

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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 Under Rule 14a-12

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ARCONIC INC.

(Name of Registrant as Specified in Its Charter)

ELLIOTT ASSOCIATES, L.P.  
ELLIOTT INTERNATIONAL, L.P.  
PAUL E. SINGER  
ELLIOTT CAPITAL ADVISORS, L.P.  
ELLIOTT SPECIAL GP, LLC  
BRAXTON ASSOCIATES, INC.  
ELLIOTT ASSET MANAGEMENT LLC  
ELLIOTT INTERNATIONAL CAPITAL ADVISORS INC.  
HAMBLEDON, INC.  
ELLIOTT MANAGEMENT CORPORATION  
THE LIVERPOOL LIMITED PARTNERSHIP  
LIVERPOOL ASSOCIATES LTD.  
LARRY A. LAWSON  
CHRISTOPHER L. AYERS  
ELMER L. DOTY  
BERND F. KESSLER  
PATRICE E. MERRIN

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(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Title of each class of securities to which transaction applies:

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

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

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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Fee paid previously with preliminary materials:

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

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(1) Amount previously paid:

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

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(3) Filing Party:

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(4) Date Filed:

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Item 1: On March 10, 2017, the following materials were posted by Elliott to [www.NewArconic.com](http://www.NewArconic.com):

[IMPORTANT INFORMATION](#) - Please click here for important information regarding the content on this website.

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**NEW ARCONIC**

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**SUBMIT**

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This website may be deemed to constitute solicitation material and is intended solely to inform shareholders so that they may make an informed decision regarding the proxy solicitation, as explained in greater detail below.

### Cautionary Statement Regarding Forward-Looking Statements

The materials on this website contain forward-looking statements. All statements contained herein that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "potential," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. The projected results and statements contained herein that are not historical facts are based on current expectations, speak only as of the date of these materials and involve risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such projected results and statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Elliott. Although Elliott believes that the assumptions underlying the projected results or forward-looking statements are reasonable as of the date of these materials, any of the assumptions could be inaccurate and therefore, there can be no assurance that the projected results or forward-looking statements included herein will prove to be accurate. In light of the significant uncertainties inherent in the projected results and forward-looking statements included herein, the inclusion of such information should not be regarded as a representation as to future results or that the objectives and strategic initiatives expressed or implied by such projected results and forward-looking statements will be achieved. Elliott will not undertake and specifically declines any obligation to disclose the results of any revisions that may be made to any projected results or forward-looking statements herein to reflect events or circumstances after the date of such projected results or statements or to reflect the occurrence of anticipated or unanticipated events.

### Additional Information

Elliott Associates, L.P. and Elliott International, L.P., together with the other participants in such proxy solicitation (collectively, "Elliott"), have filed a definitive proxy statement and accompanying BLUE proxy card with the SEC to be used to solicit proxies in connection with the 2017 annual meeting of shareholders (the "Annual Meeting") of the Company. Elliott strongly advises all shareholders of the Company to read the proxy statement and any other documents related to the solicitation of shareholders of the Company in connection with the Annual Meeting because they contain important information, including information relating to the participants in such proxy solicitation. These materials and other materials filed by Elliott with the SEC in connection with the solicitation of proxies are available at no charge on the SEC's website at <http://www.sec.gov>. The definitive proxy statement and other relevant documents filed by Elliott with the SEC are also available, without charge, by directing a request to Elliott's proxy solicitor, Okapi Partners LLC, at its toll-free number (877) 869-0171 or via email at [info@okapipartners.com](mailto:info@okapipartners.com).



## ELLIOTT GOES DEFINITIVE:

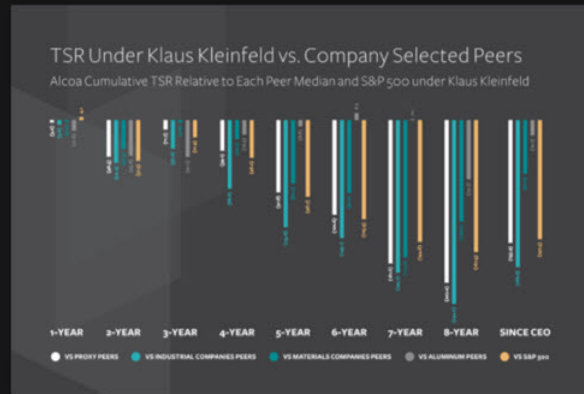
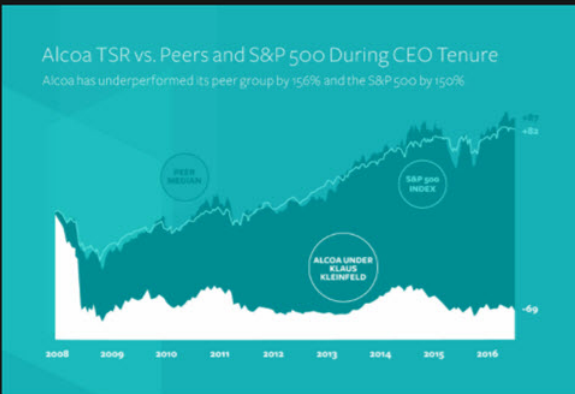
Read The Fight Letter

[VIEW LETTER](#)

Read The Proxy Statement

[VIEW PROXY STATEMENT](#)

Arconic operates a world-class collection of assets that if managed properly, with prudent reinvestment of capital, should produce substantial returns for its shareholder owners. However, current management's persistent failure at these tasks for nearly a decade has destroyed considerable shareholder value. We believe a change of leadership is required to improve performance at Arconic today.



TSR: 5/1/2008-10/31/2016. Company Selected 2016 Proxy Peers: DU PONT (E.I.) DE NEMOURS, DOW CHEMICAL CO/THE, FREEPORT-MCMORAN INC, HUNTSMAN CORP, INTERNATIONAL PAPER CO, LYONDELLBASELL INDU-CL A, PPG INDUSTRIES INC, NEWMONT MINING CORP, NUCOR CORP, UNITED STATES STEEL CORP, 3M CO, CUMMINS INC, DANAHER CORP, DEERE & CO, EATON CORP PLC, EMERSON ELECTRIC CO, GENERAL DYNAMICS CORP, L-3 COMMUNICATIONS HOLDINGS, NORTHROP GRUMMAN CORP, RAYTHEON COMPANY.



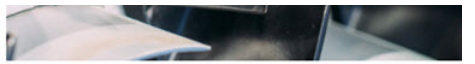
[VIEW LETTER](#)



[VIEW PRESENTATION](#)



[VIEW SHAREHOLDER NOMINEES](#)





Larry A. Lawson, age 58, most recently served as President, Chief Executive Officer and a director of Spirit AeroSystems Holdings, Inc. (NYSE:SPR) ("Spirit"), the largest Tier 1 designer and manufacturer of metal and carbon fiber aero-structures for commercial and military aircraft, from April 2013 through July 2016.

Prior to joining Spirit, Mr. Lawson held various positions with Lockheed Martin Corporation (NYSE: LMT) and its predecessor companies ("Lockheed"), a global aerospace, defense, security and advanced technologies company, from August 1986 until April 2013, his last position being Executive Vice President, President of Lockheed Martin Aeronautics, where he led Lockheed's military aircraft business. Some of Mr. Lawson's prior positions with Lockheed include Executive Vice President and General Manager of the F-35 Lightning II program (April 2010 to January 2012), Executive Vice President and General Manager of the F-22 Raptor program (August 2004 to April 2010), Vice President Corporate Business Development and Vice President Lockheed Martin Airforce Missiles program. Mr. Lawson began his career in 1980 with McDonnell Douglas Corp., a former aerospace manufacturing corporation and defense contractor.



Mr. Lawson's accolades include being recognized in June 2016 by Ernst and Young as the Entrepreneur of the Year for the Southwest for his work at Spirit and honored with the National Volunteer Leadership Award by the American Diabetes Association in 2015. Mr. Lawson earned his Master's of Science in Electrical Engineering from the University of Missouri, Bachelor of Science in Electrical Engineering from Lawrence Technological University, is a graduate of the Harvard Business School Advanced Management Program and is an MIT Seminar XXI Fellow.

Elliott believes that Mr. Lawson's extensive executive leadership experience with multinational aerospace and manufacturing companies, where he gained significant knowledge relative to aircraft manufacturing, business development, engineering operations, international marketing and performance-based logistics, give him the ideal set of skills needed to turnaround Arconic's woefully and continually underperforming business.

**Relevant Experience**

- Business executive possessing extensive leadership experience with multinational aerospace and manufacturing companies
- Former President, Chief Executive Officer and director of Spirit AeroSystems Holdings (NYSE:SPR)
- Spearheaded Spirit's transformation that resulted in 300% increase in its market capitalization under his leadership
- Former senior executive of Lockheed Martin (NYSE:LMT) and its predecessor companies
- Recognized as the Entrepreneur of the Year for the Southwest by Ernst and Young in June 2016

[LEARN MORE ABOUT LARRY LAWSON](#)

[LOOK AT THE TRACK RECORD](#)





# “Look at the Track Record.”\*



## LARRY LAWSON

CEO AND PRESIDENT,  
SPIRIT AEROSYSTEMS HOLDINGS INC. 2013 - 2016



## KLAUS KLEINFELD

CEO AND PRESIDENT,  
ALCOA/ARCONIC INC. 2008 - PRESENT

## Financial

### LARRY LAWSON

### KLAUS KLEINFELD

#### CEO TSR RANK VERSUS PROXY PEERS

#### TOP QUARTILE

#### WORST

#### TSR AS CEO

LARRY LAWSON: 153%  
KLAUS KLEINFELD: -69%

#### TSR RELATIVE S&P 500 AS CEO

LARRY LAWSON: 108%  
KLAUS KLEINFELD: -150%

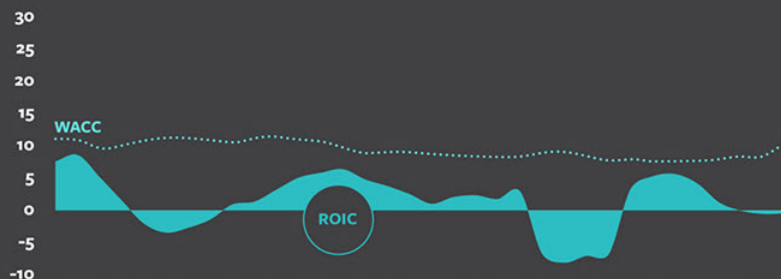
#### TSR RELATIVE TO PEERS AS CEO

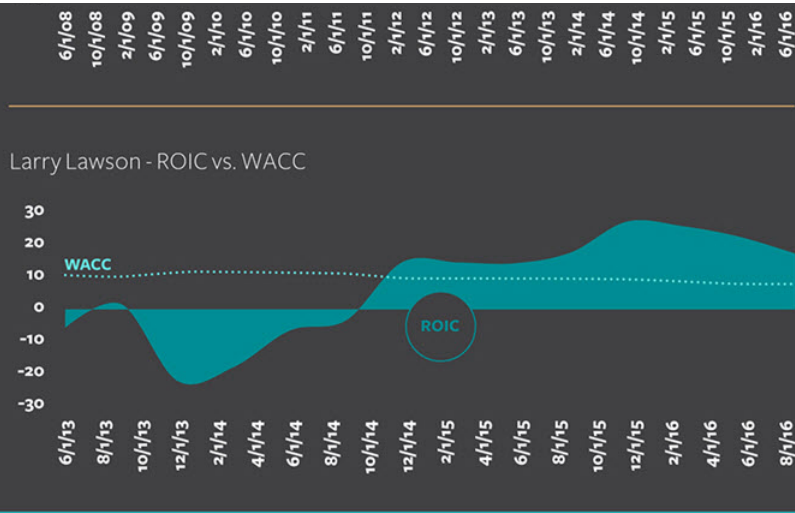
LARRY LAWSON: 115%  
KLAUS KLEINFELD: -156%

#### MARKET CAP +/- AS CEO

LARRY LAWSON: +\$3.6B  
KLAUS KLEINFELD: -\$15.7B

#### Klaus Kleinfeld - ROIC vs. WACC





## Experience Before SPR/ARNC Respectively

LARRY LAWSON	KLAUS KLEINFELD
<b>AEROSPACE INDUSTRY OPERATING EXPERIENCE</b>	
<p><b>Lockheed Martin:</b> Executive Vice President, Lockheed Martin, President of Aeronautics (January 2012 to April 2013); Executive Vice President and General Manager of the F-35 program (April 2010 to January 2012); Executive Vice President and General Manager of the F-22 program (August 2004 to April 2010); Vice President Corporate Business Development, and Vice President Lockheed Martin Airforce Missiles Program</p> <p><b>McDonnell Douglas:</b> Flight Control Engineer of the F-15 Eagle program</p>	None

## Governance

	SPR UNDER LARRY LAWSON	AA UNDER KLAUS KLEINFELD
<b>BOARD</b>	Annually Elected	Classified
<b>CEO OUTSIDE BOARDS</b>	0	2
<b>CHAIRMAN</b>	Independent / Separated from CEO	Combined
<b>SHAREHOLDER RIGHTS</b>	Majority (50%) to amend charter	Super majority voting (80% of outstanding) to amend charter
<b>STATE INCORPORATED</b>	Delaware	Pennsylvania

\* Klaus Kleinfeld, CNBC, Feb. 1, 2017

[LEARN MORE ABOUT LARRY LAWSON](#)

[BACK TO FULL BIO](#)



## Christopher L. Ayers

### Relevant Experience

- Business executive possessing expertise in specialty materials industry
- Fmr. President and Chief Executive Office of WireCo WorldGroup
- Director of Universal Stainless & Alloy Products (NASDAQ:USAP)
- Former Alcoa executive, including President of its Global Primary Products Business
- Former President of PCC Forgings Division of Precision Castparts

FULL BIO



## Elmer L. Doty

### Relevant Experience

- Over 40 years of leadership experience in heavy industry
- Operating Executive at The Carlyle Group focused on aerospace & defense and industrial sectors
- Former President and Chief Executive Officer of Accudyne Industries
- Former President and Chief Executive Officer of Vought Aircraft Industries
- Former director of Triumph Group and President of Triumph Aerostructures – Vought Aircraft Division

FULL BIO



## Bernd F. Kessler

### Relevant Experience

- International business executive with strong background in engineering, operational excellence and organizational development
- Director of Polaris Industries (NYSE:PII)
- Former Chief Executive Officer of SRTechnics
- Former President and Chief Executive Officer of MTU Maintenance (subsidiary of Aero Engines)
- Former executive of Honeywell International and its predecessor AlliedSignal

FULL BIO



## Patrice E. Merrin

### Relevant Experience

- International business executive with extensive board experience
- Current director of Stillwater Mining (NYSE:SWC), Glencore (LON:GLEN) and Novadaq Technologies (NASDAQ:NVDQ)



- Former President and Chief Executive Officer of Luscar
- Former Executive Vice President and Chief Operating Officer of Sherritt International
- Former Chairman of CML HealthCare

[FULL BIO](#)

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Media (Updated March 10, 2017)

## *“The ultimate question for shareholders is really Kleinfeld or not Kleinfeld.”*

– Brooke Sutherland, Bloomberg Gadfly

*“It is hard to see him [Dr. Kleinfeld] surviving. Most chief executives who fight vicious shareholder battles are unable to hang on — and even those who win such a contest depart shortly thereafter, as did Ellen Kullman at DuPont. That’s the price chief executives pay for their high compensation — in Mr. Kleinfeld’s case as much as \$18 million in recent years.”* – Steven Davidoff Solomon, [The New York Times](#)

*“The key plans of installing a new CEO, a fresh face, could help spur long-term growth.”* – [Seeking Alpha](#)

*“Arconic, meanwhile, has disappointed on quarterly results both as a spinoff and before. Elliott complains of high corporate spending, like a corporate marketing campaign that plays off the 1960s cartoon “The Jetsons” and an expensive headquarters in Lever House on Park Avenue in Manhattan. (The company inherited the building in the split.) While Arconic is spending too much, Elliott says the new Alcoa is busy cutting costs.”*

– Steven Davidoff Solomon, [The New York Times](#)

## *“Analysts have increased their estimates for Arconic’s 2018 profits since Elliott started pushing for change”*

– Brooke Sutherland, Bloomberg Gadfly

*“Beyond just management and board overhaul, the big key is getting a better grasp on spending. This includes its unnecessarily expensive headquarters on Park Ave. in New York City. Out of touch for a company with most of its employees in Pittsburgh.”*

– [Seeking Alpha](#)

*“Other large holders have rallied around the activist’s call for a management shakeup. ... First Pacific Advisors, for example, emphasizes value investing and built up a sizable stake in Alcoa Inc. in 2013, according to data compiled by Bloomberg, years before the company separated the Arconic aluminum-parts business from the Alcoa Corp. mining and smelting operations. It’s now among those calling for governance changes and speaking out against a board it sees as largely not economically aligned with shareholders because of its small collective stake in the company.”*

– Brooke Sutherland, Bloomberg Gadfly

*"Shareholders have been quick to speak publicly in favor of Elliott's campaign, notably Orbis Investment Management, First Pacific Advisors and Lion Point Capital."*

–David Carnevali, DealReporter

*"Arconic shareholders, such as First Pacific Advisors and Lion Point Capital, have voiced support for Elliott."*

–Tina Wadhwa, Business Insider

*"There IS a large margin gap between Arconic's engineered product business (i.e. aerospace fastening systems and other parts) and that of rival Precision Castparts (owned by Berkshire Hathaway Inc.). Its stock HAS underperformed relative to the Alcoa business it spun off. Kleinfeld SHOULD face questions about why he got 2016 guidance so wrong for Arconic."*

–Brooke Sutherland, Bloomberg Gadfly

*"Lawson's track record of delivering the kind of profitability and stock-price improvements that Elliott and other investors are seeking isn't in dispute"*

–Brooke Sutherland, Bloomberg Gadfly

*"Elliott has a good case...Investor returns under Chief Executive Klaus Kleinfeld, who took over at Alcoa in 2008 and now runs Arconic, have been poor."*

– Robert Cyran, Reuters Breakingviews

*"There looks to be room to cut costs, based on what Alcoa's chief financial officer said at a presentation in November. He repeatedly pointed out that the separation allowed Alcoa to slash corporate costs, for example, by eliminating stuff like an office in Geneva and ditching private aircraft." – Robert Cyran, Reuters Breakingviews*

*"CEO Klaus Kleinfeld never really ushered a return to greatness for Alcoa after the financial crisis." – Seeking Alpha, Arconic Gets More Interesting*

*"I think there is a legitimate question that's being raised by Elliott which is how long before Klaus really delivers versus his peers...I think it would be a better company if the Elliott guys got on this board than this current board."*

– Jim Cramer, CNBC Squawk Box (2/1/17)

*"Lawson has a lot of credibility in the aerospace sector for turning around Spirit, with the company's stock rising significantly since 2013 when he was installed in the chief executive role." – Ronald Orol, The Street*

*"Lawson, 58, a veteran of Lockheed Martin Corp., has a reputation as a tough manager who gets results." – Jack Kaskey and Julie Johnson, Bloomberg*

*"Elliott's disapproval is justified ... Alcoa's takeover of the British company Firth Rixson in 2014, which cost nearly \$3 billion for the manufacturer of aviation components, and the deal has not paid off so far."*

– Thomas Jahn and Frank Wiebe, Handelsblatt Global Edition

*"At Spirit, which makes aircraft components including the fuselage for the Boeing 737, Mr Lawson was credited with turning round its financial performance." – Ed Crooks, Financial Times*

## **"A CEO change is inevitable."**

-The Spin-Off Report, By PCS Research Services and Institutional Research Group

*"We anticipate volatility around Arconic's share price as we continue through Elliott's proxy battle. That being said, we think investors that weather the volatility will be handsomely rewarded, and are **strongly recommending Arconic shares for purchase.**"*

-The Spin-Off Report, By PCS Research Services and Institutional Research Group

*"You see, going back to the days when Arconic was named Alcoa, you'll see that only between 55%-60% of the eligible votes are cast in ARNC elections. So let's say that number is 70% this year. This means about 306m shares will be cast and Elliott needs a little more than 150m votes to get its nominees elected. As of February 27, it owned 51m shares and had exposure to another ~7m shares through derivatives. Beyond that, it has support from First Pacific and Orbis, which are good for another ~32m shares. With that total in mind, **Elliott is more than halfway to the total it needs**"*

-Don Bilson and Eric Wiley, Gordon Haskett Research

## **"We believe there is substantial room for margin improvement across all aspects of the business and especially in the EPS segment."**

- Credit Suisse

*"We are increasing our medium term earnings forecasts and our price target to \$33 for Arconic, as we now incorporate more substantive cost reductions... Our segment analysis and peer benchmarking suggest more material cost down potential at ARNC and improvements to asset turns as the market recovers. Our analysis skews towards the "low case" of improvement outlined by Elliott in their Jan 31st presentation (newarconic.com) and **we see the potential for more radical change both from at a broader portfolio level and with respect to corporate overhead if the shareholder base aligns with Elliott's views.**" - Credit Suisse*

## **"We see as much as 20% downside if Kleinfeld continues as CEO."**

- Gordon Haskett

*"EPS and PCC Comparison is Warranted: While ARNC has a relatively small large structural castings business at La Porte (~\$300mm), the EPS segment is a global leader in medium sized castings and fasteners. Our analysis suggests EPS should be able to close the gap with PCC to within 100-150bp." - Credit Suisse*

*"In our view, **a new CEO is an important positive catalyst to more expeditiously improve the company's operations and increase its margins while rationalizing capital expenditures / M&A opportunities.**" - Wolfe Research*

*"If the company's largest shareholder is not successful in effecting change, the company's management may remain entrenched and not realize the margin expansion opportunities as soon as we expect." - Wolfe Research*

## **"For the EPS segment, Arconic's margins are on a long term average ~650 basis points lower Precision Castparts and we assume margins improve to that of Precision Castparts."**

- Wolfe Research

*"Apart from industry fundamentals improvement, the special situation thesis for Arconic is chiefly a 'self-help' story of new leadership more expeditiously improving the cost structure in addition to improving capital allocation... **Our analysis suggest fair value for Arconic of ~ \$43 if the improvements occurred holding the current fundamentals of the company constant.**" - Wolfe Research*

*"We are of the view that there is considerable margin / revenue expansion opportunity at the company as highlighted by our updated bull case (\$40 per share). We believe potential opportunities to reach a compromise could possibly be*

*“We also acknowledge activism could create an opportunity to highlight value that is even higher at \$40 (and in the range of the activist target) to account for significant margin expansion from current levels, premised on a market P/E of 17x and earnings of \$2.37.”*

– Morgan Stanley Research

*“Airframe de-stocking, NA heavy duty truck, and Tennessee Packaging weakness led to a ~9% decline in revenues, even with record auto sheet shipments;” – Morgan Stanley Research*

*“Rating: Buy...Mid-point of Elliott’s cost-cutting driven EBITDA scenarios implies ~\$14/sh upside to DB’s revised \$28 Price Target (prior \$27) which remains based on 8.5x (unchanged) 2018E EV/EBITDA.” – Jorge Beristain, CFA, Jeremy Kliewer and Chris Terry, Deutsche Bank*

*“Our analysts currently have a price target for ARNC of \$36 per share, but that number could be conservative if Elliot is able to make the proposed changes to the board and bring in Larry Lawson as the new CEO, who has an incredible track record of maximizing shareholder value at his previous posts. Despite ARNC running up over 30% since our recommendation, we still strongly recommend purchasing the stock at current levels.”*

– The Spin-Off Report, By PCS Research Services and Institutional Research Group

*“In line with our analysts, Elliot makes the contention that Arconic’s EPS segment dramatically lags its peers, specifically, Precision Cast Parts (NYSE: PCP), which is a nearly identical business in terms of product mix and end markets. PCP’s EBITDA margins nearly double that of Arconic, and it is the contention of Elliot that the gap should close completely over the next couple of years with a new management team in place.” – The Spin-Off Report, By PCS Research Services and Institutional Research Group*



 Letter to Arconic Shareholders

**VIEW LETTER**

 Elliott Definitive Proxy Statement

**VIEW PROXY  
STATEMENT**

 New Arconic Infographic 1

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 New Arconic Infographic 2

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 New Arconic Infographic 3

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 New Arconic Infographic 4

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 New Arconic Infographic 5

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 New Arconic Infographic 6

**VIEW DOCUMENT**

Item 2: On March 13, 2017, Elliott issued the following letter to the Company's current and former employees:



NEWARCONIC.COM

ELLIOTT ASSOCIATES, L.P.  
ELLIOTT INTERNATIONAL, L.P.

March 13, 2017

Dear Alcoa/Arconic Retirees and Employees:

You are receiving this letter because, like us, you are an owner of Arconic Inc. ("Arconic" or "the Company"), formerly known as Alcoa Inc. Unlike us, you are an employee or former employee of the Company. This puts you in a unique position. Not only do you own this Company as a shareholder, but you helped build this Company as an employee.

To you a special obligation is owed: Arconic must not only produce returns but also prove worthy of its heritage. Unfortunately, despite Arconic's illustrious history, in recent years, our Company hasn't been doing very well. Today, we are writing to ask for your vote on the Blue Card for the change of leadership that Arconic shareholders and its employees deserve.

Over the past nine years, under the leadership of CEO Klaus Kleinfeld, our Company has consistently missed management's own performance targets. Earnings have repeatedly come up far short of expectations and projected revenues have failed to materialize. Billions have been spent on acquisitions that have failed to produce promised returns and have cost shareholders dearly. Operations have been mismanaged, resulting in poor performance as well as product-quality and delivery failures. This is no fault of those outside the C-suite or in the field. Rather, it is a consequence of poor leadership that has squandered the hard work of Arconic's talented employees.

Proof of management's poor performance can be found in the steep decline in the value of our Company's shares. Since Dr. Kleinfeld became the CEO of Alcoa in May 2008 and through the Alcoa/Arconic split, the total return to shareholders was negative 69%. For every \$1 you have invested with Dr. Kleinfeld, he left you with just 31 cents, making him the worst-performing CEO in the S&P 500.<sup>1</sup>

But while shareholders have suffered and thousands of Arconic and Alcoa employees have lost their jobs, management has been richly rewarded. As the CEO of Alcoa, the Board of Directors paid Dr. Kleinfeld more than \$125 million over nine years, making him one of the highest-paid CEOs in the S&P 500 index despite the fact that, by any measure, the Company has been one of the index's very worst performers.<sup>2</sup>

Enough is enough.

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For questions or assistance, please contact Elliott's proxy solicitor, Okapi Partners LLC, toll-free at 1-877-869-0171 or via email at [info@okapipartners.com](mailto:info@okapipartners.com).

**YOUR SUPPORT IS EXTREMELY IMPORTANT – VOTE ONLY THE BLUE CARD TODAY**

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Arconic's continued poor performance is untenable. Continuing on the current course will not only jeopardize Arconic's current market position and produce poor returns for shareholders, but it could also imperil the promises that Arconic has made to its people. This cannot go on.

By voting for four new independent directors on the **Blue Card**, you have the power to produce change. If elected, the four new, highly qualified, independent directors will have a mandate to hold current management to account and to bring in new leadership.

**With Cultural Change and New Leadership, Business Improvements Will Follow**

*"Truth of the matter, I mean, Alcoa Corporation would not exist if it hadn't been for me, basically creating it."* – CNBC Interview with Dr. Kleinfeld, February 1, 2017

The truth of the matter is that you created Alcoa and Arconic.

We have studied Arconic's history, and we have gotten to know its people. We've met "Alcoans," and we've seen Arconic's factories and its facilities first-hand. Through our efforts, we learned that beneath the layers of management bureaucracy is a deep well of industrial knowledge and experience. We have enormous respect and tremendous appreciation for the men and women out in the field – in Whitehall and Davenport, in Lancaster and LaPorte, in the Arconic facilities across the globe – that make this Company work. And we know that the efforts of these tens of thousands of Arconic employees today are only possible because of the hard work and dedication of the hundreds of thousands of Alcoans who have come before.

We see that despite its current difficulties, Arconic possesses world-class and, in some cases, one-of-a-kind assets. We are convinced that with the right leadership, Arconic's current culture will shift from being "CEO-centric" to one that cultivates entrepreneurship and gives employees the incentive to participate in operating improvements. We believe that this cultural shift will help Arconic substantially improve its operating performance.

Right now, Arconic is run by former management consultants ensconced in its Park Avenue, New York headquarters. For too many years, Alcoa and then Arconic's executives have believed that what happens in Davos, Switzerland is more important than what happens in Davenport, Iowa.

At Arconic, image and marketing have been prioritized over engineering and product. Neither Arconic's CEO nor the heads of its two largest business units, Engineered Products & Solutions (EPS) and Global Rolled Products (GRP), have any previous experience (outside of Arconic) in their respective businesses or end-markets. Absent industry experience, Arconic's current leadership is unlikely to know if operations are truly performing well. This experience deficit was painfully apparent last year when all three of Arconic's businesses failed to hit their 2016 three-year targets.<sup>iii</sup>

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To be successful, Arconic must both increase the profits that it generates from its operations and use those profits to productively reinvest in the business. We want Arconic to flourish and we want Arconic to be around for years to come. To improve operations, Arconic must shift to an operator-centric model, decentralizing decision-making and empowering plant managers. Layers of bureaucracy should be eliminated. Arconic should develop an unrelenting focus on operational improvement and ensure that the resulting profits are reinvested wisely. The difference between good management and bad management isn't determined by *how much* money is invested, but by *how well* that money is spent.

These improvements will require a cultural change from the top and new leadership.

To facilitate a change in the culture, we are proposing four new independent directors to the Board. All four of the candidates – Chris Ayers, Elmer Doty, Bernd Kessler, and Patrice Merrin – possess extensive industry and operating experience, which you can read more about in the Appendix to this letter. Some of you may even know Chris. He is a former Alcoa, a proven operator, and a good man. Like Chris, Elmer, Bernd, and Patrice are operators. They don't pontificate or pander, and they don't blow smoke. They just get the job done. All four recognize the need for change at Arconic and are committed to instilling an accountable, operator-centric culture.

To produce this cultural shift, the first task of the new Board will be to select a new CEO. We are confident that if Chris, Elmer, Bernd, and Patrice are elected, the four of them will ensure that the new Arconic Board makes a wise choice. Nevertheless, to ensure that the Board knows what kind of leadership Arconic deserves, we have identified a highly successful aerospace executive, **Larry Lawson**, who is willing to become Arconic's leader and who possesses attributes that Arconic needs in its next chief executive.

Larry is the former CEO of Spirit AeroSystems. Spirit builds the 787 and other planes for Boeing. The year Larry took over, 2013, Spirit produced the worst earnings in its history. The next year, Larry's first full year, Spirit generated its highest earnings ever and then repeated the feat the year after that. As a result of his efforts, under Larry, Spirit shares increased from under \$19 to more than \$47 in just three years – producing a total return for shareholders of 153%.<sup>iv</sup>

Before Larry took over Spirit, he ran Aeronautics at Lockheed Martin. He was the General Manager of the F-35 program and before that the F-22 program. Larry was Lockheed's Mr. Fix-It. When a program was at risk of going adrift, Larry was brought in to steer the ship. To the most demanding customers (the armed forces of various nations) and with aircraft designed for the most critical roles (national defense), Larry produced. Larry is an operator's operator.

Whether Larry is ultimately the right choice will be determined by the Board, but make no mistake: By voting on the **Blue Card** for Chris, Elmer, Bernd, and Patrice, you are voting to bring in a CEO like Larry, an operator with proven experience in the aerospace industry and a history of producing results.

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**Our Goal: Keep Arconic's Promises by Creating Long-Term Value for All of Arconic's Shareholders**

Our firm, Elliott Management ("Elliott" or "we"), manages funds with a combined 13.2% economic interest in Arconic, making us the Company's largest shareholder. Our economic interest is in Arconic's common equity. We have no special rights and enjoy no preferences. Whether you own one share of Arconic stock or one million shares, we are in the same boat as shareholders.

As of this writing, the value of our investment in Arconic is approximately \$1.6 billion. Our decision to make such a large investment was not made lightly, and it wasn't made to produce a quick buck. To increase the value of our investment in Arconic, the Company must perform better over the long haul. We are long-term investors, and we are highly committed to seeing Arconic improve in ways that will stand the test of time.

**More Information**

For more information on why we believe current management has failed to deliver, to learn more about our views, or to get more background information on the nominees, Chris, Elmer, Bernd, and Patrice – or on Larry Lawson, we invite you to visit our dedicated website at [NewArconic.com](http://NewArconic.com). You can also speak with our proxy solicitor if you have any questions about this process or need help in voting your shares by calling them toll-free at 1-877-869-0171 or via email at [info@okapipartners.com](mailto:info@okapipartners.com).

**Shareholders' Views vs. The Board's Views**

As of this writing, five of Arconic's largest shareholders, including Elliott, have already come out publicly in support of a vote for accountability and for change (the **Blue Card**):

- *"We, therefore, encourage you to support the changes sought by our fellow shareholders at Elliott Management. We intend to support Elliott's proposed proxy slate because it best serves the long-term interests of the Company and its owners."* – First Pacific Advisors, February 6, 2017
- *"Independent members of this board, who own less than 0.1% of outstanding shares, continue to disregard the overwhelming publicly expressed desire for leadership change from the company's largest long-term owners, including Orbis."* – Adam Karr, Orbis Investment Management, March 3, 2017
- *"It's a CEO problem ... there has been no value created."* – Sarat Sethi, Douglas Lane & Associates, January 30, 2017
- *"Lion Point believes that Elliott's plan for value creation can reverse the past and set new Arconic on a better path to creating shareholder value."* – Lion Point Capital, February 16, 2017

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The holdings of these shareholders amount to more than 20% of our Company, worth more than \$2.5 billion. For better or worse, we have “put our money where our mouth is.”

On the other side of the ledger, the Board has encouraged you to trust its judgment over that of your fellow shareholders, despite the fact that there is virtually no alignment of economic interest between Arconic’s shareholders and the Board. Taken together, the non-executive directors collectively own 0.06% of Arconic. The majority of the shares owned by these directors were *given to them*, not purchased on the open market. None of them owns a stake representing a material proportion of his or her net worth.

Arconic’s Board of Directors is composed of individuals with longstanding personal and professional ties to Dr. Kleinfeld as well as individuals who have just recently joined the Board. We understand why both friends of Dr. Kleinfeld and newer directors would be inclined to give him “one more chance.” The need for leadership change of this kind can be difficult to acknowledge.

But “one more chance” is something more commonly given to new executives struggling with legacy issues. It is not something that is or should be given to an executive who has been paid tens of millions of dollars for reducing every shareholder dollar to a mere 31 cents over the course of his nine-year tenure. As a shareholder, an employee, or as a retiree, you should not be asked to wait even longer for acceptable performance just because the Board wants to give Dr. Kleinfeld “one more chance.”

#### **Your Choice**

It is through your efforts that Arconic exists today. Now it is up to you to determine its future. The Board would like you to vote for more of the same – for more years of mediocre performance and dismal returns – without offering any explanation for why shareholders or employees should expect this time to be any different.

By contrast, we at Elliott believe Arconic has the potential – the underlying assets, the high-quality employees – to produce world-class performance and outstanding shareholder returns *if it is properly led*. **To that end, we ask you to support the four shareholder nominees – Chris Ayers, Elmer Doty, Bernd Kessler and Patrice Merrin**. Each of these individuals is committed to putting in the time, energy, and effort to make the changes necessary to achieve the results Arconic’s employees and its shareholders deserve.

Thank you.

Elliott Management Corporation

<sup>i</sup> Source: Bloomberg Market Data. Analysis comprised of all continuously tenured CEOs over the course of Dr. Kleinfeld’s term through the separation of Alcoa Corp and Arconic. Analysis excludes Freeport-McMoRan due to Office of the Chairman structure.

<sup>ii</sup> Source: Company Proxy Filings, Fiscal Years 2008-2016

<sup>iii</sup> Engineered Products & Solutions (EPS), Global Rolled Products (GRP) – when including the Warrick rolling mill, and Transportation Construction and Solutions (TCS) all failed to hit both revenue and profit targets.

<sup>iv</sup> Dividend-Adjusted Share Price; Source: Bloomberg Market Data

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**Appendix – Shareholder Nominee Biographies**

**Chris Ayers** is the former head of the Forging Division at Precision Castparts (“PCC”). At PCC, Chris started out as an operations manager for one of its casting facilities. Within six months he was promoted to general manager of that business. He did so well that PCC gave him multi-plant responsibility for similar facilities in England, and he was eventually promoted to lead a whole division of facilities in PCC’s forging business. After eight years, he left to join Alcoa as the COO of Alcoa’s Cast, Forged, and Extruded Products Business – part of EPS. Chris’s help was subsequently needed in the aluminum smelting business, so he was promoted to Executive Vice President and President of Global Primary Products (aluminum smelting, alumina refining and bauxite mining), which he ran for two years before leaving to become CEO of a private company. Chris is a no-nonsense operator, and he knows Arconic well.

**Elmer Doty** is the former President and CEO of Vought Aircraft Industries (“Vought”) – one of the largest producers of commercial and military aerostructures. Under Elmer’s leadership, Vought increased revenues from \$1.3 billion to \$1.9 billion and net income from negative \$230 million to positive \$330 million. Immediately prior to Vought, Elmer was Executive Vice President of United Defense Industries. Between United Defense and Vought, Elmer managed two businesses that were major customers of Alcoa and Arconic. Elmer has a long track record of success at improving difficult businesses through operational excellence and restructuring. He will demand the same attention to operational detail from Arconic’s management.

**Bernd Kessler** is the former CEO of SR Technics, a world-leading maintenance and repair organization for the civil aviation sector. Bernd has spent his career in the guts of the aerospace business. At SR Technics, Bernd’s job was simple: to fix planes – with no errors – as quickly and as cheaply as possible. He brings valuable insights from a long career as an international business executive, including as a director of Polaris Industries, former President and CEO of MTU Maintenance and former executive at Honeywell International. His strong background in engineering, operational excellence and organizational development will serve shareholders well in the boardroom.

**Patrice Merrin** is the former Executive Vice President and COO of Sherritt International, a publicly traded Canadian natural resources company. Patrice brings extensive experience serving as a director of some of the most complex and challenging companies, and she is currently on the Board of Directors of Glencore, Stillwater Mining, and Novadaq Technologies. Having chaired two CEO search committees, Patrice knows how to take an objective look at an organization and determine what kind of leader it needs for the challenges it faces. She is a proven change-agent with a track record of implementing sound corporate governance practices and holding management teams accountable for their performance. She possesses the ideal fortitude for Arconic at this critical time.

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**Additional Information**

Elliott Associates, L.P. and Elliott International, L.P. (collectively, "Elliott"), together with the other participants in Elliott's proxy solicitation, have filed a definitive proxy statement and accompanying BLUE proxy card with the Securities and Exchange Commission ("SEC") to be used to solicit proxies in connection with the 2017 annual meeting of shareholders (the "Annual Meeting") of Arconic Inc. (the "Company"). Shareholders are advised to read the proxy statement and any other documents related to the solicitation of shareholders of the Company in connection with the Annual Meeting because they contain important information, including information relating to the participants in Elliott's proxy solicitation. These materials and other materials filed by Elliott with the SEC in connection with the solicitation of proxies are available at no charge on the SEC's website at <http://www.sec.gov>. The definitive proxy statement and other relevant documents filed by Elliott with the SEC are also available, without charge, by directing a request to Elliott's proxy solicitor, Okapi Partners LLC, at its toll-free number 1-877-869-0171 or via email at [info@okapipartners.com](mailto:info@okapipartners.com).

**About Elliott**

Elliott Management Corporation manages two multi-strategy hedge funds which combined have more than \$32 billion of assets under management. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest hedge funds under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of the firm.

**IMPORTANT**

**Your vote is important, no matter how many or how few shares of Common Stock you own. Elliott urges you to sign, date, and return the enclosed BLUE proxy card today to vote FOR the election of the Nominees and in accordance with Elliott's recommendations on the other proposals on the agenda for the 2017 Annual Meeting.**

Since only your latest dated proxy card will count, we urge you not to return any proxy card you receive from the Company. Even if you return the WHITE management proxy card marked "withhold" as a protest against the incumbent directors, it will revoke any proxy card you may have previously sent to us. Remember, you can vote for our four Nominees only on our **BLUE** proxy card. So please make certain that the latest dated proxy card you return is the **BLUE** proxy card.

Okapi Partners is assisting Elliott with its effort to solicit proxies. If you have any questions or require assistance in authorizing a proxy or voting your shares of Common Stock, please contact:

  
PARTNERS  
1212 Avenue of the Americas, 24th Floor  
New York, NY 10036  
(212) 297-0720  
Call Toll-Free at: (877) 869-0171  
E-mail: [info@okapipartners.com](mailto:info@okapipartners.com)

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