812 (2) | 12.3% |
| Salomon Smith Barney Holdings Inc..... 388 Greenwich Street New York, NY 10013 Smith Barney Fund Management LLC 125 Broad Street New York, NY 10003 Citigroup Inc. 399 Park Avenue New York, NY 10043 | 2,412,063 (3) | 11.6% |
| Dimensional Fund Advisors, Inc..... 1299 Ocean Ave, 11th Floor Santa Monica, CA 90401 | 1,652,300 (4) | 8.0% |

(1) Based on Schedule 13G dated February 5, 2002, which indicates ICM had sole voting power over no shares, shared voting power over 1,604,340 shares, sole dispositive power over no shares and shared dispositive power over 2,704,586 shares.

(2) Based on Schedule 13G dated February 11, 2002, which indicates that

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

AXA had sole voting power over 2,217,800 shares, shared voting power over 23,300 shares, sole dispositive power over 2,565,812 shares and shared dispositive power over no shares.

- (3) Based on Schedule 13G/A dated January 29, 2002, which indicates that each reporting person had sole voting power and sole dispositive power over no shares; and shared voting power and shared dispositive power over 2,412,063 shares.
- (4) Based on Schedule 13G dated January 30, 2002, which indicates that Dimensional Fund had sole voting power and sole dispositive power over 1,652,300 shares and shared voting power and shared dispositive power over no shares.

11

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table reflects the number of shares of Common Stock of RTI beneficially owned, as of February 18, 2002, by each director, by each executive officer named in the Summary Compensation Table and by all directors and executive officers as a group:

| NAME ----- | NUMBER OF SHARES (1) ----- | PERCENT OF OUTSTANDING SHARES (2) ----- |
|--|----------------------------------|--|
| Craig R. Andersson..... | 55,525 | -- |
| Neil A. Armstrong..... | 18,347 | -- |
| Gordon L. Berkstresser..... | 14,822 | |
| Daniel I. Booker..... | 12,518 | -- |
| Ronald L. Gallatin..... | 60,000 | -- |
| Charles C. Gedeon..... | 5,840 | -- |
| Robert M. Hernandez..... | 46,289 | -- |
| Dawne S. Hickton..... | 57,916 | -- |
| Edith E. Holiday..... | 3,620 | -- |
| Lawrence W. Jacobs..... | 52,138 | -- |
| John H. Odle..... | 186,029 | -- |
| Timothy G. Rupert..... | 237,209 | 1.1% |
| Wesley W. von Schack..... | 19,125 | -- |
| | ----- | |
| All directors and executive officers as a group (13 persons)..... | 769,378 | 3.7% |

(1) Includes 25,166 shares, 5,665 shares, 17,333 shares, 71,333 shares and 86,000 shares, respectively, which Mrs. Hickton and Messrs. Berkstresser, Jacobs, Odle and Rupert had the right to acquire within 60 days under the Company's 1989 Stock Option Incentive Plan and 1995 Stock Plan.

(2) No percent is shown for ownership of less than one percent.

EXECUTIVE COMPENSATION

The following table shows the annual and long term compensation paid the chief executive officer and the other four most highly compensated executive officers

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

of RTI for services rendered in all capacities in 2001, 2000 and 1999.

SUMMARY COMPENSATION TABLE

| NAME AND PRINCIPAL POSITION ----- | YEAR ---- | ANNUAL COMPENSATION ----- | | | LONG TERM COMPENSATION ----- | |
|---|--------------|------------------------------|----------------------|--|---------------------------------|------------------------------|
| | | SALARY ----- | \$ BONUS ----- | OTHER ANNUAL COMPENSATION ----- | RESTRICTED | STOCK |
| | | | | | STOCK \$ ----- | OPTIONS (SHARES) ----- |
| Timothy G. Rupert(1)..... | 2001 | \$370,000 | \$325,000 | -- | \$236,720 | 25,000 |
| President & | 2000 | 350,000 | 250,000 | -- | 171,856 | 30,060 |
| Chief Executive Officer | 1999 | 285,000 | 75,000 | -- | 630,000 | 15,000 |
| John H. Odle..... | 2001 | 265,000 | 135,000 | -- | 94,688 | 23,000 |
| Executive Vice President | 2000 | 250,000 | 160,000 | -- | 80,443 | 25,000 |
| | 1999 | 243,333 | 65,000 | -- | 453,250 | 15,000 |
| Gordon L. Berkstresser(2)... | 2001 | 125,000 | 50,000 | -- | 23,672 | 10,000 |
| Vice President & | 2000 | 120,000 | 50,000 | -- | 21,939 | 7,000 |
| Controller | 1999 | 100,000 | 30,000 | -- | -- | 5,000 |
| Dawne S. Hickton..... | 2001 | 160,000 | 75,000 | -- | 47,344 | 12,000 |
| Vice President & General | 2000 | 150,000 | 70,000 | -- | 25,596 | 12,000 |
| Counsel | 1999 | 135,583 | 50,000 | -- | 160,375 | 7,000 |
| Lawrence W. Jacobs(3)..... | 2001 | 145,000 | 55,000 | -- | 23,672 | 10,000 |
| Vice President & | 2000 | 140,000 | 50,000 | -- | 21,939 | 10,000 |
| Chief Financial Officer | 1999 | 121,667 | 35,000 | -- | 157,250 | 6,000 |

(1) Elected President and Chief Executive Officer July 30, 1999.

(2) Elected Vice President and Controller October 29, 1999.

(3) Elected Chief Financial Officer July 30, 1999.

12

The following tables set forth information with respect to stock option grants and exercises in 2001 and December 31, 2001 stock option values:

STOCK OPTION GRANTS IN 2001

| NAME ----- | OPTIONS GRANTED (SHARES) ----- | % OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2001 ----- | EXERCISE OR BASE PRICE (\$/SH) ----- | EXPIRATION DATE ----- |
|------------------------|---|--|---|-----------------------------|
| Timothy G. Rupert..... | 25,000 | 15.6% | \$ 15.78 | 1/26/11 |

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

| | | | | |
|-----------------------------|--------|------|-------|---------|
| John H. Odle..... | 23,000 | 14.3 | 15.78 | 1/26/11 |
| Gordon L. Berkstresser..... | 10,000 | 6.2 | 15.78 | 1/26/11 |
| Dawne S. Hickton..... | 12,000 | 7.5 | 15.78 | 1/26/11 |
| Lawrence W. Jacobs..... | 10,000 | 6.2 | 15.78 | 1/26/11 |

AGGREGATED STOCK OPTION EXERCISES IN 2001 AND DECEMBER 31, 2001 STOCK OPTION VALUES

| NAME | SHARES ACQUIRED ON EXERCISE (SHARES) | VALUE REALIZED | NUMBER OF UNEXERCISED OPTIONS AT DECEMBER 31, 2001 (SHARES) (1) | | EXERCISE |
|-----------------------------|---|-------------------|---|---------------|----------|
| | | | EXERCISABLE | UNEXERCISABLE | |
| Timothy G. Rupert..... | -- | -- | 86,000 | 50,000 | \$179, |
| John H. Odle..... | 6,000 | 66,445 | 71,333 | 44,667 | 93, |
| Gordon L. Berkstresser..... | -- | -- | 5,665 | 16,335 | 7, |
| Dawne S. Hickton..... | -- | -- | 25,166 | 22,334 | 11, |
| Lawrence W. Jacobs..... | -- | -- | 17,333 | 18,667 | 9, |

(1) Adjusted for one-for-ten reverse stock split effective March 31, 1994 and subsequent rights offering.

HUMAN RESOURCES COMMITTEE REPORT ON EXECUTIVE COMPENSATION

This Committee administers RTI's stock-based compensation plans and is also responsible for all other executive compensation matters.

RTI has adopted a comprehensive statement entitled "Pay Philosophy and Guiding Principles Governing Officer Compensation". Principal components of the statement are as follows:

The Philosophy is to have RTI's officer compensation programs:

- promote achievement of RTI's business objectives and reinforce its strategies.
- align the interests of RTI's officers with those of its shareholders.
- provide pay that is externally competitive and internally equitable, that rewards accomplishment to the extent identifiable and measurable and that delivers significant rewards for exceptional performance.

The Guiding Principles are described as:

1. Pay programs will be characterized by variability, clarity, communicability and strategic emphasis. Specific areas of communication will be the factors considered, annual target incentive objectives and results and annual target levels for restricted stock vesting performance measures and results. The strategic emphasis will include recognition of the roles of various elements of pay in attracting, retaining and motivating employees, the aspects of performance that each element is best suited to reward and the characteristics of RTI and its officer group that point to emphasis on specific elements of pay.

2. Specific descriptions of salary administration and annual and long term incentive compensation administration are set forth. Annual incentive compensation is accomplished through RTI's Incentive Compensation Plan while long term incentive compensation is handled under the 1995 Stock Plan.

13

Market conditions in the titanium industry were weak in 2000 with low titanium mill product shipments. Both improved somewhat in 2001 until they were severely impacted by the events of September 11. Despite the low operating rates and level of business at RTI's facilities, management's focus on value added products and cost controls resulted in RTI's remaining profitable in both years.

After review of the officers' excellent performance against their 2000 objectives, RTI's operating and financial performance in a difficult year, cash flow achievement and shareholder return, in January 2001, the officers received the salary increases and the restricted stock and stock option awards shown in the Summary Compensation Table. These actions were in accord with the Pay Philosophy and Guiding Principles Statement.

In January 2002, performance by the officers against the business plan and individual objectives was evaluated. Considering market conditions, especially in the fourth quarter of 2001, management again turned in an outstanding performance. Income was down somewhat from that planned but cash flow was excellent and in light of the market conditions the officers' performance was deemed to be exemplary. Consequently, they were granted the bonuses shown in the Summary Compensation Table. The Committee also approved compensation increases and grants of restricted stock and stock options.

The procedures described above were followed in January 2001 and January 2002 in determining the CEO's salary increase, grants of restricted stock and stock options and bonus for 2001. The CEO performed well against his individual objectives for 2000 and both income and cash flow were above plan for the year. Shareholder return was excellent. The bonus determination for the 2001 bonus was in accord with the Pay Philosophy and took into account the CEO's outstanding performance.

Craig R. Andersson
Ronald L. Gallatin

Neil A. Armstrong
Charles C. Gedeon
Wesley W. von Schack

Daniel I. Booker
Edith E. Holiday

14

STOCK PERFORMANCE GRAPH

Set forth below is a line graph comparing the five year cumulative total return to shareholders on RTI's Common Stock with the cumulative total return of the S&P 500 Stock Index and a titanium industry group index consisting of RTI, Oregon Metallurgical Corporation (until March 15, 1998, the last date its stock was publicly traded) and Tremont Corporation (Timet Corporation after June 4, 1996, the date its stock first became publicly traded).

COMPARISON OF CUMULATIVE TOTAL RETURN
RTI, INDUSTRY PEER GROUP AND S&P 500*

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

| | S&P 500 ----- | INDUSTRY ----- |
|------|------------------|-------------------|
| 1996 | 100 | 100 |
| 1997 | 225 | 335 |
| 1998 | 289 | 167 |
| 1999 | 350 | 90 |
| 2000 | 318 | 176 |
| 2001 | 278 | 125 |

* Assumes \$100 investment on January 1, 1996 and reinvestment of dividends.

PENSION BENEFITS

RTI's Pension Plan is a defined benefit plan which first became effective at RMI Company (a predecessor of RTI) in 1971. The Pension Plan recognizes, for pension benefits, services and compensation with RTI, RMI Titanium Company, RMI Company, Reactive Metals, Inc. (a predecessor of RMI Company), USX Corporation, Quantum Chemical Corporation, or subsidiaries of each. The amounts payable under the Pension Plan will be paid monthly after a participant retires. The table below shows the annual pension benefits for retirement at age 65 (or earlier under certain circumstances) for various levels of eligible earnings which would be payable to employees retiring with the years of service shown. The benefits are based on a formula of a specified percentage (dependent on years of service) of average annual eligible earnings in the five consecutive years of the ten years prior to retirement in which such earnings are highest. Eligible earnings includes only base salary. Incentive awards and similar benefits are excluded, although the amount of such benefits is included in the Summary Compensation Table. Benefits payable under the Pension Plan, and amounts reflected in the following table are subject to offsets for social security benefits and, in certain instances, pensions payable under the USX and the Quantum pension plans. As of December 31, 2001, Mrs. Hickton had 4 credited years of service, and Mr. Jacobs 3, Mr. Odle 24, Mr. Berkstresser 2 and Mr. Rupert 33.

15

| AVERAGE CONSECUTIVE HIGHEST 5 YEARS OF COMPENSATION | ANNUAL BENEFITS FOR YEARS OF SERVICE | | | | |
|--|--------------------------------------|----------|-----------|-----------|-----------|
| | 10 | 15 | 30 | 40 | 45 |
| \$100,000 | \$12,500 | \$18,750 | \$ 37,500 | \$ 51,000 | \$ 57,750 |
| 200,000 | 25,000 | 37,500 | 75,000 | 102,000 | 115,500 |
| 300,000 | 37,500 | 56,260 | 112,500 | 153,000 | 173,250 |
| 400,000 | 50,000 | 75,000 | 150,000 | 204,000 | 231,000 |

Under the employment agreement dated as of August 1, 1999 between RTI and Mr. Odle, RTI agreed that if he continues in active employment with RTI until either age 65, or such earlier date as the RTI Board of Directors may approve, RTI at his retirement will pay him a one time lump sum payment of the then present value of the 9.16 years of non-pensionable service attributable to periods he was employed by USX (3.58 years) and the Company (5.58 years) which pre-date his current period of employment, calculated pursuant to the RTI Pension Plan and its Supplemental Pension Program.

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

SUPPLEMENTAL PENSION PROGRAM

Officers participating in the Incentive Compensation Plan are also eligible for the RTI Supplemental Pension Program. If they retire or otherwise terminate employment after age 60, or prior to age 60 with RTI consent, they will be entitled to receive the benefits shown in the table below based on bonuses paid under the Incentive Compensation Plan.

| AVERAGE ANNUAL BONUS FOR FIVE HIGHEST YEARS IN TEN YEAR PERIOD PRECEDING RETIREMENT | ANNUAL BENEFITS FOR YEARS OF SERVICE | | |
|---|--------------------------------------|----------|----------|
| | 10 | 15 | 20 |
| \$ 50,000 | \$ 7,500 | \$11,250 | \$15,000 |
| 100,000 | 15,000 | 22,500 | 30,000 |
| 150,000 | 22,500 | 33,750 | 45,000 |
| 200,000 | 30,000 | 45,000 | 60,000 |
| 250,000 | 37,500 | 56,250 | 75,000 |
| 300,000 | 45,000 | 67,500 | 90,000 |

In order to comply with the limitations of the Internal Revenue Code, pension benefits will be paid directly by RTI when they exceed the amounts permitted by the Code to be paid from federal income tax qualified pension plans.

EMPLOYMENT AGREEMENTS

On August 1, 1999, RTI entered into employment agreements with Mrs. Hickton and Messrs. Jacobs, Odle and Rupert covering their employment for an initial four year term and for additional one year terms each year thereafter until the officer attains age 65 unless terminated prior thereto by either party on 120 days notice. Under the agreements, each officer will be paid the annual salary set forth, subject to increases from time to time in the sole discretion of RTI. RTI may terminate the services of the officer at any time for "cause" as defined in the agreement. Officers each agree not, for a period of 24 months after the end of the employment period or employment termination, whichever occurs first, to be employed by, or otherwise participate in, any business which competes with RTI. This restriction does not apply if the officer terminates employment with RTI under certain circumstances following a "change in control" of RTI as defined.

The employment agreements also provide that the officer will be entitled to certain severance benefits in the event of termination of employment under certain circumstances following a "change in control" as defined.

These are:

16

- a cash payment of up to three times the sum of the officer's current salary plus the highest bonus in the four years before the date of termination,
- all unvested restricted stock and options will vest immediately,
- life, disability, accident and health insurance benefits for 24 months after termination,

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

- a cash payment of the amount necessary to insure that the payments listed above are not subject to net reduction due to the imposition of federal excise taxes.

The severance benefits are payable if, any time after a change in control, the officer's employment is terminated by the officer for good reason or by RTI other than for cause or disability. In addition the benefits are payable to Mr. Odle or Mr. Rupert in the event either of them terminates employment within 90 days after a change in control.

The definition of a change in control for purposes of these agreements is complex but is summarized as follows. It includes any change in control required to be reported in response to Item 6(e) of Schedule 14A under the Securities Exchange Act of 1934 and provides that a change in control will have occurred if:

- any person not affiliated with RTI acquires 20 percent or more of the voting power of our outstanding securities,
- the Board no longer has a majority made up of (1) individuals who were directors on the date of the agreements and (2) new directors (other than directors who join the Board in connection with an election contest) approved by two-thirds of the directors then in office who (a) were directors on the date of the agreements or (b) were themselves previously approved by the Board in this manner.
- RTI merges with another company and RTI's shareholders end up with less than 50 percent of the voting power of the new entity,
- our shareholders approve a plan of complete liquidation of RTI, or
- we sell all or substantially all of RTI's assets.

On November 1, 1999 RTI entered into an employment agreement with Mr. Berkstresser covering his employment for an initial four year term and for additional one year terms each year thereafter until he attains age 65 unless terminated prior thereto by either party on 120 days notice. Under the agreement, he will be paid the annual salary set forth, subject to increases from time to time in the sole discretion of RTI. The agreement contains the other terms and conditions described above as being contained in the agreements with Mrs. Hickton and Mr. Jacobs.

17

OTHER INFORMATION

OTHER BUSINESS

We do not expect any business to come up for shareholder vote at the meeting other than the items described in the Notice of Annual Meeting. If other business is properly raised, your proxy card authorizes the people named as proxies to vote as they think best.

OUTSTANDING SHARES

On March 1, 2002, 20,807,772 shares were outstanding and entitled to vote.

HOW WE SOLICIT PROXIES

In addition to this mailing, RTI employees may solicit proxies personally,

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

electronically or by telephone. RTI pays the costs of soliciting this proxy. We also reimburse brokers and other nominees for sending these materials to you and getting your voting instructions.

SHAREHOLDER PROPOSALS

The deadline for shareholder proposals for next year's meeting is December 6, 2002.

By Order of the Board of Directors

RICHARD M. HAYS
Secretary

Dated: April 5, 2002

18

PLEASE MARK
YOUR VOTES AS
INDICATED IN
THIS EXAMPLE [X]

This Proxy Card, when properly executed, will be voted in the manner directed herein. If no direction to the contrary is indicated, it will be voted "FOR" all Proposals.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR:

- 1. PROPOSAL NO. 1 - Election of 01 Craig R. Andersson; 02 Neil A. Armstrong; 03 Daniel I. Booker; 04 Ronald L. Gallatin; 05 Charles C. Gedeon; 06 Robert M. Hernandez, 07 Edith E. Holiday, 08 John H. Odle, 09 Timothy G. Rupert and 10 Wesley W. von Schack as directors. FOR all nominees [] WITHHOLD from all []
2. PROPOSAL NO. 2 - Election of PricewaterhouseCoopers LLP as independent accountants for 2002. FOR [] AGAINST [] ABSTAIN []

To withhold authority to vote for any individual nominee, write that nominee's name in the space below:

Signature(s) Dated: , 2002

Please sign EXACTLY as your name appears hereon. When signing as fiduciary or corporate officer, give full title. Joint owners should both sign.

* FOLD AND DETACH HERE *

Edgar Filing: RTI INTERNATIONAL METALS INC - Form DEF 14A

RTI INTERNATIONAL METALS, INC.
1000 WARREN AVENUE, NILES, OHIO 44446

PROXY FOR 2002 ANNUAL MEETING

SOLICITED ON BEHALF OF THE DIRECTORS OF RTI INTERNATIONAL METALS, INC.

The undersigned hereby appoints ROBERT M. HERNANDEZ, TIMOTHY G. RUPERT, JOHN H. ODLE AND RICHARD M, HAYS, or any of them, proxies to vote all shares of Common Stock which the undersigned is entitled to vote with all powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of RTI International Metals, Inc. on April 26, 2002, and any adjournments thereof, upon such matters as may properly come before the meeting. SHAREHOLDERS ARE REQUESTED TO COMPLETE, DATE AND SIGN THIS PROXY CARD AND TO RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED.

PLEASE COMPLETE, DATE AND SIGN THE REVERSE SIDE.

* FOLD AND DETACH HERE *