

RTI INTERNATIONAL METALS INC

Form PRE 14A

February 23, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

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):

No fee required.

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

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

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

(3) Per unit 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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o 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:

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**Notice of Annual Meeting of
Shareholders and Proxy Statement**

April 24, 2009

1:00 p.m. Eastern Daylight Time

Hyatt Regency
Pittsburgh International Airport
Pittsburgh, Pennsylvania
USA

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

The following proxy materials are available for you to review online at www.proxydocs.com/rti:

This Proxy Statement

Form of Company Proxy Card

The Company's 2008 Annual Report to Shareholders
(which is not deemed to be part of the official proxy soliciting materials)

Any amendments to these materials required to be furnished to our shareholders

This website is designed to provide complete anonymity with respect to a shareholder accessing the website, consistent with the Securities and Exchange Commission rules.

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Westpointe Corporate Center One, 5th Floor
1550 Coraopolis Heights Road
Pittsburgh, Pennsylvania 15108-2973

March , 2009

Dear RTI Shareholder:

You are cordially invited to attend our 2009 Annual Meeting of Shareholders on April 24, 2009, at the Hyatt Regency Hotel located at the Pittsburgh International Airport.

The meeting will begin promptly at 1:00 p.m. Eastern Daylight Time with a report on Company operations. We will then elect directors and seek ratification of the appointment of our independent registered public accounting firm and approval of our employee stock purchase plan.

You have a choice of voting your proxy via the Internet, by telephone or by completing and returning the enclosed proxy card. Whether or not you plan to attend the meeting, it is important that you vote your shares and we encourage you to do so as soon as possible.

We look forward to seeing as many of you as possible at the 2009 Annual Meeting.

Sincerely,

Robert M. Hernandez
Chairman of the Board

Dawne S. Hickton
Vice Chairman & Chief Executive Officer

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

Time:

1:00 p.m. Eastern Daylight Time

Date:

April 24, 2009

Place:

The Hyatt Regency
Pittsburgh International Airport
111 Airport Boulevard
Pittsburgh, Pennsylvania, 15231

Purpose:

Elect directors

Ratify the appointment of independent registered public accounting firm

Approve the Company's Employee Stock Purchase Plan

Conduct other business if properly raised

Your vote is important. Please vote promptly by following the instructions on the next page and on the enclosed proxy card.

Chad Whalen

Secretary

March , 2009

Only shareholders of record on February 27, 2009 may vote at the meeting.

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PROXY STATEMENT

General Information

Who may vote?

Shareholders of RTI as of the close of business on the record date, February 27, 2009, are entitled to vote at the Annual Meeting.

What may I vote on?

You may vote on:

- (1) the election of nominees to serve on our Board of Directors,
- (2) the ratification of the appointment of our independent registered public accounting firm for 2009,
- (3) the approval of the Employee Stock Purchase Plan, and
- (4) any other matters that may be properly presented at the meeting.

Voting recommendations

The Board recommends that you vote:

FOR each of the nominees presented in this proxy statement;

FOR the ratification of the appointment of PricewaterhouseCoopers as our independent registered public accounting firm for 2009; and

FOR the approval of the Company's Employee Stock Purchase Plan.

Solicitation

This proxy statement is being furnished by RTI to its shareholders in connection with the solicitation of proxies to be voted at the Annual Meeting. RTI intends to first mail this proxy statement to shareholders on or about March 1, 2009.

How do I vote?

You may vote in any one of the following three ways:

- (1) By Internet: Go to the website shown on the enclosed proxy card (www.cesvote.com) and follow the instructions.
- (2) By Telephone: Call the toll-free number shown on the enclosed proxy card (1-888-693-8683) and follow the voice prompts using a touch-tone telephone.

- (3) By Mail: Sign and date each proxy card you receive and return it in the envelope provided. If you return a signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted FOR all proposals.

You have the right to revoke your proxy at any time before the meeting by sending a written notice of revocation or a later-dated proxy card to RTI's Secretary, by voting subsequently through the Internet or by telephone, or by voting in person at the meeting.

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CORPORATE GOVERNANCE

Business Ethics and Corporate Governance

Business Conduct and Ethics

RTI is committed to conducting business ethically, as well as legally. Ethical and legal conduct in all of the Company's business affairs is essential to the Company's future. The Company's Code of Ethical Business Conduct, adopted by the Board of Directors, applies to all directors and employees of the Company, including all of our executive and other officers. The Code of Ethical Business Conduct is intended to comply with the requirements of the New York Stock Exchange and Securities and Exchange Commission regulations.

The Code of Ethical Business Conduct is posted on the RTI website, www.rtiintl.com, and is also available in print without charge to any shareholder who makes a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement. Any amendments as well as waivers of the application of the Code of Ethical Business Conduct to directors or executive officers will be disclosed promptly on the RTI website.

Corporate Governance Guidelines

The Company's Corporate Governance Guidelines were adopted by the Board of Directors to promote sound corporate citizenship and are intended to comply with the requirements of the New York Stock Exchange. The Guidelines, taken together with the charters of the various committees of the Board of Directors, provide the framework for the corporate governance of the Company. The Corporate Governance Guidelines cover a number of topics, including: the size and role of the Board of Directors; non-employee director executive sessions; attendance at Board of Directors meetings; access to senior management and advisors; compensation of the Board of Directors; independence, composition and membership criteria of the Board of Directors; self-assessment of the Board of Directors; retirement age; and process for nominations to the Board of Directors.

The Company's Corporate Governance Guidelines are posted on the RTI website, www.rtiintl.com, and are also available in print without charge to any shareholder who makes a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement.

Director Education

The Company encourages its directors to attend educational seminars and conferences to enhance his or her knowledge of the role and responsibilities of directors. Any director who attends an educational seminar or conference may receive reimbursement from RTI for the costs incurred in connection with his or her attendance. Four directors attended director education seminars or programs during 2008, two of which were accredited by the RiskMetrics Group. Educational presentations are also made at Board meetings from time to time.

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 eleven members, nine of whom are neither officers nor employees of RTI or its subsidiaries. The Board of Directors has determined that Craig R. Andersson, Daniel I. Booker, Donald P. Fusilli, Jr., Ronald L. Gallatin, Charles C. Gedeon, Robert M. Hernandez, Edith E. Holiday, Bryan T. Moss, and James A. Williams all meet the New York Stock Exchange rules and listing standards relating to independence generally and for all committees on which they

serve. None of the independent directors has a relationship with the Company that is material.

The Board met 10 times during 2008. All of the directors, with the exception of Mr. Moss, attended more than 75% of the total number of meetings of the Board and of the committees on which they serve. Mr. Moss was elected to the Board on June 1, 2008 and attended 100% of the meetings

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subsequent to his election. The Chairman of the Board chairs the regularly-scheduled executive sessions of the non-management directors. In the Chairman's absence, the chairperson of the Nominating/Corporate Governance Committee chairs the meeting.

It is the policy of the Nominating/Corporate Governance Committee to consider recommendations by shareholders, directors, officers, employees, and others 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 corporate Secretary of RTI for presentation to the Committee. Board Membership criteria considered by the Committee is discussed below under the caption *Nominating/Corporate Governance Committee* and is set forth in the Company's Corporate Governance Guidelines, available free of charge on the RTI website, www.rtiintl.com, or by sending a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement.

There are four principal committees of the Board of Directors. Committee membership, the functions of each committee and the number of meetings held during 2008 are described below.

Audit Committee

The members of the Audit Committee are James A. Williams (Chairman), Donald P. Fusilli, Jr., Ronald L. Gallatin and Robert M. Hernandez. All of the members of this Committee meet the New York Stock Exchange's rules and listing standards for audit committee independence. The Board has determined that Messrs. Fusilli, Gallatin, Hernandez and Williams are each qualified as an audit committee financial expert within the meaning of Securities and Exchange Commission regulations and that each of the members of the Audit Committee has accounting or financial management expertise within the meaning of the listing standards of the New York Stock Exchange.

The Audit Committee assists the Board in overseeing RTI's financial reporting process and systems of internal accounting control, RTI's compliance with legal and regulatory requirements and qualifications, and the independence and performance of RTI's internal auditors and independent registered public accounting firm. The Committee has direct responsibility for the appointment, compensation, retention and oversight of RTI's independent registered public accounting firm. The Committee has adopted, and the Board has approved, the Committee charter, which is available free of charge on the RTI website, www.rtiintl.com, or by sending a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement.

The Audit Committee held 5 meetings in 2008.

The Compensation Committee

This Committee discharges the Board's duties concerning executive compensation.

The members of the Compensation Committee are Daniel I. Booker (Chairman), Craig R. Andersson, Charles C. Gedeon, Edith E. Holiday, and Bryan T. Moss. All of the members of this Committee meet the New York Stock Exchange's rules and listing standards for independence for purposes of this Committee.

The Compensation Committee is responsible for review and approval of RTI's compensation philosophy; executive compensation programs, plans and awards (see *Compensation Discussion and Analysis* on page 18 for further information); policies, principles and procedures for selection and performance review of the CEO and other top management; and for establishing the CEO and other top management's compensation levels based on the Committee's evaluation of their performance. The Committee also administers RTI's long-term incentive plans and stock or stock-based plans. The Committee is also tasked with the review of management's Compensation Discussion and

Analysis (CD&A) and submits the Compensation Committee Report contained in this proxy statement. The Committee has adopted, and the Board has approved, a Committee charter, which is available free of charge on the RTI website, www.rtiintl.com, or by sending a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement.

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The Compensation Committee held 7 meetings in 2008.

Nominating/Corporate Governance Committee

The members of the Nominating/Corporate Governance Committee are Edith E. Holiday (Chair), Daniel I. Booker and Robert M. Hernandez. All of the members of this Committee meet the New York Stock Exchange's rules and listing standards for independence for purposes of this Committee.

The Nominating/Corporate Governance Committee is responsible for identifying individuals qualified to serve as directors; recommending to the Board candidates for election at the Annual Meeting of Shareholders or by the Board to fill vacancies occurring on the Board; and also reviewing and evaluating RTI's director compensation from time to time. The Committee considers director candidates submitted by directors, officers, employees, shareholders and other constituencies. The Committee is also responsible for developing and recommending to the Board corporate governance principles applicable to RTI as well as conducting periodic reviews of such principles. The Committee has adopted, and the Board has approved, a Committee charter, which is available free of charge on the RTI website, www.rtiintl.com, or by sending a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement.

The Nominating/Corporate Governance Committee annually reviews the skills and attributes of Board members within the context of the current make-up of the full Board. Board members should have individual backgrounds that, when combined, provide a portfolio of experience and knowledge that well serve RTI's governance and strategic needs. Board candidates are typically suggested by members of the Committee but the Committee will also consider Board candidates recommended or identified by other directors, management, shareholders, and others, and will be considered on the basis of a range of criteria including the current composition of the Board, broad-based business knowledge and contacts, prominence, diversity of talents and background and sound reputation in their fields as well as a global business perspective and commitment to corporate citizenship. See *Shareholder Proposals* on page 41 of this proxy statement for additional information regarding procedures to be followed by shareholders in submitting recommendations. Additional information concerning director candidates is contained in RTI's Corporate Governance Guidelines, available free of charge on the RTI website at www.rtiintl.com, or by sending a written request to the corporate Secretary at the address set forth under the caption *Other Information* on the last page of this proxy statement.

The Nominating/Corporate Governance Committee held 5 meetings in 2008.

Executive Committee

The members of the Executive Committee are Robert M. Hernandez (Chairman), Craig R. Andersson, Daniel I. Booker, Dawne S. Hickton and Michael C. Wellham.

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. The Executive Committee held no meetings during 2008.

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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 seventy-two. Employee directors leave the Board when they retire from RTI. The Board has the ability to extend the retirement age for a particular director.

The Board has nominated eleven directors for election. With the exception of Mr. Moss, all of the nominees for election have previously been elected by the shareholders. Mr. Moss was elected to the Board effective June 1, 2008 by vote of the Board members. Of the eleven individuals who are nominees for election, two are current RTI officers and the remaining nine are high-level executives with professional experience. If any nominee is unable to stand for election, your proxy may be voted for another nominee designated by the Board.

NOMINEES FOR DIRECTOR

CRAIG R. ANDERSSON
Retired Vice-Chairman
Aristech Chemical Corporation
(chemical producer)

Age: 71
Director since 1990

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 past 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 bachelor's degree in chemical engineering from the University of Minnesota and did graduate work in the same discipline at the University of Delaware.

DANIEL I. BOOKER
Partner,
Reed Smith LLP
(law firm)

Age: 61
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 Océ USA Holding, Inc.; a director of the Allegheny Conference on Community Development; and a director of other community and professional organizations.

DONALD P. FUSILLI, JR.
Business Consultant

Age: 57
Director since 2003

Mr. Fusilli is the owner of The Telum Group, a privately-held consulting firm focusing on strategic planning, business development, program/project management and selected recruiting. Mr. Fusilli was President and Chief Executive Officer of Michael Baker Corporation from April 25, 2001 to September 12, 2006. He joined Michael Baker in 1973 and spent six years in the engineering department before obtaining his law degree in 1979. He became General

Counsel in 1984, Executive Vice President Administration of the Energy Group in 1994 and Executive Vice President and General Manager of the Group in 1995. He was elected President and Chief Operating Officer in March 2000. Mr. Fusilli is a Civil Engineering graduate of Villanova University and holds a juris doctor degree from Duquesne University School of Law. He also attended the Advanced Management Program at the Harvard University Business School. Mr. Fusilli is also a Director of Sterling Construction Company, Inc. and Merrick & Company.

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RONALD L. GALLATIN
Retired Managing Director
Lehman Brothers Inc.
(investment banking firm)

Age: 63
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. A graduate of New York University, and both Brooklyn and New York University Law Schools, Mr. Gallatin has bachelor's, juris doctor and master of law (taxation) degrees and is a Certified Public Accountant.

CHARLES C. GEDEON
Retired Businessman

Age: 68
Director since 1991

Mr. Gedeon joined United States Steel 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 in 1988 and advanced to the position of President, U.S. Diversified Group in 1990. He became Executive Vice President Raw Materials and Transportation of U.S. Steel in 2003. He retired from this position on June 30, 2003. From 1983 until he joined U.S. Steel, Mr. Gedeon had been Vice President Operations of National Steel Corporation.

ROBERT M. HERNANDEZ
Chairman of the Board of the Company

Age: 64
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 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 masters of business administration from the Wharton Graduate School of the University of Pennsylvania. He is Chairman of the Board of Trustees of BlackRock Open End Equity & Long-Term Bond Funds; lead director of American Casualty Excess (ACE) Limited; a director of Eastman Chemical Company; and a director of Tyco Electronics Corporation.

DAWNE S. HICKTON
Vice Chairman and Chief Executive Officer

Age: 51
Director since 2007

Ms. Hickton has served as the Vice Chairman and Chief Executive Officer of the Company since 2007. Since June 2005, she served as Senior Vice President of Administration and Chief Administrative Officer. In this capacity she managed the accounting, treasury, tax, business information systems, personnel and legal functions of the Company. From April 1997 until June 2004, Ms. Hickton was Vice President and General Counsel. She holds a bachelor's degree from the University of Rochester and a juris doctor degree from the University of Pittsburgh. She is also a director of F.N.B. Corporation and a member of the Board of Trustees of the University of Pittsburgh.

EDITH E. HOLIDAY
Attorney

Age: 57
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 Hess Corporation; White Mountains Insurance Group, Ltd.; Canadian National Railway Company 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 bachelor's and juris doctor degrees from the University of Florida.

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BRYAN T. MOSS
Retired Businessman

Age: 69
Director since June 2008

Mr. Moss was elected a director effective June 1, 2008, when the size of the Board was increased to eleven. He served as President Emeritus of Gulfstream Aerospace (a subsidiary of General Dynamics Corporation) from April 2007 until his retirement in March 2008, and prior to that served for four years as President of Gulfstream Aerospace and Executive Vice President, Aerospace Group, General Dynamics Corporation. Mr. Moss is currently serving as a consultant to General Dynamics and has served on the U.S.-Japan Business Council, the U.S.-China Business Council, and the U.S.-Hong Kong Business Council. He is also a member of the Georgia Tech Advisory Board and the Savannah College of Art and Design Board of Visitors.

MICHAEL C. WELLHAM
President and Chief Operating Officer

Age: 43
Director since 2007

Mr. Wellham has served as the President and Chief Operating Officer of the Company since 2007. Since 2002, he has served as Senior Vice President in charge of the Company's Fabrication & Distribution Group, responsible for 14 RTI locations in seven countries. He came to RTI in 1998 with the acquisition of New Century Metals. Prior to that, Mr. Wellham was President of Advanced Aerospace Metals Corporation, a full line metals distributor that he led through the start-up phase. He holds a bachelor's degree from the University of Phoenix and a masters of business administration from the University of Tennessee.

JAMES A. WILLIAMS
Retired Partner
Ernst & Young
(accounting firm)

Age: 63
Director since 2005

Mr. Williams retired as a Partner at Ernst & Young on September 30, 2003. He has over 37 years experience working with large multi-location clients and served in numerous leaderships roles, including Pittsburgh Office Managing Partner, Area Managing Partner, and Partner in Charge-Audit. He is a Certified Public Accountant and has a bachelor's degree from Miami University.

Vote Required

Each share of RTI's Common Stock is entitled to one vote per share. Under Ohio law and the Company's Code of Regulations, the eleven director candidates receiving the greatest number of votes for election will be elected to the Company's Board of Directors. Common Shares represented by properly executed and returned forms of proxy or properly authenticated voting instructions recorded through the Internet or by telephone will be voted for the election of the Board of Directors' nominees unless authority to vote for one or more of the nominees is withheld. Common Shares as to which the authority to vote is withheld will not be counted toward the election of the individual nominees specified on the form of proxy.

THE BOARD RECOMMENDS A VOTE FOR EACH OF THE LISTED NOMINEES.

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PROPOSAL NO. 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP (PwC) has served as the independent registered public accounting firm for RTI and its predecessors for a number of years. For 2008, PwC rendered professional services in connection with the audit of the financial statements of RTI and its subsidiaries, including review of quarterly reports and filings with the Securities and Exchange Commission and provided tax services. They are knowledgeable about RTI's operations and accounting practices and are well qualified to act as the independent registered public accounting firm, and the Audit Committee has selected PwC as such for 2009.

Audit Fees

The aggregate fees billed for professional services rendered by PwC for the audit of RTI's annual financial statements and review of financial statements in RTI's Quarterly Reports on Form 10-Q in 2008 and 2007 were \$1,907,580 and \$2,117,053, respectively.

Audit-Related Fees

The aggregate fees billed for assurance and related services rendered by PwC that were related to the services described above were \$9,000 in both 2008 and 2007. These services include certain agreed upon procedures related to compliance requirements.

Tax Fees

The aggregate fees billed for services rendered by PwC for tax services in 2008 and 2007 were \$115,000 and \$55,101, respectively. The services comprising these fees include federal and state tax return compliance, international tax consulting projects and assistance with new tax pronouncements.

All Other Fees

Other than fees disclosed above, there was a payment of \$2,400 related to licensing fees in each of 2008 and 2007.

The Audit Committee preapproves the Audit Plan on an annual basis along with the estimated fees for the plan. At each regularly scheduled, quarterly meeting, the Audit Plan and fees incurred to date are reviewed, and any fees above the estimate are reviewed and approved or disapproved at the meeting. In addition, the Chairman of the Audit Committee has been delegated authority by the full Committee to preapprove additional audit and non-audit fees between meetings, subject to review by the full Committee at the next regularly scheduled meeting. For 2008 and 2007, 100% of PwC's fees were preapproved.

Representatives of PwC 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.

Vote Required

Ratification of the appointment of the independent registered public accounting firm requires the favorable vote of a majority of the votes cast. Each share of RTI's Common Stock is entitled to one vote per share and only votes for or

against the proposal count. Abstentions and broker non-votes do not count for voting purposes, but are counted for purposes of establishing a quorum. Broker non-votes occur when a broker returns a proxy but does not have authority from the beneficial owner to vote on a particular proposal.

**THE BOARD RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF
PRICEWATERHOUSECOOPERS LLP AS
RTI S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2009.**

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PROPOSAL NO. 3

**APPROVAL OF THE RTI INTERNATIONAL METALS, INC.
EMPLOYEE STOCK PURCHASE PLAN**

On January 30, 2009, the Board approved the RTI International Metals, Inc. Employee Stock Purchase Plan, which we refer to as the ESPP, and directed that the ESPP be submitted to the shareholders for approval. The following is a summary of the ESPP and is qualified by reference to the full text of the ESPP. A copy of the ESPP is attached to this Proxy Statement as Annex A. The terms of our ESPP are summarized below.

The purpose of the ESPP is to encourage employee stock ownership to better align employees' interests with those of our shareholders. The ESPP provides employees of RTI and certain designated subsidiaries (i.e., those subsidiaries designated as eligible to participate in the ESPP) with an opportunity to purchase shares of our common stock through accumulated payroll deductions. By participating in the ESPP eligible employees are able to purchase shares of our stock at a 5% discount to the fair market value. The maximum number of shares to be issued under the ESPP is 2,000,000. The shares to be sold to participants under the plan may, at our election, be newly issued shares, treasury shares or shares acquired in the open market or otherwise. If approved by the shareholders, the ESPP is anticipated to become effective following compliance by the Company with the rules and regulations set forth by the Securities and Exchange Commission and New York Stock Exchange.

Eligibility. All persons employed by us or a designated subsidiary are eligible to participate in the ESPP so long as their customary employment with the Company or designated subsidiary is at least twenty (20) hours per week and more than five (5) months in any calendar year. Eligible employees must enroll by completing a subscription agreement indicating the percentage of compensation to be withheld for each pay period. Participation by employees in the ESPP will be strictly voluntary. Employees who elect to participate in the ESPP are called participants.

When a participant has a separation from service or otherwise becomes ineligible to participate, ESPP participation will end. The participant will be treated as having withdrawn from the ESPP and accumulated payroll deductions for the period will be returned.

Based on our current headcount, we expect that approximately 1,300 U.S. employees will be eligible to participate in the ESPP initially, with an additional 300 non-U.S. employees at some point in the future.

Operation of the Plan. Participant contributions to the ESPP will be made by after-tax payroll deduction, also called a deferral percentage, up to approximately \$1,980 per pay period (assuming monthly pay periods). For purposes of the ESPP, compensation generally includes all cash compensation from RTI or a designated subsidiary that is subject to federal income tax. Participants may not purchase stock with a fair market value exceeding \$25,000 in the aggregate in any calendar year. Since the fair market value cannot exceed \$25,000 and the purchase price of the stock is discounted 5% under the ESPP, the maximum dollar amount that may be deferred in any calendar year is \$23,750.

The right to defer compensation under the ESPP to purchase stock will be considered an offer. Each calendar quarter is an offering period. During each offering period, amounts are withheld from each ESPP participant's compensation based on the designated deferral percentage. The quarterly deferral amount will be used to purchase stock.

A participant's payroll contributions will be used to purchase shares for the participant's ESPP account on the last trading day of the quarterly offering period. Shares will be purchased at 95% of the fair market value (which is defined in the ESPP as the closing sales price of our common stock as quoted New York Stock Exchange (NYSE), or

in the absence of the NYSE, the stock exchange with the greatest volume of trading in common stock on the last market trading day prior to the determination) of a share of our common stock on the last trading day of the quarterly purchase period. Whole shares will be purchased. Any remaining funds will be retained in the participant s

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account for the following offering period. A book entry account for each ESPP participant will be maintained to record the number of shares accumulated and the deferral amount for the offering period.

A participant may elect to terminate participation prior to the commencement of an offering period. The participant may request to participate again in future offering periods by submitting a new subscription agreement. Participants will not receive interest on the dollars contributed to, or withdrawn from, the ESPP.

A participant may sell all or a portion of the ESPP shares at any time, but a participant cannot sell, assign or transfer payroll deductions credited to a participant's account or any rights with regard to the exercise of an option or to receive shares under the ESPP, other than by will or the laws of descent and distribution. Options are exercisable only on the last day of the offering period, and they do not vest.

Administration of the Plan. The ESPP will be administered by the Board or a designated committee of members of the Board. Initially, the Board has designated the Company's existing Retirement Board as responsible for administering the ESPP, with full discretion and exclusive power to make eligibility determinations under the ESPP.

The ESPP will be effective for a period of ten years from the date of the first monthly offering period. The Board reserves the right to amend or terminate the ESPP; however, no amendment can be made to increase the total number of shares that we may issue under the ESPP without shareholder approval.

In the event that our stock is changed by reason of a change in capitalization or the dissolution, liquidation, merger or sale of assets (collectively a corporate transaction) in which we are the surviving corporation, or similar changes to our capital structure, the plan administrator will appropriately adjust the number of shares of stock subject to the ESPP, the number of shares of stock to be purchased pursuant to an option, and the price per share of common stock covered by an option, and other relevant provisions of the ESPP.

In the event of a corporate transaction in which we are not the surviving corporation, the plan administrator may take such actions with respect to the ESPP that the plan administrator deems appropriate, which could be a determination that each option issued under the ESPP will be assumed by, or an equivalent option substituted by, the successor company or its affiliates, that the purchase date will be accelerated, or that all outstanding options will terminate and accumulated payroll deductions will be refunded.

We will pay the administrative expenses for the ESPP, including any expenses associated with the purchase of stock. However, we will not pay any other fees, such as the broker fees associated with a participant selling stock.

Restrictions on resale of the shares purchased under the ESPP. If approved by the shareholders, we will register the shares of stock that may be issued under the ESPP. Any restrictions on the sale of common stock that is acquired under the ESPP depends upon whether a participant is our affiliate. Affiliates generally include persons or entities who control, who are controlled by or who are under common control with our Company, such as officers, directors and 10% shareholders. Participants who are not affiliates may resell the common stock purchased under the ESPP without restriction. Affiliates may resell common stock purchased under the ESPP only as allowed under the provisions of Rule 144 of the Securities Act of 1933 or pursuant to a separate registration for sale of the shares.

Federal income tax consequences. The following generally describes the United States federal income tax consequences of ESPP participation for participants who are