

AMPCO PITTSBURGH CORP

Form DEF 14A

March 24, 2017

Table of Contents

**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 167; 240.14a-12

**Ampco Pittsburgh Corporation**

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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(3) Filing Party:

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**Table of Contents**

726 Bell Avenue, Suite 301  
Carnegie, Pennsylvania 15106

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD WEDNESDAY, MAY 3, 2017**

TO THE SHAREHOLDERS OF

AMPCO-PITTSBURGH CORPORATION

Notice is hereby given that the Annual Meeting of Shareholders of Ampco-Pittsburgh Corporation will be held in the Adams Room, 4th Floor, The Duquesne Club, 325 Sixth Avenue, Pittsburgh, Pennsylvania, on Wednesday, May 3, 2017 at 10:00 a.m., Eastern Time, for the following purposes:

1. to elect a class of four directors for a term that expires in 2020;
2. to hold an advisory vote to approve our executive compensation (the Say-on-Pay vote);
3. to hold an advisory vote to determine shareholder preferences on whether future Say-on-Pay votes should occur every one, two or three years (the Say-When-on-Pay vote);
4. to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2017; and
5. to transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

Shareholders of record on March 10, 2017 are entitled to notice of and to vote at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Maria V. Trainor,  
*Vice President, General*

*Counsel and Secretary*

Pittsburgh, Pennsylvania

March 24, 2017

**Important Notice Regarding the Availability of Proxy Materials for  
the Annual Meeting of Shareholders to Be Held on May 3, 2017**

The proxy statement and the annual report of the Corporation are available at

<http://www.amcopittsburgh.com/investors.html>.

**All shareholders are cordially invited to attend the meeting in person. Your vote is important, and, whether or not you expect to attend in person, it is requested that you PROMPTLY fill in, sign, and return the enclosed proxy card or follow the internet or telephone voting instructions included on the proxy card.**

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>Proxy Statement Summary</u>	1
<u>Proxy Statement</u>	1
<u>Questions and Answers Regarding the Annual Meeting</u>	5
<u>Solicitation of Proxies</u>	8
<u>Voting Securities and Record Date</u>	8
<u>Required Vote</u>	8
<u>Election of Directors (Proposal 1)</u>	9
<u>Nominees for Directors for a Term of Office Expiring in 2020</u>	9
<u>Continuing Directors Whose Term of Office Expires in 2019</u>	10
<u>Continuing Directors Whose Term of Office Expires in 2018</u>	11
<u>Chairman Emeritus</u>	11
<u>Corporate Governance</u>	12
<u>Corporate Governance Summary</u>	12
<u>Board Independence</u>	13
<u>Leadership Structure</u>	13
<u>Director Nominating Procedures</u>	13
<u>Non-Management Directors</u>	14
<u>Shareholder Communications with Directors</u>	14
<u>Board's Role in Risk Oversight</u>	14
<u>Director Terms</u>	15
<u>Director Emeritus</u>	15
<u>Annual Meeting Attendance</u>	15
<u>Board Committees and Related Matters</u>	16
<u>Summary</u>	16
<u>Audit Committee</u>	16
<u>Compensation Committee</u>	17
<u>Executive Committee</u>	17
<u>Nominating and Corporate Governance Committee</u>	17
<u>Director Compensation</u>	18
<u>Stock Ownership Guidelines</u>	19
<u>Security Ownership of Certain Beneficial Owners and Management</u>	19
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	21
<u>Advisory Vote on Executive Compensation (Proposal 2)</u>	22
<u>Compensation Discussion and Analysis</u>	23
<u>Summary Compensation Table</u>	33
<u>Grants of Plan-Based Awards Table</u>	34
<u>Outstanding Equity Awards at Fiscal Year-End</u>	36
<u>2016 Option Exercises and Stock Vested</u>	37
<u>Retirement Benefits</u>	37
<u>Potential Payments Upon Termination or Change In Control</u>	39
<u>Compensation Committee Report</u>	41
<u>Compensation Committee Interlocks and Insider Participation</u>	41
<u>Certain Relationships and Related Transactions</u>	41
<u>Report of the Audit Committee</u>	42
<u>Timing of Advisory Vote on Executive Compensation (Proposal 3)</u>	45
<u>Ratification of the Appointment of Deloitte &amp; Touche LLP as the Independent Registered Public Accounting Firm for 2017 (Proposal 4)</u>	4

	46
<u>Equity Compensation Plan Information</u>	46
<u>Shareholder Proposals for 2018</u>	46
<u>Other Matters</u>	47

**Table of Contents**

**PROXY STATEMENT**

**March 24, 2017**

**Annual Meeting of Shareholders to be held May 3, 2017**

**Proxy Statement Summary**

This summary highlights information contained elsewhere in this proxy statement. You should read the entire proxy statement carefully before voting.

**Annual Meeting of Shareholders**

<b>Time and Date:</b>	10:00 a.m., Eastern Time, May 3, 2017
<b>Place:</b>	The Adams Room, 4th Floor  The Duquesne Club  325 Sixth Avenue  Pittsburgh, Pennsylvania
<b>Record Date</b>	March 10, 2017
<b>Voting</b>	Only shareholders as of the record date, March 10, 2017, are entitled to vote.

Your broker will NOT be able to vote your shares with respect to any of the matters presented at the meeting other than the ratification of the selection of our independent registered public accounting firm unless you give your broker specific voting instructions.

Even if you plan to attend the annual meeting in person, please cast your vote as soon as possible by:

Using the Internet at [www.proxyvote.com](http://www.proxyvote.com);



Calling toll-free from the United States, U.S. territories and Canada to 1-800-690-6903; or

Mailing your signed proxy or voting instruction form.

**Attending the Annual Meeting**

To be admitted in person, you will be required to present a government-issued photo identification (such as a driver's license or passport).

If you hold shares in street name, you must request a confirmation of beneficial ownership from your broker to vote in person at the meeting.

You do not need to attend the annual meeting to vote if you have properly submitted your proxy in advance of the meeting.

**Table of Contents****Meeting Agenda**

1. Election of four directors;
2. Non-binding, advisory vote to approve our executive compensation;
3. Advisory vote on frequency of the vote to approve our executive compensation;
4. Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2017; and
5. Transaction of such other business as may properly come before the meeting and any adjournment or postponement thereof.

**Voting Matters**

	<b>Proposals</b>	<b>Board Recommendation</b>
Election of Directors		FOR each nominee named in this proxy statement
Non-binding, advisory vote to approve our executive compensation		FOR
Advisory vote on the frequency of the vote to approve our executive compensation		FOR ANNUAL VOTE
Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2017		FOR

**Board Nominees**

Name	Director			Experience/	Independent	Committee
	Age	Since	Occupation	Qualification		Assignments
James J. Abel	71	2014	Retired	Experience in operations and financial management	X	Nominating and Corporate Governance
William K. Lieberman	69	2004	President of the Lieberman Companies	Experience in insurance, benefit and risk management areas	X	Audit, Executive, Nominating and Corporate Governance, Compensation (Chair)
Stephen E. Paul	49	2002	Managing Principal of Laurel Crown Partners; President of The Louis	Experienced in financial management and risk assessment		

Berkman Investment  
Company

**Table of Contents**

Name	Director		Occupation	Experience/ Qualification	Independent	Committee Assignments
	Age	Since				
Carl H. Pforzheimer, III	80	1982	Managing Partner of Carl H. Pforzheimer & Co. LLC	Investment advisory skills, prior audit and risk management committee experience	X	Audit (Chair), Compensation, Nominating and Corporate Governance

**Ratification of the Appointment of our Independent Registered Public Accounting Firm for 2017**

We are requesting that shareholders ratify the appointment of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for the fiscal year ending December 31, 2016. The table below shows the fees paid by the Corporation to Deloitte & Touche LLP in 2016.

	2016
Audit fees(a)	\$ 1,556,348
Audit-related fees(b)	36,598
Tax fees(c)	260,705
All other fees	
<b>Total</b>	<b>\$ 1,853,651</b>

- (a) Fees for audit services primarily related to the audit of (1) the Corporation's annual consolidated financial statements and its internal control over financial reporting and (2) statutory filings for the Corporation's foreign subsidiaries.
- (b) Fees for audit-related services primarily related to an audit of an employee benefit plan of the Corporation and due diligence of an acquisition.
- (c) Fees for tax services for 2016 primarily related to tax advice provided in connection with an acquisition, tax restructuring transactions and transfer pricing studies.

**Executive Compensation Program Highlights**

Our executive compensation program is designed to attract and retain top talent by enabling the Corporation to compete effectively for the highest quality personnel and to pay for performance by aligning compensation with the achievement of both short-term and long-term financial objectives that build shareholder value.

The 2016 executive compensation program features a balanced mix of salary and performance-driven annual and long-term incentive award opportunities. In designing our executive compensation program, we have implemented programs and policies that support our commitment to good compensation governance and that create alignment between our executives and our shareholders, as highlighted below:

The Compensation Committee is comprised solely of independent directors. Each member of the Compensation Committee is a non-employee director of the Corporation as defined under Rule 16b-3 of the Securities Exchange Act of 1934 and an outside director for purposes of the corporate compensation provisions contained in Section 162(m) of the Internal Revenue Code.

## Table of Contents

The Compensation Committee conducts an annual review and approval of our compensation strategies, including a review of our compensation-related risk profile to ensure that our compensation-related risks are not reasonably likely to have a material adverse effect on our company.

In 2016, the Compensation Committee engaged Pay Governance LLC as its independent provider of compensation consulting services for decisions relating to compensation. Pay Governance was retained to identify a reasonable group of companies as a peer group to benchmark executive compensation levels and incentive plan design and to assist it in fulfilling its responsibilities and duties.

A significant portion of each executive's annual pay is based on objective performance metrics and, therefore, at-risk based on corporate performance. In addition, the equity-based portion of our executive compensation program is designed to align the interests of our executive officers and shareholders.

The Compensation Committee periodically checks its compensation decisions against executive compensation at a peer group of companies comparable in terms of the primary scope metric of revenue and secondary scope metrics of market cap, assets and number of employees to ensure that our executive compensation program provides competitive compensation opportunities. The same peer group is used to determine our relative performance for vesting of a portion of performance share unit awards.

The equity awards granted to our executive officers vest over multi-year periods, consistent with current practice and our retention objectives.

We have a clawback policy applicable to executive officers pursuant to which, if the Corporation is required, because of fraud or negligence, to restate financial results for any period (the Restatement Period) in a manner that would have adversely affected the amount of the payout of any incentive compensation awards, the Compensation Committee has the right during the three-year period following the Restatement Period to review the matter and determine what, if any, repayment executives will be required to make.

We do not provide any Internal Revenue Code Section 280G excise tax gross-up rights or any other significant tax gross-up rights to our executive officers.

The compensation arrangements with our executive officers contain double-trigger equity acceleration provisions in the event of a change in control.

We have a policy prohibiting underwater options from being repriced or replaced (either with new options or other equity awards), unless approved by our shareholders.

Additional information about our compensation philosophy and program, including compensation determinations for each of our named executive officers, can be found in the Compensation Discussion and Analysis starting on page 23 in this Proxy Statement.

We encourage you to read the entire proxy statement and to vote your shares at the Annual Meeting. If you are unable to attend the Annual Meeting in person, we encourage you to submit a proxy so that your shares will be represented and voted.

**Table of Contents**

**QUESTIONS AND ANSWERS REGARDING THE ANNUAL MEETING**

**Q: Why am I receiving these materials?**

A: As a shareholder, we are providing these proxy materials to you in connection with our solicitation of proxies to be voted at our Annual Meeting of Shareholders, which will take place on May 3, 2017. These materials were first mailed to shareholders on or about March 24, 2017. You are invited to attend the Annual Meeting, and you are requested to vote on the proposals described in this Proxy Statement.

**Q: What is included in these materials?**

A: These materials include:

Our Proxy Statement for the Annual Meeting; and

Our 2016 Annual Report to Shareholders, which includes our audited consolidated financial statements.

These materials also include the proxy/voting instruction card for the Annual Meeting.

**Q: What am I being asked to vote on?**

A: You are being asked to vote on the following proposals:

Proposal 1 Election of four directors;

Proposal 2 Non-binding, advisory vote to approve our executive compensation (the Say-on-Pay Proposal );

Proposal 3 Non-binding advisory vote to determine shareholder preferences on whether future Say-on-Pay votes should occur every one, two or three years (the Say-When-on-Pay Proposal );

Proposal 4 Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2017 (the Deloitte Ratification Proposal ); and

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Such other business as may properly come before the meeting and any adjournment or postponement thereof.

### **Q: What are the voting recommendations of the Board of Directors?**

A: The Board recommends the following votes:

FOR the election of the four director nominees named in this proxy statement;

FOR the Say-on-Pay Proposal;

FOR an annual Say-on-Pay vote; and

FOR the Deloitte Ratification Proposal.

### **Q: Will any other matters be voted on?**

A: We are not aware of any other matters that will be brought before the shareholders for a vote at the Annual Meeting. If any other matter is properly brought before the meeting, your proxy will authorize each of Michael G. McAuley and Maria Trainor (together, the Proxies ) to vote on such matters in their discretion.

### **Q: How do I cast my vote?**

A: If you are a shareholder of record, you may cast your vote using any of the following methods:

Via the Internet, by visiting the website [www.proxyvote.com](http://www.proxyvote.com) and following the instructions for Internet voting on your proxy/voting instruction card;



**Table of Contents**

By dialing 1-800-690-6903 and following the instructions for telephone voting on your proxy/voting instruction card;

By completing and mailing your proxy/voting instruction card; or

By casting your vote in person at the Annual Meeting.

If you vote over the Internet, you may incur related ancillary costs, such as telephone and Internet access charges, for which you will be responsible. The telephone and Internet voting facilities for the shareholders of record of all shares will close at 11:59 P.M. Eastern Time on May 2, 2017. The Internet and telephone voting procedures are designed to authenticate shareholders by use of a control number and to allow you to confirm that your instructions have been properly recorded.

If you vote by Internet or telephone or return your signed proxy/voting instruction card, your shares will be voted as you indicate. If you do not indicate how your shares are to be voted on a proposal, your shares will be voted, with respect to that proposal, in accordance with the voting recommendations of the Board of Directors.

If your shares are held in a brokerage account in your broker's name (also known as street name), you should follow the instructions for voting provided by your broker or nominee. You may submit voting instructions by Internet or telephone or you may complete and mail a voting instruction card to your broker or nominee. If you provide specific voting instructions by telephone, Internet or mail, your broker or nominee will vote your shares as you have directed.

Ballots will be provided during the Annual Meeting to anyone who wants to vote in person at the meeting. If you hold shares in street name, you must request a confirmation of beneficial ownership from your broker to vote in person at the meeting.

**Q: Can I change my vote?**

A: Yes. If you are a shareholder of record, you can change your vote or revoke your proxy at any time prior to the voting thereof at the Annual Meeting by:

Submitting a valid, later-dated proxy/voting instruction card;

Submitting a valid, subsequent vote by telephone or the Internet at any time prior to 11:59 P.M. Eastern Time on May 2, 2017;

Notifying our Secretary in writing that you have revoked your proxy; or

Completing a written ballot at the Annual Meeting.

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If your shares are held in a brokerage account in your broker's name, you should follow the instructions for changing or revoking your vote provided by your broker or nominee.

### **Q: What will happen if I do not instruct my broker how to vote?**

A: If your shares are held in street name and you do not instruct your broker how to vote, one of two things can happen depending on the type of proposal. Pursuant to New York Stock Exchange ( NYSE ) rules, brokers have discretionary power to vote your shares on routine matters, but they do not have discretionary power to vote your shares on non-routine matters. We believe that the only proposal that will be considered routine under NYSE rules is the Deloitte Ratification Proposal, which means that your broker may vote your shares in its discretion on that proposal. This is known as broker discretionary voting.

The election of directors, the Say-on-Pay Proposal and the Say-When-on-Pay Proposal are considered non-routine matters. Accordingly, your broker may not vote your shares with respect to these matters if you have not provided instructions. This is called a broker non-vote.

## **Table of Contents**

We strongly encourage you to submit your proxy and exercise your right to vote as a shareholder.

### **Q: How many shares must be present to conduct business at the Annual Meeting?**

A: Holders of at least a majority of the votes that all shareholders are entitled to cast at the Annual Meeting must be represented in person or by proxy at the Annual Meeting in order to conduct business. This is called a quorum. If you vote, your shares will be part of the quorum. Abstentions, Withheld votes and broker non-votes also will be counted in determining whether a quorum exists.

### **Q: What vote is required to approve the proposals?**

A: In the election of directors, the nominees who receive the most votes for the available positions will be elected. If you withhold authority to vote for a particular nominee, your vote will not count either FOR or AGAINST the nominee. Abstentions are not counted in the election of directors, and neither abstentions nor broker non-votes will affect the outcome.

The Say-on-Pay Proposal and the Deloitte Ratification Proposal will require approval by the majority of the votes cast at the Annual Meeting, assuming the presence of a quorum. Neither abstentions nor broker non-votes will have any effect on these proposals.

The Say-When-on-Pay Proposal will require approval by the majority of the votes cast at the Annual Meeting, assuming presence of a quorum. If none of the alternatives of this item (one year, two years or three years) receive a majority vote, we will consider the highest number of votes cast by our shareholders to be the frequency that has been selected by the shareholders. However, because this vote is advisory and not binding on the Board of Directors or the Corporation in any way, the Board may decide that it is in the best interest of our shareholders and the Corporation to hold an advisory vote on executive compensation more frequently than the option approved by our shareholders. Neither abstentions nor broker non-votes will affect the outcome.

Votes will be tabulated by the independent inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

### **Q: What does it mean if I receive more than one notice or proxy card or voting instruction form?**

A: It means your shares are registered differently or are held in more than one account at the transfer agent and/or with banks or brokers. Please vote all of your shares.

### **Q: What do I need to do to attend the Annual Meeting?**

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A: Valid government-issued photo identification, such as a driver's license or passport, is required to attend the Annual Meeting. The registration desk will open at 9:45 a.m. and the meeting will begin at 10:00 a.m. Please note that seating in the meeting room is limited.

If you own shares in street name, you will need to ask your bank or broker for an admission card in the form of a confirmation of beneficial ownership. You will need to bring a confirmation of beneficial ownership with you to vote at the Annual Meeting. If you do not receive your confirmation of beneficial ownership in time, bring your most recent brokerage statement with you to the Annual Meeting. We can use that to verify your ownership of Common Stock and admit you to the meeting; however, you will not be able to vote your shares at the meeting.

**Q: Where can I find the voting results of the Annual Meeting?**

A: We plan to announce preliminary voting results at the Annual Meeting and to publish final results in a Current Report on Form 8-K filed with the SEC within four business days after the Annual Meeting.

**Table of Contents**

**SOLICITATION OF PROXIES**

This Proxy Statement is furnished in connection with the solicitation of proxies to be used at the Annual Meeting of Shareholders (the Annual Meeting) of AMPCO-PITTSBURGH CORPORATION (the Corporation) to be held on May 3, 2017. The first mailing of the proxy material to the shareholders is expected to be made on or about March 24, 2017.

The accompanying proxy is solicited on behalf of the Board of Directors of the Corporation. In addition to the solicitation of proxies by use of the mails, proxies may be solicited by directors and employees, in person or by telephone, and brokers and nominees may be requested to send proxy material to and obtain proxies from their principals. The Corporation will pay the costs incurred for solicitations of proxies.

Any shareholder has the power to revoke the proxy at any time prior to the voting thereof. Revocation of the proxy will not be effective until notice thereof has been given to the Secretary of the Corporation, a duly executed proxy bearing a later date is presented or the shareholder subsequently votes the shares subject to the proxy.

**VOTING SECURITIES AND RECORD DATE**

Only holders of record of Common Stock of the Corporation at the close of business on March 10, 2017 will be entitled to vote at the meeting. On that date, there were 12,270,621 shares of Common Stock outstanding. The holders of those shares are entitled to one vote per share. In the election of directors, the shares may be voted cumulatively. Cumulative voting means that the number of shares owned by each shareholder may be multiplied by the number of directors to be elected and that total voted for the nominees in any proportion. Shares that are not voted cumulatively are voted on a one vote per share basis for each nominee, except for those nominees, if any, for whom the shareholder is withholding authority to vote. If you return your signed proxy but do not indicate how you wish to vote, your shares will be voted non-cumulatively FOR the election of each of the director nominees named in this Proxy Statement or voted cumulatively for one or more of the nominees at the discretion of the Proxies; FOR approval of the Say-on-Pay Proposal; FOR an annual Say-on-Pay vote; and FOR approval of the Deloitte Ratification Proposal.

**REQUIRED VOTE**

Under Pennsylvania law and the Corporation's Amended and Restated By-laws, the presence of a quorum is required to transact business at the 2017 Annual Meeting. A quorum is defined as the presence, either in person or by proxy, of a majority of the votes that all shareholders are entitled to cast at the meeting. For these purposes, shares that are present or represented by proxy at the Annual Meeting will be counted toward a quorum, regardless of whether the holder of the shares or proxy abstains with respect to or withholds authority to vote on a particular matter, whether a broker is present or represented by proxy but lacks discretionary voting authority with respect to any particular matter or whether a broker with discretionary authority fails to exercise such authority with respect to any particular matter.

**Proposal 1 Election of Directors.** With respect to the election of directors, the nominees who receive the most votes for the available positions will be elected. If you withhold authority to vote for a particular nominee on your proxy card, your vote will not count either FOR or AGAINST the nominee. Abstentions are not counted in the election of directors, and neither abstentions nor broker non-votes will affect the outcome.

**Proposal 2 Advisory Vote on Executive Compensation**. The approval of a majority of the votes cast at the Annual Meeting is required for advisory (non-binding) approval of our executive compensation program under the Say-on-Pay Proposal. The vote is advisory, and therefore not binding on the Corporation, the Compensation Committee or our Board. Neither abstentions nor broker non-votes will count as votes cast and neither will affect the outcome of the Say-on-Pay Proposal.

## Table of Contents

**Proposal 3 Timing of Advisory Vote on Executive Compensation.** The Say-When-on-Pay Proposal will require approval by the majority of the votes cast at the Annual Meeting, assuming presence of a quorum. If none of the alternatives of this item (one year, two years or three years) receive a majority vote, we will consider the highest number of votes cast by our shareholders to be the frequency that has been selected by the shareholders. However, because this vote is advisory and not binding on the Board of Directors or the Corporation in any way, the Board may decide that it is in the best interest of our shareholders and the Corporation to hold an advisory vote on executive compensation more frequently than the option approved by our shareholders. Neither abstentions nor broker non-votes will count as votes cast and neither will affect the outcome of the Say-When-on-Pay Proposal.

**Proposal 4 Deloitte Ratification Proposal.** With respect to the ratification of the appointment of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for 2017, the affirmative vote of a majority of the votes cast at the Annual Meeting is required for approval. Neither abstentions nor broker non-votes will count as votes cast and neither will affect the outcome of the Deloitte Ratification Proposal.

If a broker indicates on its proxy that it does not have authority to vote certain shares held in street name, the shares not voted are referred to as broker non-votes. Broker non-votes occur when brokers do not have discretionary voting authority to vote certain shares held in street name on particular proposals under the rules of the NYSE, and the beneficial owner of those shares has not instructed the broker how to vote on those proposals. If you are a beneficial owner, your broker, bank or other nominee is permitted to exercise discretionary authority to vote your shares on Proposal 4, the Deloitte Ratification Proposal, even if it does not receive voting instructions from you. However, it is not permitted to exercise discretionary authority to vote your shares on Proposals 1-3 in the absence of voting instructions from you.

## ELECTION OF DIRECTORS

### (Proposal 1)

A class of four directors will stand for election for a term of three years to fill the class of directors whose term expires in 2017. All nominees for election to the Board of Directors are currently directors. The nominees were recommended by the Nominating and Governance Committee and nominated by the Board of Directors at its March meeting and have indicated that they are willing to serve as directors if elected. **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED BELOW.** If at the time of the Annual Meeting a nominee should be unable or unwilling to stand for election, the proxies will be voted for the election of such person, if any, as may be selected by the Board of Directors to replace him.

### Nominees for Directors for a Term of Office Expiring in 2020:

JAMES J. ABEL (age 71, Director since 2014). Prior to his retirement, Mr. Abel served as Interim President and Chief Executive Officer of CPI Corporation, an operator of portrait studios, from February 2012 to April 2013 and as a director from 2004 to April 2013. CPI Corporation filed a petition under federal bankruptcy laws in May 2013. Mr. Abel previously served as President and Chief Executive Officer of Financial Executives International, a firm representing senior financial executives in dealing with regulatory agencies involved with corporate financial reporting and internal controls, from May 2008 to February 2009. Mr. Abel has served as a director of The LGL Group, Inc. from 2011 until 2014. Mr. Abel's background as a senior executive, his expertise in financial management and his experience with manufacturing operations, as well as his board experience, led the Board to conclude that he should serve as a director.

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WILLIAM K. LIEBERMAN (age 69, Director since 2004). Mr. Lieberman has been President of The Lieberman Companies, insurance brokerage and consulting company, for more than five years. In addition to more than



## **Table of Contents**

forty years of management experience in the insurance, benefit and risk management areas, Mr. Lieberman has served as a director or trustee of many organizations including charitable companies, hospitals and universities. These qualifications led the Board to conclude that he should serve as a director.

STEPHEN E. PAUL (age 49, Director since 2002). Mr. Paul has been a managing principal of Laurel Crown Partners, a private investment company, for more than five years. He became a President of The Louis Berkman Investment Company, a private investment company, in 2013. Mr. Paul's background in investment banking and private equity investment led the Board to conclude that he should serve as a director.

CARL H. PFORZHEIMER, III (age 80, Director since 1982). Mr. Pforzheimer has been Managing Partner or Manager of Carl H. Pforzheimer & Co. LLC or its predecessors or related entities for more than five years. In addition to the attendant investment advisory analytical skills gained from such a position, his former role as chairman of the Audit and Risk Management Committees of U. S. Trust Co. led the Board to conclude Mr. Pforzheimer should serve as a director.

Laurence E. Paul and Stephen E. Paul are brothers and the sons of Robert A. Paul. There are no other family relationships among the directors and officers.

### **Continuing Directors Whose Term of Office Expires in 2019:**

LEONARD M. CARROLL (age 74, Director since 1996). Mr. Carroll has been Managing Director of Seneca Capital Management, Inc., a private investment company, for more than five years. The Board concluded that Mr. Carroll should serve as a director because of his broad financial background and investment knowledge. He is a retired Certified Public Accountant and has held various positions in the banking industry including President, Director and Chairman for over 37 years.

LAURENCE E. PAUL (age 52, Director since 1998). Mr. Paul has been a managing principal of Laurel Crown Partners, a private investment company, for more than five years and prior to that was an investment banker for ten years. He became a President of The Louis Berkman Investment Company, a private investment company, in 2013. Mr. Paul's experience as a senior investment banker and private equity investor for almost twenty years led the Board to conclude that he possessed skills in financial management and risk assessment that would be beneficial to the Corporation.

ERNEST G. SIDDONSON (age 83, Director since 1981). Mr. Siddons was President and Chief Operating Officer of the Corporation for more than five years prior to his retirement in April 2009. With more than thirty years of experience with the Corporation in operations and financial management, the Board concluded that Mr. Siddons should serve as a director. Positions held earlier with the Corporation, including those of Chief Financial Officer and Treasurer and President of Union Electric Steel Corporation, and his qualification as a Chartered Accountant were also considered.

J. FREDRIK STRÖMHOLM (age 51, Director since 2016). Mr. Strömholm has been the Chief Executive Officer of Impilo AB (Stockholm), an investment company, since June of 2016. Mr. Strömholm was a partner at Altor Equity Partners AB, Stockholm for more than five years and served as its managing partner from 2010 through 2014. From 2008 until April of 2016, Mr. Strömholm served on the board of Akers Holdings AB, the parent company of Akers AB, a global manufacturer of rolls to the steel industry, which was acquired by the Corporation in March of 2016. Mr. Strömholm was also a director of Ferrosan Holding A/S, Ferrosan Medical Devices A/S, and Carnegie Holding AB, among others, all

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of which were companies owned funds advised by Altor Equity Partners AB. Prior to 2003, Strömholm was a managing director at Goldman Sachs International in London. Mr. Strömholm's long-term financial and investment background and his many years of service as a director of companies led the Board to conclude that he should serve as a director.

**Table of Contents**

**Continuing Directors Whose Term of Office Expires in 2018:**

MICHAEL I. GERMAN (age 66, Director since 2014). Mr. German has been the Chief Executive Officer and President of Corning Natural Gas Holding Corporation (formerly known as Corning Natural Gas Corporation), a natural gas utility, for more than five years. Mr. German has been a director of Corning Natural Gas Holding Corporation since 2014 (and a director of Corning Natural Gas Corporation from 2006 until 2014) and is on the Boards of Directors of Three River Development Corporation and Northeast Gas Association, as well as the Board of Trustees of the Adirondack Park Institute. Mr. German also was a director of Pennichuck Corporation from 2008 until 2011. Mr. German's experience as the chief executive officer of a public company, his many years of service as a director of companies and his broad leadership experience led the Board to conclude that he should serve as a director.

PAUL A. GOULD (age 71, Director since 2002). Mr. Gould has been with Allen & Co., Inc., an investment banking company and has been managing director of that company for more than five years. He is currently a director of Liberty Global, Inc. and Discovery Communications, Inc. Mr. Gould's long-term financial and investment background led to the Board's conclusion that he should serve as a director.

JOHN S. STANIK (age 63, Director since 2015). Mr. Stanik has served as the Corporation's Chief Executive Officer since January 2015. He previously worked at Calgon Carbon Corporation, an international company specializing in purification products, technologies and services, from 1991 through 2012, when he retired for personal reasons. Mr. Stanik served as President and Chief Executive Officer of Calgon Carbon from 2003 to 2012 and became its Chairman of the Board in 2007. Prior to joining Calgon Carbon, Mr. Stanik worked in various capacities with increasing responsibility for Davy Corporation, an engineering and construction company specializing in the metals (steel and aluminum) markets, ultimately serving as Davy's General Manager of Operations. He is currently a director of FNB Corporation, a financial services corporation which operates banks under the name First National Bank in Ohio, Maryland and Pennsylvania. Mr. Stanik's experience as the chief executive officer and director of a public company, his many years of service as a director of companies and his broad leadership experience led the Board to conclude that he should serve as a director.

**Chairman Emeritus**

ROBERT A. PAUL (age 79). On March 2, 2016 the Board of Directors appointed Mr. Paul, our Chief Executive Officer until his retirement on December 31, 2014, as Chairman Emeritus and as a Director Emeritus, in accordance with and pursuant to Article II, Section 20 of the Corporation's Amended and Restated By-Laws. As Chairman Emeritus and as a Director Emeritus, Mr. Paul assists the Board in a non-voting advisory role. Mr. Paul is also the Chairman and a director of The Louis Berkman Investment Company, a private investment company.

**Table of Contents**

**CORPORATE GOVERNANCE**

**Corporate Governance Summary**

Presented below are some highlights of our corporate governance practices and policies. You can find further details about these and other corporate governance practices and policies in the following pages of this Proxy Statement.

Our Board of Directors is comprised of 11 directors, a majority of whom have been determined by the Board to be independent.

We currently have separate non-executive Chairman and Chief Executive Officer roles. Leonard M. Carroll serves as our non-executive Chairman.

All of the Board's standing committees other than the Executive Committee are composed entirely of independent directors, and each such standing committee has a written charter that is reviewed and reassessed annually. The charters of each of those standing committees are posted on the Corporation's website at [www.ampcopittsburgh.com](http://www.ampcopittsburgh.com).

We have an annual self-evaluation process for the Board and each standing committee.

The Board evaluates individual directors whose terms are nearing expiration and who may be proposed for re-election. The Nominating and Governance Committee will consider director candidates recommended by shareholders on the same basis as other candidates.

The Board has designated Carl H. Pforzheimer, III, Chairman of our Audit Committee, as an audit committee financial expert. Our internal audit function reports directly to the Audit Committee. We annually ask our shareholders to ratify the Audit Committee's selection of the Corporation's independent auditors.

The Corporation has determined that it will hold a Say-on-Pay vote annually until the next shareholder vote on the frequency of such votes, which is being held this year.

Our Corporate Governance Guidelines are available on the Corporation's website at [www.ampcopittsburgh.com](http://www.ampcopittsburgh.com).

Our Code of Business Conduct and Ethics, which applies to all of the Corporation's officers, directors and employees, and our additional Code of Ethics, which applies to our Chief Executive Officer and Chief Financial Officer, are available on the Corporation's website at [www.ampcopittsburgh.com](http://www.ampcopittsburgh.com).

The Board has adopted an anti-hedging policy pursuant to which, without prior approval, no director, officer or employee of the Corporation at any time may purchase financial instruments that are designed to or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of any securities of the Corporation.

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The Board has adopted anti-pledging policy pursuant to which officers and directors of the Corporation are prohibited from holding any securities of the Corporation in margin accounts or pledging any securities of the Corporation as collateral for any loan, subject to exceptions for de minimis pledging with prior approval.

The Board has adopted a clawback policy in connection with short and long term incentive plans. Pursuant to the policy, if the Corporation is required, because of fraud or negligence, to restate financial results for any restatement period in a manner that would have adversely affected the amount of the payout of any incentive compensation awards, the Compensation Committee has the right, during the three-year period following the restatement period, to review the matter and determine what, if any, repayment participants will be required to make.

The Board has adopted a policy prohibiting excise tax gross-ups of perquisites pursuant to which the Corporation is prohibited from making any tax gross-up payments to executive officers, except for gross-ups applicable to management employees generally, such as an expatriate tax equalization payment.

## **Table of Contents**

The Board has adopted a whistleblower policy to protect any employee who, in good faith, reports incidents of unethical business conduct, violations of laws or accounting standards, internal accounting controls or audit standards or danger to employees or public health and safety.

## **Board Independence**

The Board of Directors has adopted categorical standards to assist it in evaluating the independence of its directors. The standards are attached to the Corporate Governance Guidelines which are available on the Corporation's website at [www.ampcopittsburgh.com](http://www.ampcopittsburgh.com). After performing this evaluation in accordance with those guidelines, the Board has determined that James J. Abel, Leonard M. Carroll, Michael I. German, Paul A. Gould, William K. Lieberman and Carl H. Pforzheimer, III do not have material relationships with the Corporation (other than as members of the Board of Directors) and are independent within the meaning of the Corporation's independence standards and those of the NYSE.

Audit Committee members must meet additional independence standards under NYSE listing standards and rules of the Securities and Exchange Commission (the "SEC"). Specifically, Audit Committee members may not receive any compensation from the Corporation other than their directors' compensation. The Board has also determined that each member of the Audit Committee satisfies the enhanced standards of independence applicable to Audit Committee members under NYSE listing standards and SEC rules.

The Board has determined in its judgment that the Compensation Committee is composed entirely of independent directors within the Corporation's independence standards and those of the NYSE. In making its determination, the Board considered, among other things, the factors applicable to members of the Compensation Committee pursuant to NYSE listing standards and Rule 10C-1 of the Securities Exchange Act of 1934.

## **Leadership Structure**

John S. Stanik is the Corporation's Chief Executive Officer. Mr. Leonard M. Carroll currently serves as the non-executive Chairman. The Chairman sets the agendas for and presides over the Board meetings. Mr. Stanik is a member of the Board and participates in its meetings. The Board believes that this leadership structure is appropriate for the Corporation at this time because it allows for independent oversight of management, increases management accountability and encourages an objective evaluation of management's performance relative to compensation. The Board will assess periodically whether the roles should be separated or combined based on its evaluation of what is in the best interests of the Corporation and its shareholders.

As Chief Executive Officer, Mr. Stanik is the full-time executive managing the day-to-day operations of the Corporation.

## **Director Nominating Procedures**

The Corporation's Corporate Governance Guidelines and its Nominating and Governance Committee Charter charge the Nominating and Governance Committee with selecting nominees for election to the Board of Directors and with reviewing, at least annually, the qualifications of new and existing members of the Board of Directors. The Nominating and Governance Committee also considers the extent to which such members may be considered "independent" within the meaning of applicable NYSE rules as well as other appropriate factors, including overall

skills and experience.

From time to time, the Nominating and Governance Committee will seek to identify potential candidates for director nominees and will consider potential candidates proposed by other members of the Board of Directors, by management of the Corporation or by shareholders of the Corporation.

## **Table of Contents**

In considering candidates submitted by shareholders of the Corporation, the Nominating and Governance Committee will take into consideration the needs of the Board of Directors and the candidate's qualifications. To have a candidate considered by the Committee, a shareholder must submit the recommendation in writing and must provide the information set forth in, and otherwise comply with, Section 18 of Article II of the Corporation's Amended and Restated By-Laws.

The shareholder recommendation and information described above must be sent to Ampco-Pittsburgh Corporation c/o Corporate Secretary at 726 Bell Avenue, Suite 301, P.O. Box 457, Carnegie, PA 15106 and, in order to allow for timely consideration, must be received not less than 90 days in advance of the anniversary date of the Corporation's most recent annual meeting of shareholders.

Once a person has been identified by the Nominating and Governance Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. Generally, if the person expresses a willingness to be considered and to serve on the Board of Directors and the Nominating and Governance Committee believes that the candidate has the potential to be a good candidate, the Nominating and Governance Committee would seek to gather information from or about the candidate. Such information may include information gathered through one or more interviews as appropriate and review of his or her accomplishments and qualifications generally, in light of any other candidates that the Nominating and Governance Committee may be considering. The Nominating and Governance Committee's evaluation process does not vary based on whether the candidate is recommended by a shareholder. Although the Nominating and Governance Committee does not have a formal written diversity policy, it considers the diversity of our board as a whole, including the skills, background and experience of our directors.

## **Non-Management Directors**

The non-management directors have regularly scheduled executive sessions. Any shareholder who wants to communicate directly with the presiding director or the non-management directors as a group can do so by following the procedure below under Shareholder Communications with Directors .

## **Shareholder Communications with Directors**

The Board of Directors has established a process to receive communications from shareholders and other interested parties. To communicate with the Board of Directors, any individual director or any group or committee of directors, correspondence should be addressed to the Board of Directors or such individual or group or committee and sent to Ampco-Pittsburgh Corporation c/o Corporate Secretary at 726 Bell Avenue, Suite 301, P.O. Box 457, Carnegie, PA 15106. Communications sent in this manner will be reviewed by the office of the Corporate Secretary for the purpose of determining whether the contents represent a message to one or more of the Corporation's directors. Depending on the subject matter, the Corporate Secretary may attempt to handle the inquiry directly, such as when it is a request for information about the Corporation or a stock-related matter. The Corporate Secretary also may not forward the communication if it is primarily commercial in nature or it relates to an improper or irrelevant topic.

## **Board's Role in Risk Oversight**

The Board of Directors as a whole is responsible for risk management oversight of the Corporation and ensuring that management develops sound business strategies. The involvement of the full Board of Directors in setting the Corporation's business strategy and objectives is integral



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to the Board's assessment of our risk profile and also a determination of what constitutes an appropriate level of risk and how best to manage any such risk. This involves receiving reports and/or presentations from applicable members of management, the Enterprise Risk Management Committee of the Corporation, and the committees of the Board. The full Board of Directors continually evaluates risks such as financial risk, legal/compliance risk, operational/strategic risk and fraud risk and addresses individual risk issues with management throughout the year as necessary.

## **Table of Contents**

While the Board of Directors has the ultimate oversight responsibility for the risk management process, the Board delegates responsibility for certain aspects of risk management to its standing committees. In particular, the Audit Committee focuses on enterprise risks and related controls and procedures, including financial reporting, fraud and regulatory risks. The Compensation Committee strives to create compensation practices that do not encourage excessive levels of risk taking that would be inconsistent with the Corporation's strategy and objectives. The Nominating and Corporate Governance Committee is responsible for overseeing the Corporation's corporate governance and corporate governance principles. The Board's role in risk oversight has not had any effect on the Board's leadership structure.

## **Director Terms**

The Board is divided into three classes, and the directors in each class serve for three-year terms unless unable to continue to serve due to death, resignation, retirement or disability. The term of one class of directors expires each year at the Corporation's annual meeting of shareholders. The Board may fill a vacancy by electing a new director to the same class as the director being replaced or by reassigning a director from another class. The Board also may create a new director position in any class and elect a director to hold the newly created position. It is expected that new directors elected to the Board will stand for election by the shareholders at the annual meeting immediately subsequent to such election, regardless of the class into which such new director is elected.

## **Director Emeritus**

The Board of Directors may, from time to time, appoint a former director as Director Emeritus. The designation, number and term of each Director Emeritus shall be within the sole discretion of the Board of Directors, and the Board of Directors may remove, with or without cause, a Director Emeritus at any time. A Director Emeritus, shall provide consulting or advisory services to the Board of Directors as requested from time to time by the Board of Directors and may be invited to attend meetings of the Board of Directors at the request of the Chairman but shall not vote, serve on any committee of the Board of Directors or be counted in determining a quorum. Each Director Emeritus shall be compensated for his services and reimbursed expenses incurred as determined by the Board of Directors by resolution from time to time.

## **Annual Meeting Attendance**

The Corporation encourages its directors to attend the Annual Meeting of the Corporation's shareholders. All of the directors then in office were in attendance at the 2016 Annual Meeting.

**Table of Contents****BOARD COMMITTEES AND RELATED MATTERS****Summary**

During 2016, the Board had four standing committees: Audit Committee, Compensation Committee, Executive Committee, and Nominating and Corporate Governance Committee. The Board makes committee and committee chair assignments annually at its meeting immediately preceding the annual meeting of shareholders, although further changes to committee assignments may be made from time to time as deemed appropriate by the Board. The Nominating and Governance Committee Charter, the Compensation Committee Charter, the Audit Committee Charter and the Corporate Governance Guidelines are available on the Corporation's website at [www.ampcopittsburgh.com](http://www.ampcopittsburgh.com).

The current composition of the Board and each committee of the Board is set forth below:

Director	Audit	Compensation	Executive	Nominating and Corporate Governance	Board of Directors
	Committee	Committee	Committee	Committee	
James J. Abel				X	X
Leonard M. Carroll	X		C		C
Michael I. German	X				X
Paul A. Gould	X	X		C	X
William K. Lieberman	X	C	X	X	X
Laurence E. Paul					X
J. Fredrik Strömholm					X
Stephen E. Paul					X
Carl H. Pforzheimer, III	C	X	X	X	X
Ernest G. Siddons			X		X
John S. Stanik			X		X
2016 Meetings	5	2	1	2	8

X Member

C Chair

All of the directors attended at least 75% of the applicable Board and committee meetings in 2016.

The independent, non-management directors meet separately in regularly scheduled executive sessions without members of management present, except to the extent that the non-management directors request the attendance of one or more members of management. The Chairman presides over meetings of the independent directors.

**Audit Committee**

The Audit Committee held 5 meetings in 2016 and was comprised of five directors: Carl H. Pforzheimer, III (Chairman), Leonard M. Carroll, Paul A. Gould, William K. Lieberman, and Michael I. German. None of the Audit Committee members is now, or has within the past five years been, an employee of the Corporation. The Board has determined that none of the members of the Audit Committee have any financial or personal ties to the Corporation (other than director compensation and equity ownership as described in this Proxy Statement) and that they meet the NYSE and SEC standards for independence applicable to members of the Audit Committee.

## **Table of Contents**

The Audit Committee reviews the Corporation's accounting and reporting practices, including internal control procedures, and maintains a direct line of communication with the Directors and the independent accountants. The Audit Committee also is directly responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by our independent registered public accounting firm, as well as evaluating the performance of our internal audit function and our financial reporting processes.

The Board of Directors has determined that Mr. Pforzheimer meets the SEC criteria to be deemed an audit committee financial expert and meets the NYSE standard of having accounting or related financial management expertise. Each member of the Audit Committee is financially literate.

## **Compensation Committee**

The Compensation Committee met once in 2016 and is comprised of three directors: Paul A. Gould, William K. Lieberman (Chairman) and Carl H. Pforzheimer, III. The Compensation Committee is responsible for reviewing and recommending to the Board of Directors compensation programs and policies and reviewing and recommending to the Board of Directors the participation of executives and other key management employees in the various compensation plans of the Corporation.

The Compensation Committee, under the terms of its charter, has the sole authority to retain, approve fees and other terms for, and terminate any compensation consultant used to assist the Compensation Committee in executive compensation matters. The Compensation Committee also may obtain advice and assistance from internal or external legal, accounting or other advisors. In 2016, the Compensation Committee engaged Pay Governance LLC as its independent provider of compensation consulting services for decisions relating to 2016 compensation. The Committee also utilizes external legal advisors and assesses the independence of its advisors.

Certain executive officers of the Corporation attend meetings of the Compensation Committee from time to time and are given the opportunity to express their views on executive compensation matters.

Each member of the Compensation Committee is a non-employee director of the Corporation as defined under Rule 16b-3 of the Securities Exchange Act of 1934, and each member is also an outside director for the purposes of the corporate compensation provisions contained in Section 162(m) of the Internal Revenue Code.

## **Executive Committee**

The Executive Committee met once in 2016. It was comprised of the following five directors: Leonard M. Carroll (Chairman), William K. Lieberman, Carl H. Pforzheimer, III, Ernest G. Siddons, and John S. Stanik. This Committee is responsible for providing guidance and counsel to the Corporation's management team on significant matters affecting the Corporation and taking action on behalf of the Board where required in exigent circumstances, such as where it is impracticable or infeasible to convene, or obtain the unanimous written consent of, the full Board.

## **Nominating and Corporate Governance Committee**

The Nominating and Governance Committee met twice in 2016 and was comprised of four directors: James J. Abel, Paul A. Gould (Chairman), William K. Lieberman and Carl H. Pforzheimer, III. The Nominating and Governance Committee is responsible for identifying individuals qualified to become directors and recommending candidates for membership on the Board of Directors and its committees, developing and recommending to the Board of Directors the Corporation's corporate governance policies and reviewing the effectiveness of board governance, including overseeing an annual assessment of the performance of the Board of Directors and each of its committees.

**Table of Contents****Director Compensation**

In 2016, each director who was not employed by the Corporation received an annual retainer of \$50,000, payable quarterly in cash in equal installments. The Chairman of the Board received an additional \$25,000 fee, the Chairman of the Audit Committee received an additional \$15,000 annual fee, the Chairman of the Compensation Committee received an additional \$10,000 fee, and the Chairman of the Nominating and Governance Committee received an additional \$7,500 fee. Further, members of Board committees received the following additional fees: \$7,500 for the Audit committee, \$5,000 for the Compensation committee, and \$3,750 for the Nominating and Governance Committee. Each non-employee director also received an annual stock award valued at \$60,000. In light of the increased amount of the stock award and the increased committee chair fees, meeting attendance fees were no longer paid in 2016. In furtherance of the Board's philosophy of aligning the interests of directors to those of the Corporation's shareholders, the Board of Directors has revised the structure of director compensation for 2017 to reduce the annual retainer to \$40,000, payable in cash quarterly in equal installments, and to increase the value of the annual stock award to \$70,000.

The table below summarizes the director compensation earned by non-employee directors of the Corporation in 2016:

Name(1)	Fees Earned or Paid in			Total (\$)
	Cash\$(2)	Stock Awards (\$)(3)	Other Compensation (\$)	
James J. Abel	53,750	60,000	0	113,750
Leonard M. Carroll	82,500	60,000	0	142,500
Michael I. German	57,500	60,000	0	117,500
Paul A. Gould	70,000	60,000	0	130,000
William K. Lieberman	72,250	60,000	0	132,250
Laurence E. Paul	50,000	60,000	0	110,000
Stephen E. Paul	50,000	60,000	0	110,000
Carl H. Pforzheimer, III	73,750	60,000	0	133,750
Ernest G. Siddons	50,000	60,000	0	110,000
Fredrik Strömholm	25,000	60,000	0	85,000
Robert A. Paul(4)	50,000	0	598,566	648,566

- (1) John S. Stanik has served as the Corporation's Chief Executive Officer and as a director since January 1, 2015. Mr. Stanik did not receive any compensation for his service on the Board of Directors in 2016.
- (2) This column reflects annual cash retainer fees, including committee chair fees, as well as committee membership fees paid to each listed director. Mr. Lieberman also received \$1,000 fee for being lead director until March 2, 2016. Mr. Strömholm became a director on March 2, 2016 and received director fees for the third and fourth quarters, while the fee for the second quarter was paid directly to Altor Fund II GP Limited.
- (3) This column reflects the aggregate grant date fair value, determined in accordance with FASB ASC Topic 718, of the stock awards granted to directors. The assumptions made in calculating the grant date fair values are set forth in Note 9 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.
- (4) In connection with his service as the non-executive Chairman of the Board until March 2, 2016, Mr. Paul received total cash compensation in the amount of \$50,000 in 2016. Mr. Paul retired and resigned from the Board of Directors in March 2016 and became Chairman Emeritus. Mr. Paul also earned \$598,566 for consulting services pursuant to the Consulting Agreement between him and the Corporation, dated as of January 1, 2015, as amended to date.





**Table of Contents****Stock Ownership Guidelines**

We have a long-standing approach of compensating directors in part with stock awards and encouraging retention of stock acquired through such awards or by market purchases. We believe retention of stock creates a long-term perspective and aligns the interests of our directors with those of our shareholders. In furtherance of this approach, the Board of Directors has established stock ownership guidelines for our CEO requiring the CEO to hold a minimum of 30,000 shares of the Corporation's common stock, subject to certain exceptions for reasonable estate and tax planning and diversification purposes. Mr. Stanik has five years to acquire the shares.

The Board of Directors is covered by a director stock ownership policy which provides that all directors must hold at least 1,000 shares of the Corporation's common stock. All current directors satisfy this policy as of March 24, 2017. The Board of Directors will review these guidelines at least annually to evaluate whether they remain effective.

**SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information, to the extent known by the Corporation, concerning individuals (other than directors or officers of the Corporation) or entities holding more than five percent of the outstanding shares of the Corporation's Common Stock. The percent of class in the table below is calculated based upon 12,270,621 shares outstanding as of March 10, 2017.

Name of beneficial owner	Amount and nature of beneficial ownership	Percent of class
<b>Gabelli Funds, Inc.</b> (and affiliates) Corporate Center Rye, NY 10580	2,553,392(1)	20.81%
<b>Altor Fund II GP Limited</b> 11-15 Seaton Place St Helier Jersey JE4 OQH	1,776,604(2)	14.48%
<b>The Louis Berkman Investment Company</b> P. O. Box 576 Steubenville, OH 43952	1,437,241(3)	11.71%

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- (1) Based on an amended Schedule 13D filed with the SEC on September 9, 2016 disclosing that the reporting persons had sole voting and dispositive power.
- (2) Altor Fund II GP Limited ( Altor Fund ) has sole voting and dispositive power over the shares. Mr. J. Fredrik Strömholm, a director of the Corporation, may also be deemed to beneficially own these shares by virtue of having a vested profit interest in Altor Fund.
- (3) Laurence E. Paul and Stephen E. Paul, directors of the Corporation, own 23.33% and 23.94%, respectively, of The Louis Berkman Investment Company 's non-voting stock, held in various trusts.

**Table of Contents**

The following table sets forth as of March 10, 2017 information concerning the beneficial ownership of the Corporation's Common Stock by the Directors and Named Executive Officers and all Directors and Executive Officers of the Corporation as a group. The percent of class in the table below is calculated based upon 12,270,621 shares outstanding as of March 10, 2017.

Name of beneficial owner	Amount and nature of beneficial ownership	Percent of class
J. Fredrik Strömholm	1,779,813(1)	14.5%
Laurence E. Paul	1,448,155(2)	11.8%
Stephen E. Paul	1,448,155(3)	11.8%
Terrence W. Kenny	106,918(4)	*
Rose Hoover	103,832(5)	*
Marliss D. Johnson	80,967(6)	*
Ernest G. Siddons	45,921(7)	*
Rodney L. Scagline	16,806(8)	*
William K. Lieberman	12,914(9)	*
Carl H. Pforzheimer, III	12,647(10)	*
Leonard M. Carroll	12,414(11)	*
John S. Stanik	11,560(12)	*
Paul A. Gould	10,914(11)	*
Michael I. German	10,049(11)	*
James J. Abel	7,049(11)	*
Michael G. McAuley	2,091(13)	*
Directors and Executive Officers as a group (17 persons)	3,662,202(14)	29.9%

\* Less than 1%

- (1) Represents 3,209 shares held directly and 1,776,604 shares owned by Altor Fund. Mr. Strömholm has a vested profit share interest in Altor Fund but disclaims beneficial ownership of these shares.
- (2) Represents 10,914 shares owned directly and 1,437,241 shares owned by The Louis Berkman Investment Company. Mr. Paul is a President of The Louis Berkman Investment Company and is a trustee of various trusts which own 23.33% of its non-voting stock.
- (3) Represents 10,914 shares owned directly and 1,437,241 shares owned by The Louis Berkman Investment Company. Mr. Paul is a President of The Louis Berkman Investment Company and is a trustee of various trusts which own 23.94% of its non-voting stock.
- (4) Represents 2,874 shares owned directly, 102,500 shares that he has the right to acquire within sixty days pursuant to stock options and 1,544 restricted stock units ( RSUs ) that will vest within sixty days.
- (5) Represents 2,013 shares owned directly, 99,334 shares that she has the right to acquire within sixty days pursuant to stock options and 2,485 RSUs that will vest within sixty days.
- (6) Represents 441 shares held directly, 79,000 shares that she has the right to acquire within sixty days pursuant to stock options and 1,526 RSUs that will vest within sixty days.
- (7)

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Includes 2,000 shares held jointly with his wife, 8,921 shares owned directly and 35,000 shares he has the right to acquire within sixty days pursuant to stock options.

- (8) Represents 1,327 shares held directly, 12,500 shares that he has the right to acquire within sixty days pursuant to stock options and 2,979 RSUs that will vest within sixty days.

**Table of Contents**

- (9) Includes 3,000 shares held jointly with his wife and 9,914 shares owned directly.
- (10) Includes 10,914 shares owned directly, 800 shares held by a trust of which he is a trustee and principal beneficiary, and the following shares in which he disclaims beneficial ownership: 133 shares held by his daughter and 800 shares held by a trust of which he is a trustee.
- (11) Represents shares held directly.
- (12) Represents 5,115 shares owned directly and 6,445 RSUs that will vest within sixty days.
- (13) Represents 1,000 shares held directly and 1,091 RSUs that will vest within sixty days.
- (14) Excludes double counting of shares deemed to be beneficially owned by more than one director.

Unless otherwise indicated, the individuals named have sole investment and voting power.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires the Corporation's directors, executive officers and persons who beneficially own more than 10% of the Corporation's common stock, to file reports of holdings and transactions in the Corporation's common stock with the SEC and to furnish the Corporation with copies of all Section 16(a) reports that they file. Based on those records and other information furnished, during 2016, executive officers, directors and persons who beneficially own more than 10% of the Corporation's common stock complied with all filing requirements, with the following exceptions: Forms 3 for each of Altor Fund and Fredrik Strömholm were filed on April 1, 2016, while the due date for each of the filings was March 13, 2016. Form 3 was required to be filed for Mr. Stromholm as he became a director of the Corporation on March 3, 2016. Form 3 for Altor Fund reported an acquisition of 1,776,604 shares, in the aggregate, by four affiliates of Altor Fund, and Altor Fund claims beneficial ownership of these shares.

**Table of Contents**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

**(Proposal 2)**

The Say-on-Pay vote is advisory and therefore not binding on the Corporation or the Board. However, the Board of Directors and the Compensation Committee will carefully review the opinions that our shareholders express and will take the outcome of the vote into account when making decisions regarding executive compensation. Our Board of Directors adopted a policy to hold this advisory vote on executive compensation annually.

We believe that the Say-on-Pay vote represents an additional means by which we may obtain important feedback from our shareholders about executive compensation. As set forth in the Compensation Discussion and Analysis (the "CD&A"), the overall objectives of our executive compensation program are to provide compensation that is competitive, create a structure that is based on achievement of performance goals and provide incentive for long-term continued employment.

In accordance with the voting results for the proposal considered at the Corporation's 2011 Annual Meeting of Shareholders regarding the frequency of advisory Say-on-Pay votes, the Corporation determined to hold an advisory Say-on-Pay vote annually until the next shareholder vote on the frequency of such advisory Say-on-Pay votes, which is being held this year (see Proposal 3).

Shareholders are encouraged to read the CD&A, starting on page 23, which discusses how the elements of the compensation packages for the named executive officers are determined, and review the Summary Compensation Table and the other related tables and narrative disclosures following the CD&A. The Board and the Compensation Committee believe that the Corporation's policies and procedures on executive compensation are strongly aligned with the long-term interests of our shareholders and are effective in achieving the strategic goals of the Corporation. The Say-on-Pay vote gives you, as a shareholder, the opportunity to endorse or not endorse our executive compensation program by voting for or against the following resolution:

RESOLVED, that the shareholders of Ampco-Pittsburgh Corporation (the "Corporation") approve, on an advisory basis, the compensation of the Corporation's named executive officers, as disclosed in the Corporation's proxy statement for the 2017 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THIS RESOLUTION AND THEREBY ENDORSE THE CORPORATION'S EXECUTIVE COMPENSATION PROGRAM.**

**Table of Contents**

**EXECUTIVE COMPENSATION**

**COMPENSATION DISCUSSION AND ANALYSIS**

Our Compensation Discussion and Analysis describes the key features of our executive compensation program for 2016 for our named executive officers :

**2016 Named Executive Officers**

<b>Name</b>	<b>Title (as of last day of 2016)</b>
John S. Stanik	Chief Executive Officer
Michael G. McAuley	Vice President, Chief Financial Officer and Treasurer
Rose Hoover	President and Chief Administrative Officer
Rodney L. Scagline	President of Union Electric Steel Corporation
Terrence W. Kenny	President of Air & Liquid Systems Corporation
Marliss D. Johnson	Vice President of Finance and Chief Accounting Officer*

\* Ms. Johnson served as Chief Financial Officer and Treasurer of the Corporation until April 25, 2016.

We have divided this discussion into five parts:

1. 2016 Highlights
2. Key Features of Our Executive Compensation Program
3. 2016 Compensation Objectives and Governance
4. 2016 Compensation Decisions
5. Other Compensation Practices and Policies

**2016 Highlights**

As a result of the changes made to our executive compensation policy in 2015 (and described in the 2016 proxy statement), the 2016 executive compensation program features a balanced mix of salary and performance-driven annual and long-term incentive award opportunities. The following chart illustrates the target compensation opportunities in 2016 for Mr. Stanik, our Chief Executive Officer ( CEO, and also referred to

as our Principal Executive Officer or (PEO ):

**CEO 2016 Compensation**

**at Target Levels**

23



## **Table of Contents**

Throughout 2016, the Corporation continued to face deteriorating end-market conditions in most of the industries served by our Forged and Cast Engineered Products segment. Excess steel capacity, weakened demand for rolls, as well as declining prices for oil and gas, contributed to the challenging market conditions. Intense international competition, coupled with a strong U.S. Dollar and a weak Euro, further added to the significant headwinds. Faced with these difficult global economic conditions, the Corporation failed to achieve company-wide business goals related to income from operations and earnings per share, key metrics in our compensation programs as discussed in more detail below. Our Air and Liquid Processing segment, however, performed well and nearly achieved its target operating income goals.

Based on these business performance results, the named executive officers did not receive any annual incentive award related to the company-wide goals based on income from operations. As discussed further below, each of the named executive officers received limited annual incentive awards based on personal performance, and Mr. Kenney also received an award based on the Air and Liquid Processing segment operating income goal that was achieved. The 2016 earnings per share (EPS) threshold goal for both the 2015-2017 and the 2016-2018 performance stock units ( PSUs ) awards was not achieved, and as a result those portions of the PSU awards were forfeited. Together, these incentive compensation outcomes demonstrate the close linkage of our named executive officer compensation and business performance.

### **Key Features of our Executive Compensation Program**

The Committee believes that our executive compensation program, including the 2015 design changes, includes key features that align the interests of our named executive officers and the Corporation's long-term strategic direction with the interests of our shareholders and does not include features that could misalign their interests.

## **KEY FEATURES**

### **Align CEO Pay with Company Performance:**

A significant portion of our CEO's actual pay is tied to annual performance goals and long-term shareholder returns. Beginning in 2015, a majority of long-term incentive awards were provided as performance-based PSUs.

### **Use Long-Term Incentives to Link a Significant Portion of Named Executive Officer Pay to Company Performance:**

A significant portion of pay for our named executive officers is long-term incentives linked to growing earnings per share, total shareholder return and our stock price.

### **Balance Short-Term and Long-Term Incentives:**

Our incentive programs provide an appropriate balance of annual and long-term incentives and include multiple measures of performance.

### **Cap Incentive Awards:**

Annual incentive awards and PSUs include capped payouts (200% for annual incentives and 150% for PSUs).

### **Mitigate Excessive Risk-taking Behaviors by Named Executive Officers:**

Our executive compensation program includes features that reduce the possibility of our named executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of long-term value.



## **Table of Contents**

### **Authorize the Board to Claw Back Executive Compensation:**

We have implemented a clawback policy applicable to executive officers pursuant to which, if the Corporation is required, because of fraud or negligence, to restate financial results for any Restatement Period in a manner that would have adversely affected the amount of the payout of any incentive compensation awards, the Committee has the right during the three-year period following the Restatement Period to review the matter and determine what, if any, repayment executives will be required to make.

### **Use of Independent Compensation Consultant:**

In 2016, the Committee engaged Pay Governance LLC, a compensation consulting firm, to assist it in fulfilling its responsibilities and duties. Pay Governance LLC does not provide any other services to the Corporation.

### **Use of Peer Group:**

The Compensation Committee periodically checks its compensation decisions against executive compensation at a peer group of companies comparable in terms of the primary scope metric of revenue and secondary scope metrics of market cap, assets and number of employees to ensure that our executive compensation program provides competitive compensation opportunities. The same peer group is used to determine our relative performance for vesting of a portion of PSU awards.

### **Multi-Year Vesting Periods:**

The equity awards granted to our executive officers are earned over multi-year periods, consistent with current practice and our retention objectives.

### **Use of Performance Metrics:**

A significant portion of each executive's annual pay is based on objective performance metrics. Our executive compensation program is designed so that a significant portion of compensation is at-risk based on corporate performance, as well as equity-based to align the interests of our executive officers and shareholders.

### **No Section 280G Tax Gross-Up Rights:**

We do not provide any Code Section 280G excise tax gross-up rights or any other significant tax gross-up rights to our executive officers.

### **No Option Repricing or Replacement without Shareholder Approval:**

The Corporation's 2016 Omnibus Incentive Plan prohibits underwater options from being repriced or replaced (either with new options or other equity awards), unless approved by our shareholders.

## **2016 Compensation Objectives and Governance**

The compensation paid or awarded to our named executive officers for 2016 was designed to meet the following objectives:

Provide compensation that is competitive with compensation for executive officers providing comparable services, taking into account the size of the Corporation, the nature of its business, and the location of its headquarters. We refer to this objective as competitive compensation.

Create a compensation structure under which a meaningful portion of total compensation is based on achievement of performance goals relating to the Corporation's and the individuals' performance and to enhancement of shareholder value. We refer to this objective as the performance incentive.

**Table of Contents**

Provide an incentive for long-term continued employment with us. We refer to this objective as the retention incentive.

We consider various components of our 2016 compensation payments and awards (added to payments and awards granted in prior years) to meet the following objectives:

Type of Compensation	Objectives Addressed
Salary	Competitive Compensation
	Performance Incentives
Incentive Bonus Plan Awards	Competitive Compensation
	Performance Incentives
Restricted Stock Units	Competitive Compensation
	Retention Incentives
Performance Stock Units	Competitive Compensation
	Performance Incentives
Change in Control Severance Protection	Competitive Compensation
	Retention Incentives
SERP Benefits	Competitive Compensation
	Retention Incentives

In 2016, compensation decisions for our CEO were made by the recommendation of the Compensation Committee and approved by the independent directors on the Board of Directors. The Compensation Committee, in consultation with the CEO, made recommendations to our Board of Directors with regard to director compensation and compensation of executive officers who report directly to the CEO, including each of the other named executive officers. In assessing competitive compensation, the Committee relied primarily on recommendations provided by Pay Governance LLC as the Committee's outside compensation consultants.

**2016 Compensation Decisions****Salaries**

New salary levels for our named executive officers historically have been established on an annual basis in April or May of each year (in 2016, the salaries were adjusted in April). Determinations regarding salary adjustments are made based on a number of objective and subjective factors, including cost of living increases, the Corporation's financial performance, and a qualitative analysis of each individual officer's performance during the preceding year, taking into account such factors as leadership, commitment and execution of corporate initiatives and special projects assigned by the Board, the Chairman or the CEO. We also consider whether there has been any material change in the officer's title, duties and responsibilities in the preceding year. Where an officer has assumed material additional duties, or has been promoted, an above-normal salary adjustment would typically be justified. Finally, in rare circumstances, we may decide to make a market adjustment in salaries if we determine that salary levels for one or more of our named executive officers have fallen materially below levels that we consider

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appropriate in order to maintain a competitive compensation package and to discourage valued executives from leaving to pursue other opportunities. Salary adjustments for our CEO and other named executive officers are reviewed and must be approved by the independent members of the Board of Directors, after a recommendation by the Compensation Committee.

**Table of Contents**

Generally, the differences in the level of pay between the named executive officers is the result of the determination by the Committee or by the CEO over time that the level of responsibility, function, experience, and length of service that each of the officers possess are as follows:

Name	2016 Base	2016 Base	Percentage Increase
	Pre-Adjustment Salary(\$)	Adjusted Salary(\$)	
John S. Stanik	600,000	618,000	3%
Michael G. McAuley	n/a(1)	340,000	n/a
Rose Hoover	350,000	364,000	4%
Rodney L. Scagline	235,000(2)	325,000	38%
Terrence W. Kenny	313,000	319,500	2%
Marliss D. Johnson	260,000	260,000	0%

- (1) Mr. McAuley became employed by the Corporation as Vice President, Chief Financial Officer and Treasurer on April 25, 2016.
- (2) Mr. Scagline's salary was increased in connection with Mr. Scagline becoming the highest-ranking officer of UES due to the retirement of Mr. Carothers, the former Chairman and Chief Executive Officer of Union Electric Steel Corporation.

**Incentive Bonus Plan Awards**

The incentive bonus plan award for 2016 for each named executive officer was determined using the following formula:

$$\begin{aligned}
 & \text{Target Annual Incentive} \quad \times \quad 70\% \text{ Weighting} \quad \times \quad \text{Business Performance Achievement} = \text{Business Performance Portion of Annual Incentive} \\
 & \text{Target Annual Incentive} \quad \times \quad 30\% \text{ Weighting} \quad \times \quad \text{Personal Goal Achievement to Improve Their Area of Responsibility} = \text{Personal Performance Portion of Annual Incentive} \\
 & \hspace{15em} + \\
 & \hspace{15em} = \text{Annual Incentive Award}
 \end{aligned}$$

Threshold, target and maximum goals were set for the performance goals, such that no amount would be paid for performance below threshold, 50% of target would be paid for performance at threshold, and no more than 200% of target would be paid for performance at or above maximum.

Target Annual Incentive Awards. Target annual incentive awards were established by the Compensation Committee as a percentage of base salary for each named executive officer, intending to provide a competitive bonus opportunity aligned to the named executive officer's role, responsibilities and historic pay, as follows:

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<b>Name</b>	<b>Target As % of Base Salary</b>	<b>Target Amount</b>
John S. Stanik	50.00%	\$ 309,000
Michael G. McAuley	50.00%	\$ 170,000
Rose Hoover	50.00%	\$ 182,000
Rodney L. Scagline	45.00%	\$ 146,250
Terrence W. Kenny	35.00%	\$ 111,825
Marliss D. Johnson	22.00%	\$ 57,200

**Table of Contents**

**Business Performance Goals (Weighted 70%).** For Mr. Stanik, Mr. McAuley, Ms. Hoover and Ms. Johnson, the business performance portion of the annual incentive was based on goals related to the Corporation's 2016 income from operations as compared to the Corporation's business plan for 2016. Income from operations was chosen by the Compensation Committee in the belief that it is the most accurate objective measure of business performance. The Compensation Committee eliminates most charges or windfalls which are generally beyond the control of the executives and adjusts actual and planned income to allow for the exclusion of costs primarily related to asbestos litigation and acquisition revenue and expense.

For Mr. Scagline and Mr. Kenny, as the leaders of our two key business segments, the business performance portion of the annual incentive was based both on the Corporation's 2016 income from operations and the relevant business segment operating income (each portion weighing 20% and 50%, respectively, of the total annual incentive award opportunity). The Compensation Committee believed that this weighting would provide greater focus for these named executive officers on business segment performance over which the named executive officer has primary responsibility, balanced by an interest in overall corporate results.

The following table shows the relevant goals and payout percentages for 2016. The overall corporate-level goals are lower than the sum of the business segment goals because corporate-level operating income is reduced by certain expenses not included in determining business segment operating income.

<b>Corporate and Business Segment</b>					
<b>Operating Income Goals for 2016 (in \$000 s)</b>					
<b>Corporate-Level</b>	<b>Forged and Cast Engineered Products</b>	<b>Air and Liquid Processing</b>	<b>Percentage of Business Plan</b>	<b>Performance Achievement Level</b>	<b>Payout Percentage (of Target Award)</b>
(all NEOs)	Segment (Mr. Scagline)	Segment (Mr. Kenny)			
Less than (14,189)	Less than (5,223)	Less than 7,804	Less than 75%	Below Threshold	0%
(14,189)	(5,223)	7,804	75%	Threshold	50%
(11,351)	(4,178)	10,405	100%	Target	100%
(6,811) and above	(2,507)	14,567	140%	Maximum	200%

**Personal Performance Goals (Weighted 30%).** The Compensation Committee recommended, and the Board approved, personal performance goals for each of the named executive officers. The Compensation Committee ultimately exercises informed judgment in determining the degree to which individual performance goals are achieved. The following table summarizes the areas of personal performance considered material to the 2016 annual incentive awards:

<b>Name</b>	<b>Key Personal Performance Goals</b>
John S. Stanik	Closing of Åkers acquisition; development and implementation of new pricing strategy; further development of strategic plan; integration of Åkers group into the business of UES and the Corporation; development of plan to improve net working capital and cash flow; initiation of lean manufacturing cost reduction plans
Michael G. McAuley	Improvements to corporate liquidity; analysis and improvement of finance department structure to achieve efficiencies; improvement to working capital management; integration of Åkers group into the business of UES and the Corporation; other strategic projects
Rose Hoover	Integration of Åkers group into the business of UES and the Corporation; other strategic projects; development of plan of implementation of ERP system throughout the Corporation; negotiate insurance settlements
Rodney L. Scagline	Integration of Åkers group into the business of UES; continuation of lean manufacturing implementation; improvement to management of working capital; business segment growth and strategic goals





**Table of Contents**

Name	Key Personal Performance Goals
Terrence W. Kenny	Implementation of lean manufacturing; implementation of planned reduction in working capital; business segment strategic goals
Marliss D. Johnson	Integration of Åkers group into the business of UES and the Corporation; further development of strategic plan; initiation of lean accounting initiatives to improve efficiencies and reduce costs.

**2016 Annual Incentive Award Decisions Based on Performance.** The Corporation had a loss from operations for 2016 of \$21,854,897 (excluding certain non-routine revenue and expense items, such as acquisition costs, goodwill impairment charges, asbestos litigation settlements and expenses, and certain other items), which was below the threshold level of performance for the year, resulting in no payout for that portion of the 2016 annual incentive awards. The Forged and Cast Engineered Products segment had an operating loss for 2016 of \$15,732,172, which was below the threshold level of performance for that business segment, resulting in no payout for that portion of the 2016 annual incentive award for Mr. Scagline. Air and Liquid Processing segment had an operating income of \$10,181,000, which nearly reached the target level of performance, resulting in a payment above threshold but slightly below target for that portion of the 2016 annual incentive award for Mr. Kenny. After a review of individual performance for the year against the goals noted above, the Compensation Committee recommended and the Board approved the following annual incentive awards for the named executive officers for 2016, which are included in the Summary Compensation Table for 2016 under Non-Equity Incentive Plan Compensation :

Name	Target Annual Incentive Award	Business Performance Portion (70% weighting)	+	Personal Performance Portion (30% weighting)	=	Actual Annual Incentive Award
John S. Stanik	\$ 309,000	\$ 0	+	\$ 74,000	=	\$ 74,000
Michael G. McAuley	\$ 170,000	\$ 0	+	\$ 41,000	=	\$ 41,000
Rose Hoover	\$ 182,000	\$ 0	+	\$ 88,000	=	\$ 88,000
Rodney L. Scagline	\$ 146,250	\$ 0	+	\$ 45,000	=	\$ 45,000
Terrence W. Kenny	\$ 111,825	\$ 54,000	+	\$ 51,000	=	\$ 105,000
Marliss D. Johnson	\$ 57,200	\$ 0	+	\$ 32,000	=	\$ 32,000

**Long-Term Incentive Awards**

The Corporation has adopted the 2016 Omnibus Incentive Plan under which the Compensation Committee may grant the named executive officers and other key employees a variety of types of equity-based awards. The Compensation Committee believes that annual grants of equity-based awards serve the purpose of aligning the interests of our named executive officers with the interests of our shareholders. Vesting conditions for equity-based awards also encourage executive retention. Before 2015, the Corporation had the practice of making annual grants of stock options. As discussed below, since 2015, the Compensation Committee has not granted stock options and instead has begun a practice of granting long-term incentive awards in the form of annual grants of performance-vesting restricted stock units ( PSUs ) and time-vesting restricted stock units ( RSUs ). The Compensation Committee believes this new mix of equity incentive awards further ties pay to our Corporation s performance while also aligning interests with our long-term shareholders and encouraging retention.

**Table of Contents**

**Target Award Amounts.** The Compensation Committee sets a target dollar amount for the value of long-term incentive awards granted each year. These target amounts are set as a percentage of base salary for each named executive officer, intending to provide a competitive long-term incentive award opportunity aligned to the named executive officer's role, responsibilities and historic pay, as follows:

Name	Target As % of Base Salary	Target Amount
John S. Stanik	142.1%	\$ 878,178
Michael G. McAuley	60.00%	\$ 204,000
Rose Hoover	75.6%	\$ 275,184
Rodney L. Scagline	61.6%	\$ 200,200
Terrence W. Kenny	39.2%	\$ 125,244
Marliss D. Johnson	19.23% (RSUs only)	\$ 50,000

Whether the named executive officers realize these target amounts depends on our Corporation's financial results and stock price performance and the executive's continued employment with us.

**Mix of Awards: PSUs and RSUs.** Beginning in 2015, the Compensation Committee determined that the long-term incentive awards for the named executive officers should be provided in balanced mix of RSUs, weighted 30%, and PSUs, weighted 70%. This weighting, and the performance requirements for PSUs discussed below, is intended to further align the compensation realized by our named executive officers over time with the Corporation's performance. The PSUs, to the extent earned based on performance, do not vest until the end of the performance period, and the RSUs vest in three equal annual installments starting on the first anniversary of the grant date, to further encourage executive retention. Consistent with past practice, the grants are made on or about the same date as our annual meeting of shareholders for each year.

**Performance Design for PSUs.** PSUs become earned based on the Corporation's performance over a three-year performance period, 2016-2018. The Compensation Committee determined that the performance vesting conditions should be based on a mix of our performance against annually determined goals regarding EPS, weighted 40% of the total long-term incentive award opportunity including the RSUs, and our total stockholder return (TSR) as compared against a peer group over the performance period, weighted 30% of the total long-term incentive award opportunity including the RSUs. The Compensation Committee believes that EPS performance reflects efficient earnings performance against our equity base, and that TSR performance ensures that compensation results are tied to our relative performance against our peers. Because of the inherent challenge in setting EPS goals over a three-year period and to better ensure appropriately challenging goals, the Compensation Committee determined that the EPS portion of the award should be set at the beginning of each performance year during the three-year period.

**Table of Contents**

The following table shows the EPS portion of the design.

**EPS Performance Goals<sup>1</sup>**

**(40% of Total Long-Term Incentive Award Opportunity)**

Achievement	% of EPS Portion			2018 EPS
	Target Earned	2016 EPS Goals	2017 EPS Goals	Goals
Below Threshold	0%			
Threshold	75%	(\$0.59)	TBD	TBD
Target	100%	(\$0.47)	TBD	TBD
Maximum	150%	(\$0.23)	TBD	TBD

The following table shows the relative TSR design. TSR includes cumulative cash dividends (without interest) declared during the performance period. To guard against stock price volatility, the beginning and ending stock prices for determining relative TSR are based on an 11-day average using the closing price on the applicable date +/-5 trading days.

**Relative TSR Performance Goals**

**(30% of Total Long-Term Incentive Award Opportunity)**

Achievement	% of TSR Portion	
	TSR Percentile Rank	Target Earned
Below Threshold	Below 25 <sup>th</sup> percentile	0%
Threshold	25 <sup>th</sup> percentile	75%
Target	50 <sup>th</sup> percentile	100%
Maximum	75 <sup>th</sup> percentile and above	150%

The peer companies for this purpose selected by the Compensation Committee are the same as used by the Compensation Committee to view the competitiveness of our executive compensation program, as discussed further below.

For each of the EPS and relative TSR performance goals, results between threshold and target or between target and maximum are interpolated on a straight-line basis.

**2016 EPS Results for PSUs.** For 2016, our EPS for purposes of the 2016-2018 PSU awards was \$(1.12) per share. Because this result was below the threshold goal, the portion of the PSUs related to 2016 EPS was forfeited.

**Other Compensation Practices and Policies**

See **Key Features of Our Executive Compensation Program** above for a summary of a number of key policies and practices designed to result in a balanced executive compensation program that encourages appropriate, and not excessive, levels of risk taking by our named executive officers. Below are certain additional policies and practices regarding our program:

<sup>1</sup> For this purpose, EPS means the Corporation's net income per common share (basic) for each year during the performance period, adjusted as determined by the Committee to exclude the effect of certain items such as asset write-downs or impairment charges, litigation or claim costs, judgments or settlements, including asbestos claims and defense costs; and the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results.

**Table of Contents****Use of Peer Companies**

The Compensation Committee periodically checks its compensation decisions against executive compensation at a peer group of companies comparable in terms of the primary scope metric of revenue and secondary scope metrics of market cap, assets and number of employees to ensure that our executive compensation program provides competitive compensation opportunities for our named executive officers. The Compensation Committee uses this information for general context on executive compensation practices and levels in the market, and does not have a formal policy to benchmark compensation mix or levels for the named executive officers to a specified competitive level against these peers.

The Compensation Committee most recently considered the appropriate peer companies in 2016. At that time, the Compensation Committee approved a list of 18 peer manufacturing companies, taking into account size and complexity of the business based on revenue, total assets and market cap. At the time established, the Corporation approximated the median size of the peer companies in revenues, was above the median in assets and below the 25th percentile in market cap. The peer company list approved in 2016 is as follows:

Badger Meter Inc.	Hardinge Inc.	
Calgon Carbon Corporation	Haynes International, Inc.	
Chase Corporation	Hurco Companies Inc.	
DMC Global Inc.	Insteel Industries, Inc.	Manitex International, Inc.
Douglas Dynamics, Inc.	Kadant Inc.	NN Inc.
FreightCar America Inc.	LB Foster Co.	Twin Disc, Incorporated
Gorman-Rupp Co.	Lydall Inc.	Universal Stainless & Alloy Products Inc.

**Ongoing and Post-Employment Agreements**

We have a legacy supplemental executive retirement plan that enables certain of our named executive officers to accrue retirement benefits as the executive continues to work for us, as well as change in control agreements that could provide severance benefits upon a change in control. These plans and agreements have been adopted and/or amended at various times over many years, and they are designed to be a part of a competitive compensation package. The plans and agreements described below do not include plans that are generally available to all of our salaried employees:

**Supplemental Executive Retirement Plan ( SERP )** We maintain a supplemental executive retirement plan, which is a nonqualified deferred compensation plan that provides benefits for executives in excess of the benefits that may be provided under our tax qualified defined benefit retirement plan ( Plan ) as a result of limits imposed by the Internal Revenue Code. The SERP also provides additional payment rights and benefits in the event of a change in control. The named executive officers who participate in the SERP are Ms. Rose Hoover and Mr. Terry Kenny. See the Retirement Benefits table and accompanying narrative for a description of the SERP.

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**Change in Control Agreements** We have change in control agreements with respect to each of our named executive officers so that our officers remain focused on the interests of the Corporation and the shareholders, rather than their personal circumstances, in the context of a potential change in control. Our agreements with executives provide for payments and other benefits if we terminate an executive's employment without cause or if the executive terminates employment for good reason within 24 months following a change in control. The change in control agreements are described under Potential Payments Upon Termination or Change in Control below.

### **Tax Considerations**

Under Section 162(m) of the Internal Revenue Code, a publicly held corporation may not deduct more than \$1 million in a taxable year for certain forms of compensation paid to the chief executive officer and certain

**Table of Contents**

other named executive officers listed in the Summary Compensation Table (other than the chief financial officer). Our policy is generally to preserve the federal income tax deductibility of compensation paid to our executives. Nevertheless, we retain the flexibility to authorize compensation that may not be deductible if we believe it is in the best interests of our Corporation. While we believe that all compensation paid to our executives in 2016 was deductible, a portion of compensation paid in future years may not be deductible as a result of Section 162(m).

**SUMMARY COMPENSATION TABLE**

Summary compensation information for our named executive officers for 2016 is set forth in the following table:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)	Change in	All Other Compensation (\$)(4)	Total (\$)
							Pension		
PEO John S. Stanik, Chief Executive Officer	2016	612,750	0	688,107		74,000	911	24,235	1,400,003
PFO Michael G. McAuley, Vice President, Chief Financial Officer and Treasurer	2016	226,667	14,000(6)	149,747		41,000	0	7,408	438,822
Marliss D. Johnson, Vice President of Finance and Chief Accounting Officer(5)	2016	259,780	0	65,802		32,000	91,676	13,757	463,015
Rose Hoover, President and Chief Administrative Officer	2015	256,446	0	73,261		20,000	41,640	10,763	402,110
Rodney L. Scagline, President of Union Electric Steel Corporation	2014	231,053	60,000		62,900		390,502	27,318	771,773
Terrence W. Kenny, President of Air & Liquid Systems Corporation	2016	359,993	0	192,430		88,000	315,882	3,491	959,796
	2015	333,576	15,000	116,808		66,000	259,422	10,427	801,233
	2014	298,757	125,000		85,100		745,597	30,274	1,284,728
	2016	298,753	0	146,961		45,000	4,659	19,467	514,840
	2016	317,487	0	113,696		105,000	281,489	8,958	826,630
	2015	310,160		100,779		128,000	185,520	12,834	737,293
	2014	285,861			85,100	111,832	625,197	30,648	1,138,638

- (1) The values set forth in this column represent the aggregate grant date fair value of awards of time-vesting restricted stock units ( RSUs ) and performance stock units ( PSUs ) pursuant to our 2011 Omnibus Incentive Plan and the 2016 Omnibus Incentive Plan, in each case consistent with the estimate of aggregate compensation cost to be recognized over the service period determined as of the grant date under FASB Accounting Standards Codification ( ASC ) Topic 718, excluding the effect of estimated forfeitures. A portion of the PSUs (40% of the total target long-term incentive awards) becomes earned based on annually set EPS goals for each of 2016, 2017 and 2018, and the remaining portion (30% of the total target long-term incentive awards) becomes earned based on our relative TSR over the three-year performance period. Because EPS goals are separately set each year, the amount in the table above based on EPS performance reflects only the 2016 portion of the award. The portion related to 2017 and 2018 EPS goals will be treated as separate grants in those years. For the portion of the PSUs earned based on 2016 EPS performance, the grant date fair value was based on an assumed probable outcome of target performance. Had the grant date fair value for this portion of the PSUs



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been based on assumed maximum level of performance (i.e., at 150% of target), the grant date fair values for that portion of the PSUs in the table would have been as follows: \$175,197 for Mr. Stanik; \$40,698 for Mr. McAuley; \$54,899 for Ms. Hoover, \$39,940 for Mr. Scagline; and \$24,986 for Mr. Kenny. Ms. Johnson did not receive any PSUs in 2016. For the relative TSR portion of the PSUs, the grant date fair value was calculated using the Monte Carlo methodology.

**Table of Contents**

The assumptions made in calculating the grant date fair values are set forth in Note 9 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. For additional information on the PSUs, see Long-Term Incentive Awards discussion under the CD&A.

- (2) The values set forth in this column are based on the aggregate grant date fair value of stock option awards granted to the individual during the applicable fiscal year computed in accordance with FASB ASC Topic 718. The assumptions made in calculating the grant date fair values are set forth in Note 9 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.
- (3) The change in value for 2016 is primarily attributable to a decrease in the discount rate from 4.4% to 4.25%. Changes in value for all three years are also influenced by annual changes in executive compensation and adjustments to mortality tables.
- (4) Represents company contributions to the 401(k) Plan, club memberships, and either the personal use of a company provided-vehicle or reimbursement for tax preparation and financial consulting services. None of the individual perquisite values exceeded the threshold of the greater of \$25,000 or 10% of the total perquisites.
- (5) Ms. Johnson was the PFO until April 25, 2016 and only received an award of RSUs (no PSUs) in 2016.
- (6) Mr. McAuley received a sign-on bonus at the beginning of his employment by the Corporation.

**GRANTS OF PLAN-BASED AWARDS TABLE**

	Award (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Stock Awards: Number of Shares of Stock or Units (#)(5) (i)	Grant Date Fair Value of Stock Awards (\$)(6) (l)
			Threshold(2) (\$) (c)	Target(3) (\$) (d)	Maximum(4) (\$) (e)	Threshold(2) (#) (f)	Target(3) (#) (g)	Maximum(4) (#) (h)		
John S. Stanik	Annual Incentive PSUs (2016- 2018)	5/5/16	154,500	309,000	618,000					
	PSUs (2015- 2017)	5/5/16				12,155	16,206	24,309		381,139
	RSUs	5/5/16				1,745	2,327	3,490		43,515
Michael G. McAuley	Annual Incentive PSUs (2016- 2018)	5/5/16	85,000	170,000	340,000					
	RSUs	5/5/16				2,824	3,765	5,648		88,547
		5/5/16							3,273	61,200
Rose Hoover		5/5/16	81,900	182,000	338,520					

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Annual Incentive PSUs (2016-2018)	5/5/16	3,809	5,078	7,618	119,427
PSUs (2015-2017)	5/5/16	1,011	1,348	2,021	25,208
RSUs	5/5/16			4,415	82,555

**Table of Contents**

	Award (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Stock Awards: Number of Shares of Stock or Units (#)(5)	Grant Date Fair Value of Stock Awards (\$)(6) (l)
			Threshold(2) (\$) (c)	Target(3) (\$) (d)	Maximum(4) (\$) (e)	Threshold(2) (#) (f)	Target(3) (#) (g)	Maximum(4) (#) (h)		
Rodney L. Scagline	Annual Incentive PSUs (2016- 2018)	5/5/16	73,125	146,250	292,500					
	RSUs	5/5/16				2,771	3,695	5,542	3,212	86,901 60,060
Terrence W. Kenny	Annual Incentive PSUs (2016- 2018)	5/5/16	55,913	111,825	223,650					
	PSUs (2015- 2017)	5/5/16				1,734	2,312	3,467		54,375
	RSUs	5/5/16				872	1,163	1,745	2,010	21,748 37,573
Marliss D. Johnson	Annual Incentive PSUs (2016- 2018)	5/5/16	28,600	57,200	114,400					
	PSUs (2015- 2017)	5/5/16				0	0	0		
	RSUs	5/5/16				634	845	1,268	2,674	15,802 50,000

- (1) The amounts shown in this column reflect the number of performance units that would be earned (subject to vesting) if the Corporation had met the threshold, target and maximum levels of both 2016 earnings per share (EPS) and relative TSR performance criteria. Because goals were not set in 2016 for the 2017 and 2018 EPS portion of the PSU awards, those portions were not considered granted in 2016. For 2016, the Corporation did not achieve the threshold level of its EPS goal for year one. See Long-Term Incentive Award discussion under the CD&A for additional details.
- (2) The Threshold amount in the above table represents the amount which could be earned under the incentive plan assuming achievement of the minimum level of performance.
- (3) The Target amount in the above table represents the amount payable under the incentive plan assuming target level of performance.
- (4) The Maximum amount in the above table represents the maximum capped amount which could be earned under the incentive plan assuming achievement of the maximum level of performance.
- (5) Amounts in this column reflect RSUs which vest in three equal annual installments beginning on the first anniversary of the May 5, 2016 grant date.

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- (6) Amounts in this column reflect the dollar amount of the aggregate grant date fair value of the PSUs and RSUs granted during 2016 (at target level), computed in accordance with Financial Accounting Standards Board ASC Topic 718. The assumptions made in calculating the grant date fair values are set forth in Note 9 to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. See footnote (1) to the Summary Compensation Table for additional details.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

The following table summarizes certain information regarding outstanding equity awards at fiscal year-end:

(a) Name	(b) Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards			(f) Option Expiration Date	(g) Number of shares or units of stock that have not vested(1)(2)	Stock Awards		(j) Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested(3)
		(c) Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	(e) Option Exercise Price(\$)	(h) Market value of shares or units of stock that have not vested(2)			(i) Equity incentive plan awards: number of unearned shares, units or other rights that have not vested(3)		
John S. Stanik						3,499	58,608	3,907	65,442
Michael G. McAuley						14,089	235,991	7,470	125,123
Rose Hoover	20,000.00	0	37.89/share	9/4/2018		3,273	54,823	1,736	2,9078
	13,334.00	0	13.37/share	2/19/2019		2,027	33,952	2,263	37,905
	20,000.00	0	25.77/share	2/18/2020		4,415	73,951	2,341	39,212
	11,500.00	0	25.18/share	5/6/2021					
	11,500.00	0	17.67/share	5/3/2022					
	11,500.00	0	17.16/share	5/2/2023					
	7,666.67	3,833.33	20.00/share	4/29/2024					
Rodney L. Scagline	5,000.00	0	17.16/share	5/2/2023		3,817	63,935		
	5,000.00	2,500.00	20.00/share			3,212	53,801	1,703	28,525
Terrence W. Kenny	20,000.00	0	37.89/share	9/4/2018		1,749	29,296	1,953	32,713
	16,500.00	0	13.37/share	2/19/2019		2,010	33,668	1,066	17,856
	20,000.00	0	25.77/share	2/18/2020					
	11,500.00	0	25.18/share	5/6/2021					
	11,500.00	0	17.67/share	5/3/2022					
	11,500.00	0	17.16/share	5/2/2023					
	7,666.67	3,833.33	20.00/share	4/29/2024					
Marliss D. Johnson	15,000.00	0	37.89/share	9/4/2018		1,272	21,306	1,419	23,768
	15,000.00	0	13.37/share	2/19/2019		2,674	44,790		
	15,000.00	0	25.77/share	2/18/2020					
	8,500.00	0	25.18/share	5/6/2021					
	8,500.00	0	17.67/share	5/3/2022					
	8,500.00	0	17.16/share	5/2/2023					
	5,666.67	2,833.33	20.00/share	4/29/2024					

(1) Unexercisable options vest one-third on each of the first, second and third anniversaries of the option grants for options expiring on 4/29/2024.

(2) Includes unvested RSUs granted in 2015 (first line for each person) and RSUs granted in 2016 (second line for each person). These unvested RSUs vest in three equal annual installments beginning May 5, 2016 or May 5, 2017, respectively. Value is calculated by multiplying the number of unvested units by the closing market price of our common stock (\$16.75) as of the close of trading on December 30, 2016 (the last trading day of our fiscal year).

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- (3) Includes the relative TSR portion of the 2015-2017 PSUs (first line for each person) and 2016-2018 PSUs (second line for each person) that remain subject to future performance. The number of units is based on assumed performance at threshold. Value is calculated by multiplying the number of PSUs shown by the closing market price of our common stock (\$16.75) as of the close of trading on December 30, 2016; actual number of PSUs earned will be based upon performance against applicable adjusted EPS and relative TSR goals.

**Table of Contents****2016 OPTION EXERCISES AND STOCK VESTED**

The table below sets forth information concerning the vesting of a portion of RSUs held by the NEOs during 2016. None of the NEOs exercised any stock options during 2016.

Name	Stock awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
John Stanik	1,749	32,706
Rose Hoover	1,013	18,943
Rodney L. Scagline	1,908	35,680
Terrence W. Kenny	874	16,344
Marliss D. Johnson	635	11,875

- (1) The amounts in this column represent the number of shares acquired upon vesting of RSUs on May 5, 2016, which was the closing stock price on that date. Amounts included do not deduct any taxes paid by the NEOs in connection with the vesting of the RSUs.

**RETIREMENT BENEFITS**

As discussed above, the Corporation maintains a SERP for certain of its current and former executives; that plan provides retirement benefits after completion of ten years of service and attainment of age 55. Ms. Hoover and Mr. Kenny are the only named executive officers who are participants in the SERP, and Ms. Johnson's participation was frozen effective as of June 1, 2016. The Corporation also maintains a tax-qualified defined benefit pension plan (the Plan) that covers substantially all regular employees, including each of the named executive officers other than Mr. McAuley. Benefit accruals under the Plan were frozen effective June 30, 2015, but the SERP was not frozen for the participating named executive officers. The combined retirement benefit at age 65 or older provided by the Plan and the SERP is 50% of the highest consecutive five-year average earnings in the final ten years of service. Earnings for this purpose generally include all cash compensation, including base salary and annual incentive awards, but excludes certain extra compensation such as compensation from the exercise of stock options. Participants are eligible for reduced benefits for early retirement at age 55. A benefit equal to 50% of the benefit otherwise payable at age 65 is paid to the surviving spouse of any participant who has had at least five years of service, commencing on the later of the month following the participant's death or the month the participant would have reached age 55. In addition, there is an offset for pensions from other companies. Certain provisions, applicable if there is a change of control, are discussed below in the Potential Payments Upon Change in Control section.



**Table of Contents**

The following table summarizes certain information regarding the value of the retirement benefits accrued by our named executive officers under the Plan and the SERP:

**Pension Benefits**

(a)	(b)	(c)	(d)	(e)
Name	Plan Name	Number of years credited service (#)	Present Value of Accumulated Benefit(1)(5) (\$)	Payments During Last Fiscal Year (\$)
John Stanik	Plan	1	18,523	0
Michael G. McAuley	Plan	0	0	0
Rose Hoover(2)	Plan	36	1,984,189	0
	SERP	37	1,370,382	0
Rodney L. Scagline	Plan	4	68,879	0
Terrence W. Kenny(3)	Plan	31	1,723,264	0
	SERP	32	1,031,860	0
Marliss D. Johnson	Plan	16	377,981	0
	SERP	17	988,897	0

- (1) Benefits shown in column (d) can only be received by participants following retirement in the form of monthly pension payments. A change of control could trigger a lump sum payment for benefits under the SERP.
- (2) Ms. Hoover is eligible for early retirement as of December 31, 2016. Assuming a December 31, 2016 retirement, the present value of accumulated plan benefits is \$1,620,185 for the Plan and \$1,118,987 for the SERP.
- (3) Mr. Kenny is eligible for early retirement as of December 31, 2016. Assuming a December 31, 2016 retirement, the present value of accumulated plan benefits is \$1,363,531 for the Plan and \$816,463 for the SERP.
- (5) The present value of accumulated retirement and SERP benefits was determined by using normal retirement age, RP2014 White Collar Mortality Post Commencement Mortality projected generationally with the Buck Modified 2015 Scale for December 31, 2016 financial disclosures, life annuity form of payment for the retirement plan and 50% joint and survivor for the SERP. The discount rate for the year ending December 31, 2016 was 4.25%. The rate for the prior year was 4.40%.

**Table of Contents**

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

As of December 31, 2016, the Corporation did not have any agreements or programs providing special severance or other benefits in the event of a termination of an executive officer prior to a change in control of the Corporation, except that Mr. Stanik's offer letter with the Corporation provides him with a severance benefit equal to 12 months of salary in case of termination without cause. Had Mr. Stanik been terminated without cause as of December 31, 2016, this severance benefit would have equaled \$618,000.

RSUs and PSUs granted in 2016 include special vesting provisions in case of termination of employment due to the participant's death or disability. In that case, RSUs become fully vested and PSUs become vested as follows: (A) for the TSR portion, a prorated number of the PSUs will become immediately earned and vested as of the date of such termination assuming target performance and based on the portion of the performance period completed through the date of such termination; (B) for any performance-adjusted PSUs related to the EPS portion for any previously completed year in the performance period, such performance-adjusted PSUs will become immediately earned and vested as of the date of such termination; (C) for the one-third portion of the EPS portion being earned for the year of such termination, a prorated number of such PSUs shall become immediately earned and vested as of the date of such termination assuming target performance and based on the portion of the applicable year completed through the date of such termination; and (D) for any one-third portion of the EPS portion to be earned for any year beginning after the year of such termination, such PSUs will be immediately canceled as of the date of termination. Had each named executive officer terminated employment with the Corporation as of December 31, 2015 due to death or disability, based on the closing price of the Corporation's common stock on December 31, 2016 of \$16.75, the value of the RSUs and PSUs vesting on that date would have been as follows: Mr. Stanik \$551,968; Mr. McAuley \$92,047; Ms. Hoover \$214,378; Mr. Scagline \$154,268; Mr. Kenny \$134,380; and Ms. Johnson \$101,377.

Upon the occurrence of a change in control, under the terms of the 2011 Omnibus Incentive Plan, any outstanding stock options become immediately vested and exercisable. Had a change in control occurred as of December 31, 2016, the options that would have accelerated all had exercise prices greater than the closing price of the Corporation's common stock on that date. Therefore those options would have had no value upon such a change in control.

In the event a change in control occurs and, within 24 months after the change in control a named executive officer's employment is terminated by the Corporation without cause or by the executive for good reason, the named executive officer would be eligible to receive the following payments:

Per the terms of change in control agreements between the Corporation and each named executive officer, the named executive officer would be entitled to receive (i) three times the sum of annual salary and bonus paid for the prior year, (ii) continuation of employee benefits for two years (three years for Mr. Stanik), (iii) cash payment in cancellation of outstanding stock options equal to the spread (if any) based on the greater of the stock price at termination and the price received in the change in control and the exercise price, and (iv) the right to purchase the leased car used by the covered individual at the Corporation's then book value.

Per the terms of the SERP, assuming the named executive officer has at least five years of service at the date of termination, the named executive officer becomes vested in the benefits under the plan (if not already eligible for early retirement) payable in a lump sum (without reduction for early retirement and based on certain specified assumptions).

Per the terms of the 2015 and 2016 RSUs and PSUs, vesting accelerates on the same basis as described above for termination due to death or disability.

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The Corporation does not provide any tax gross-up payments under these agreements related to excise taxes under Internal Revenue Code Section 280G and 4999, or otherwise. Instead, the agreements provide for a cutback in benefits to avoid triggering such excise taxes, unless the named executive officer would receive a greater after-tax amount without such cutback.

**Table of Contents**

If a named executive officer's employment was terminated without cause or with good reason on December 31, 2016 within 24 months after a change in control, the estimated payments and benefits that would be payable by the Corporation to the named executive officers would be as summarized in the following table:

**Payments Upon Termination Without Cause/With Good Reason After Change in Control**

Name	Severance	Benefits Continuation	SERP Vesting	Equity Vesting	Total*
John S. Stanik	2,239,800	34,720	0	551,968	2,826,488
Michael G. McAuley	1,020,000	46,602	0	92,047	1,158,649
Rose Hoover	1,335,000	35,857	2,268,422	214,378	3,853,657
Rodney L. Scagline	1,052,100	42,514	0	154,268	1,248,882
Terrence W. Kenny	1,342,500	35,320	2,768,453	134,380	4,280,653
Marliss D. Johnson	840,000	44,340	0	101,377	985,717

\* Note: No value is included for the potential option cash out under the change in control agreement because all of the unvested options are currently underwater. The potential purchase of the leased car at book value under the change in control agreement is not considered compensatory for purposes of this table.

Under the 2011 Omnibus Incentive Plan and the 2016 Omnibus Incentive Plan, for purposes of vesting of options (under the 2011 Plan), and RSUs and PSUs (under the 2016 Plan), a change in control occurs:

If a person, other than persons currently in control, becomes an owner, directly or indirectly, of 50% or more of the combined voting power of the Corporation's outstanding voting securities;

If any election has occurred of persons to the Board that causes two-thirds of the Board to consist of persons other than (i) persons who were members of the Board on the effective date of the 2011 Omnibus Incentive Plan and (ii) persons who were nominated for elections as members of the Board at a time when two-thirds of the Board consisted of persons who were members of the Board on that effective date;

Upon consummation (*i.e.* closing) of a reorganization, merger or consolidation involving the Corporation, unless, following such reorganization, merger or consolidation, the owners of the Corporation before the transaction own more than 75% of the resulting entity;

Upon consummation (*i.e.* closing) of a sale of substantially all of the Corporation's assets, unless the owners of the Corporation before the transaction own more than 75% of the purchaser;

If there is a complete liquidation or dissolution of the Corporation

A change in control occurs for purposes of the change in control agreements and the SERP:

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If a person, other than persons currently in control, becomes an owner, directly or indirectly, of 50% or more of the combined voting power of the Corporation's outstanding voting securities;

If for two consecutive years there ceases to be a majority on the Board of individuals who at the beginning of the period were Board members, other than a new director whose election was approved by a vote of 2/3 of directors then still in office who were directors at beginning of the period or whose election or nomination for election was previously approved;

If the shareholders approve a merger or consolidation in which the Corporation's common stock is converted into shares of another corporation or cash or other property or the Corporation's common stock is not converted but 40% of the surviving corporation in the merger is owned by shareholders other than those who owned the Corporation's common stock prior to merger;

**Table of Contents**

If there occurs any transaction which results in the Corporation's common stock no longer being publicly traded; or

If the shareholders of the Corporation approve a plan of complete liquidation or agreement for sale or disposition of substantially all assets followed by distribution of proceeds to shareholders.

A termination for cause occurs in each of the following cases:

willful and continued failure to substantially perform duties (other than due to disability) consistent with the named executive officer's position with the Corporation (subject to notice and cure provisions);

willful engagement in conduct that is demonstrably and materially injurious to the Corporation; or

the named executive officer's conviction of a felony, or conviction of a misdemeanor involving assets of the Corporation.

A named executive officer may claim good reason for termination in the following events, subject to certain notice requirements and an opportunity for the Corporation to cure:

a reduction in scope of duties and authority or adverse change in reporting relationship;

a reduction in base salary or bonus (unless similar reductions in bonuses are made for all executives);

relocation of the executive by the Corporation greater than 25 miles;

the failure by the Corporation to continue in effect any of the Corporation's employee benefit plans, policies, practices in which the named executive officer participated before the change in control; or

failure to cause the change in control agreement to be assumed by the Corporation's successor.

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and based on the review and discussions, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Corporation's annual report on Form 10-K and, as applicable, the Corporation's proxy or information statement.

William K. Lieberman, Chairman

Paul A. Gould

Carl H. Pforzheimer, III

#### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

In 2016, the Compensation Committee was comprised of Paul A. Gould, William K. Lieberman (Chairman) and Carl H. Pforzheimer, III. None of those individuals has ever been an officer or employee of the Corporation.

#### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The Corporation's policies and procedures for reviewing, approving and ratifying transactions with related persons are set forth in the Corporation's Corporate Governance Guidelines, which are available on the Corporation's website at [www.amcopittsburgh.com](http://www.amcopittsburgh.com). Under these policies and procedures, the Corporation's management is responsible for determining whether a particular transaction should be referred to the Nominating and Governance Committee for consideration. The Nominating and Governance Committee then determines

## **Table of Contents**

whether to approve, ratify, revise the terms of, reject the transaction or refer the transaction to the full Board or another appropriate committee of the Board for approval or ratification. The policy and procedures apply to transactions involving an amount in excess of \$120,000 in which a related person has a direct or indirect material interest. The policy and procedures generally do not apply to employment matters (except employment of an executive officer who is an immediate family member of another executive officer), director compensation, commercial transactions in the ordinary course of business under ordinary business terms, charitable contributions, transactions such as payment of dividends where all shareholders receive the same proportional benefits and transactions involving competitive bids.

In 2016, the Corporation bought industrial supplies from a subsidiary of The Louis Berkman Company ( LB Co ) in transactions in the ordinary course of business amounting to approximately \$955,243. Laurence E. Paul and Stephen E. Paul are directors of LB Co. These transactions were at prices generally available from outside sources and followed a competitive bid process which included several non-related vendors after which annual contract awards were made to the lowest bidder by the purchasing executive at each of the Corporation s subsidiary companies. The Corporation does not intend to purchase industrial supplies from LB Co in 2017.

Pursuant to the Retirement and Consulting Agreement, effective January 1, 2015 and amended effective as of March 2, 2016, between the Corporation and Mr. Robert Paul, the Corporation s former CEO, the Corporation paid Mr. Paul \$598,566 in 2016 for the consulting services requested from time to time by the Board or the CEO.

J. Fredrik Strömholm is a former partner of Altor Equity Partners AB ( Altor Partners ). Altor Partners is the investment advisor to Altor Fund, which owns Åkers Holding AB ( Åkers Holdings ). Mr. Strömholm is also an owner of and indirect investor in Altor. On March 3, 2016 the Corporation completed its acquisition of all of the outstanding stock of Åkers AB and certain of its affiliated companies (collectively, the Acquired Companies ) from Åkers Holdings. The Corporation acquired the Acquired Companies in exchange for aggregate consideration of approximately \$75,000,000, consisting of: (i) \$29,399,000 in cash; (ii) 1,776,604 shares of the Corporation s Common Stock; and (iii) two subordinated promissory notes in the aggregate initial principal balance of approximately \$22,619,000.

## **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee has reviewed and discussed the audited financial statements with management and discussed those matters required to be discussed under Public Company Accounting Oversight Board ( PCAOB ) standards with Deloitte & Touche LLP ( Deloitte ).

The Audit Committee has received the written disclosures and the letter from Deloitte required by applicable requirements of the PCAOB regarding Deloitte s communications with the audit committee concerning independence and has discussed with Deloitte its independence.

Based on the review and discussions referred to in the preceding paragraphs, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Corporation s Annual Report on Form 10-K for the last fiscal year for filing with the SEC.



**Table of Contents**

The following table summarizes the aggregate fees billed to the Corporation by Deloitte:

	2016	2015
Audit fees (a)	\$ 1,556,348	\$ 870,026
Audit-related fees (b)	36,598	835,092
Tax fees (c)	260,705	
All other fees		
<b>Total</b>	<b>\$ 1,853,651</b>	<b>\$ 1,705,118</b>

- (a) Fees for audit services primarily related to the audit of (1) the Corporation's annual consolidated financial statements and its internal control over financial reporting and (2) statutory filings for the Corporation's foreign subsidiaries. The fee increase is due to the expanded scope of the audit as a result of the Corporation's growth through material acquisitions.
- (b) Fees for audit-related services in 2016 primarily related to an audit of an employee benefit plan of the Corporation and due diligence of an acquisition, whereas fees in 2015 primarily related to due diligence of potential acquisitions.
- (c) Fees for tax services for 2016 primarily related to tax advice provided in connection with an acquisition, tax restructuring transactions and transfer pricing studies.

In considering the nature of the services provided by Deloitte, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with Deloitte and the Corporation's management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC. All services provided by Deloitte and reflected in the table above were approved by the Audit Committee in accordance with the policy described below.

The Audit Committee has adopted a Policy for Approval of Audit and Non-Audit Services (the "Policy") provided by the Corporation's independent auditor. According to the Policy, the Corporation's independent auditor may not provide the following services to the Corporation:

maintain or prepare the Corporation's accounting records or prepare the Corporation's financial statements that are either filed with the SEC or form the basis of financial statements filed with the SEC;

provide appraisal or valuation services when it is reasonably likely that the results of any valuation or appraisal would be material to the Corporation's financial statements or where the independent auditor would audit the results;

provide certain management or human resource functions;

serve as a broker-dealer, promoter or underwriter of the Corporation's securities;

provide any service in which the person providing the service must be admitted to practice before the courts of a U.S. jurisdiction;

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provide any internal audit services relating to accounting controls, financial systems, or financial statements; or

design or implement a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the Corporation's financial statements, taken as a whole.

**Table of Contents**

In addition, in connection with its adoption of the Policy, the Audit Committee pre-approved certain audit-related and other non-prohibited services. Any services not prohibited or pre-approved by the Policy must be pre-approved by the Audit Committee in accordance with the Policy. The Policy is reviewed and approved annually by the Board of Directors.

Carl H. Pforzheimer, III (Chairman)

Leonard M. Carroll

Michael I. German

Paul A. Gould

William K. Lieberman

**Table of Contents**

**TIMING OF ADVISORY VOTE ON EXECUTIVE COMPENSATION**

**(Proposal 3)**

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires a vote to be held at least once every six years to allow shareholders to express their preferences on the frequency of the Say-on-Pay vote whether it should occur every one, two or three years ( Say-When-on-Pay ). The Corporation s management and Board of Directors are permitted to recommend one of the alternatives to the shareholders. We believe that holding this shareholder vote annually will create the best means for the Corporation to obtain information on investor sentiment about our executive compensation philosophy. An annual advisory vote will be the most effective timeframe for the Corporation to respond to shareholders feedback and will provide the Corporation with sufficient time to engage with shareholders to understand and respond to the vote results.

The Say-When-on-Pay vote is expressed through a vote on the following resolution:

RESOLVED, that a non-binding advisory vote of the stockholders of Ampco-Pittsburgh Corporation (the Corporation ) to approve, on an advisory basis, the compensation of the Company s named executive officers, as disclosed pursuant to the disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, be held at an Annual Meeting of the Shareholders, (1) every one year, (2) every two years or (3) every three years.

The enclosed proxy card gives you four choices: you can choose whether the Say-on-Pay vote should be conducted every one year, every two years or every three years, or you can abstain. This vote is an advisory vote and is therefore not binding on the Corporation or the Board. Although non-binding, the Board and the Compensation Committee will review carefully the voting results and will take into account the outcome of the vote when making future decisions about the frequency of holding a Say-on-Pay vote. Notwithstanding the Board s recommendation and the outcome of the shareholder vote, the Board may in the future decide to conduct a Say-on-Pay vote more or less frequently and may vary its practice based on factors such as discussions with shareholders and the adoption of material changes to compensation programs.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE TO HOLD AN ANNUAL ADVISORY VOTE ON EXECUTIVE COMPENSATION (SAY-ON-PAY).**

**Table of Contents**

**RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2017  
(PROPOSAL 4)**

The Audit Committee, comprised of independent members of the Board of Directors, has appointed Deloitte & Touche LLP ( Deloitte ) as the Corporation's independent registered public accounting firm for 2017. Shareholder ratification of the selection of Deloitte as the Corporation's independent registered public accounting firm is not required by the Corporation's Articles of Incorporation as amended, or Amended and Restated By-laws. The Corporation is submitting the selection of Deloitte to the shareholders for ratification because the Board of Directors considers it to be the best practice in corporate governance to do so. Even if the shareholders ratify the Audit Committee's appointment of independent accountants, the Audit Committee in its discretion may change the appointment at any time if it determines that such change would be in the best interests of the Corporation and its shareholders. If the shareholders do not ratify the appointment of Deloitte, the selection of the independent registered public accounting firm will be reconsidered by the Audit Committee, but Deloitte may still be retained.

Representatives of Deloitte are expected to be in attendance at the Annual Meeting, will have the opportunity to make a statement if they wish to do so and will respond to appropriate questions.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE DELOITTE RATIFICATION PROPOSAL.**

**EQUITY COMPENSATION PLAN INFORMATION**

The following table summarizes information, as of December 31, 2016, with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	(b) Weighted-average exercise price of outstanding options, warrants and rights(2)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,268,822	\$ 24.07	912,286
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>1,268,822</b>	<b>\$ 24.07</b>	<b>912,286</b>

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- (1) Includes 155,624 unvested RSUs and PSUs (assuming target performance) issued under the Ampco-Pittsburgh Corporation 2011 Omnibus Incentive Plan and the Ampco-Pittsburgh Corporation 2016 Omnibus Incentive Plan.
- (2) Does not reflect RSUs or PSUs included in the first column, which do not have an exercise price.

### **SHAREHOLDER PROPOSALS FOR 2018**

Any shareholder who wishes to place a proposal before the 2018 Annual Meeting of Shareholders must submit the proposal to the Corporation's Secretary, at its executive offices, not later than November 15, 2017 to have it considered for inclusion in the proxy statement for the Annual Meeting in 2018.

**Table of Contents**

If a shareholder otherwise wishes to propose proper business from the floor for consideration at the 2018 Annual Meeting, the Corporation's Amended and Restated Bylaws provide that (i) the shareholder must notify the Corporation's Secretary in writing, (ii) the shareholder's notice must be received at the Corporation's executive offices not earlier than January 5, 2018 and not later than February 6, 2018 and (iii) the shareholder's notice must contain the specific information set forth in the Corporation's Amended and Restated Bylaws. These requirements apply only to matters to be brought before the 2018 Annual Meeting which have not been submitted for possible inclusion in the Corporation's 2018 proxy materials.

**OTHER MATTERS**

The Board of Directors does not know of any other business that will be presented for action at the Annual Meeting. Should any other matter come before the meeting, however, action may be taken thereon pursuant to proxies in the form enclosed unless discretionary authority is withheld.

**Table of Contents**

**WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE**

**VOTING; BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.**

***AMPCO-PITTSBURGH CORPORATION***

***C/O BROADRIDGE***

***P.O. BOX 1342***

***BRENTWOOD, NY 11717***

**IF YOU CHOOSE TO CUMULATE VOTES FOR DIRECTORS YOU MUST VOTE BY MAIL.**

**VOTE BY INTERNET - [www.proxvvote.com](http://www.proxvvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

If you vote your proxy by Internet or by telephone,

you do NOT need to mail back your proxy card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:



**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY**

**AMPCO-PITTSBURGH CORPORATION**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

**For Withhold For All**  
**All All Except**

**Vote on Directors**

1. Election of Directors

**Nominees:**

- 01) James J. Abel
- 02) William K. Lieberman
- 03) Stephen E. Paul
- 04) Carl H. Pforzheimer, III

**Vote on Proposals**

2. To approve, in a non-binding vote, the compensation of the named executive officers.

**For Against Abstain**

3. To recommend, by a non-binding vote, the frequency of executive compensation votes.

**1 Year 2 Years 3 Years Abstain**

4. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2017.

**For Against Abstain**

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL OF THE NOMINEES LISTED IN ITEM 1; A VOTE FOR ITEM 2 AND ITEM 4, AND**

**1 YEAR FOR ITEM 3.**

All proxies heretofore given or executed with respect to the shares of stock represented by this proxy are by the filing of this proxy, expressly revoked.

To cumulate votes as to a particular nominee as explained in the Proxy Statement, check box to the right, multiply the number of shares held by you by four and vote the result for the nominees listed in any proportion, then indicate the name(s) and the number of votes to be given to such nominee(s) on the reverse side of this card. **Please do not check box unless you want to exercise cumulative voting.**

**NOTE: Signature should conform exactly to name as stenciled hereon. Executors, administrators, guardians, trustees, attorneys and officers signing for a corporation should give full title. For joint accounts each owner must sign.**

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

V.1.1

**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of**

**Shareholders to be Held on May 3, 2017:**

The Notice and Proxy Statement and the 10-K Wrap of the Corporation are available at

<http://www.Ampcopittsburgh.com/investors>; and

The Notice and Proxy Statement and 10-K Wrap are also available at [www.proxyvote.com](http://www.proxyvote.com).

**AMPCO-PITTSBURGH CORPORATION**

**Annual Meeting of Shareholders May 3, 2017 10:00 A.M.**

The undersigned hereby appoints Masha Trainor and Michael G. McAuley and each of them, as proxies with full power of substitution to vote, as specified on the reverse side, the shares of stock which the undersigned is entitled to vote at the Annual Meeting of Shareholders of AMPCO-PITTSBURGH CORPORATION, to be held at The Duquesne Club, in the Adams Room, 4th Floor, 325 Sixth Avenue, Pittsburgh, PA, on Wednesday, May 3, 2017, at 10:00 A.M., and any adjournments thereof.

**WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED: FOR THE NOMINEES LISTED IN ITEM 1 (OR, IN THE DISCRETION OF THE PROXIES, THE SHARES MAY BE VOTED CUMULATIVELY); FOR PROPOSAL 2; FOR ONE YEAR ON PROPOSAL 3; AND FOR PROPOSAL 4. THE PROXIES NAMED ABOVE ARE AUTHORIZED TO VOTE IN THEIR DISCRETION ON ANY OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING.**

**PLEASE SIGN ON REVERSE SIDE and mail in the enclosed, postage prepaid envelope.**

CUMULATE \_\_\_\_\_

\_\_\_\_\_

(If you noted cumulative voting instructions above, please check the corresponding box on the reverse side.)

V.1.1