

AUDIT COMMITTEE CHARTER

Mission Statement

The primary purpose of the Audit Committee (the “committee”) of the Board of Directors (the “board”) of Alcoa Inc. (the “company”) is:

(A) to assist the Board of Directors to fulfill its oversight of the integrity of the company’s financial statements, the company’s compliance with legal and regulatory requirements, the independent auditor’s qualifications and independence, and the performance of the company’s internal audit function and independent auditors; and

(B) to prepare the audit committee report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the company’s annual proxy statement.

Membership

The committee shall consist of at least three directors, the exact number to be determined from time to time by the board.

The members of the committee shall meet the independence requirements imposed by the listing standards of the New York Stock Exchange (the “NYSE”), law or regulation. At least one member of the committee shall be an audit committee financial expert, as determined by the board.

The members of the committee shall be appointed by a majority vote of the board from among its members based on the recommendations of the Governance and Nominating Committee and shall serve until such member’s successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the board.

No member of the committee may serve simultaneously on the audit committees of more than two other public companies, unless the board determines that such simultaneous service would not impair such director’s ability to serve effectively on the committee and such determination is disclosed in the company’s annual proxy statement.

Authority and Responsibilities

The committee’s function is not to replace the company’s management, internal auditors and outside auditors, but rather one of oversight. It is the responsibility of the company’s management to prepare the company’s financial statements and to develop and maintain adequate systems of internal accounting and financial controls, and it is the internal and outside auditors’ responsibility to review and, when appropriate, audit these financial statements and internal controls. The committee recognizes that the financial management and the internal and outside auditors have more knowledge and information about the company than do committee members. Consequently, in carrying out its oversight responsibilities, the committee should not be expected to provide any expert or special assurance as to the company’s financial statements or internal controls or any professional certification as to the outside auditors’ work.

In carrying out its oversight responsibilities, the committee shall undertake the following activities and have the following authority (in addition to any others that the board may from time to time delegate to the committee):

1. The committee shall have sole authority and be directly responsible for the retention, compensation, oversight, evaluation and termination (subject, if applicable, to shareholder ratification) of the work of the company’s outside auditors for the purpose of preparing or issuing an audit report or related work. The company’s outside auditors shall report directly to the committee.
2. The committee shall review and pre-approve (a) auditing services (including those performed for purposes of providing comfort letters and statutory audits); and (b)

non-auditing services that exceed a *de minimis* standard established by the committee, which are rendered to the company by its outside auditors (including fees).

3. The committee shall:
 - (a) receive from the outside auditors, at least annually, a written report describing: (i) the outside auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of the outside auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the outside auditors, and any steps taken to deal with any such issues; and (iii) (to assess the outside auditors' independence) all relationships between the outside auditors and the company, including the matters covered by Independence Standards Board Standard Number 1; and
 - (b) review and discuss with the outside auditors any relationships or services that may impact the objectivity and independence of the outside auditors.
4. After reviewing the foregoing report and the outside auditors' work throughout the year, the committee shall evaluate the outside auditors' qualifications, performance and independence. This evaluation shall include the review and evaluation of the lead partner(s) of the outside auditors. In making its evaluation, the committee may take into account the opinions of management and the company's internal auditors (or other personnel responsible for the internal audit function) and shall take appropriate action in response to the outside auditors' report and the opinions of those the committee consults to satisfy itself of the outside auditors' independence and adequate performance.
5. The committee should further consider whether, in order to assure the continuing independence of the outside auditors, there should be regular rotation of the lead audit partner (in addition to what may already be required by law or regulation).
6. The committee shall establish clear hiring policies with respect to employees and former employees of the outside auditors.
7. The committee shall review and discuss with management, the outside auditors and the internal auditors the performance and adequacy of the company's internal audit function, including the internal auditors' responsibilities, budget, staffing, the Internal Audit Statement of Responsibilities and any proposed changes in the audit scope, plan or procedures from the prior period. The committee shall review and concur in the appointment, replacement or dismissal of the chief internal audit executive.
8. The committee shall meet regularly with management. In addition, the committee shall meet separately, and without management present (and, in any event, not less than four times a year) with (a) the Chief Legal and Compliance Officer of the company; (b) the Chief Financial Officer of the company; (c) the company's internal auditors; and (d) the company's outside auditors.
9. The committee shall review and discuss with management and the outside auditors on a quarterly basis prior to filing quarterly or annual financial statements: (a) the audited financial statements to be included in the company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of the Form 10-K); (b) the quarterly financial statements to be included in Form 10-Q; (c) the company's disclosures in the related "Management's Discussion and Analysis of Financial Condition and Results of Operations"; (d) the company's disclosure

- controls and procedures (including any significant internal control deficiencies or material weaknesses and any changes implemented in light of material control deficiencies or weaknesses); and (e) any fraud that involves management or other employees who have a significant role in the company's internal controls.
10. In connection with the annual audit and review by the outside auditors of the financial information included in the company's Quarterly Reports on Form 10-Q, the committee shall, prior to the filing of the Form 10-K or Form 10-Q, as applicable, discuss with the outside auditors the results of their audit or review and the required communications with audit committees pursuant to PCAOB standards, as amended or supplemented. In addition, the chairman or his designee shall, before the quarterly earnings press releases are released, discuss with the outside auditors the results of their review of quarterly earnings press releases and the required communications pursuant to PCAOB standards.
 11. The committee shall receive from the company's outside auditors and, where applicable, the company's internal auditors, timely reports concerning:
 - (a) major issues regarding accounting principles and financial statement presentations, including all critical accounting policies and practices and any changes in the selection or application of accounting principles;
 - (b) all significant financial reporting issues and judgments, including all critical accounting estimates and alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the company, the ramifications of the use of such alternative estimates or treatments and the estimate/treatment preferred by the auditors;
 - (c) the effect of regulatory or accounting initiatives, as well as off-balance sheet transactions, on the financial statements; and
 - (d) any material written communications between the auditors and the management of the company (such as any management letter or schedule of unadjusted differences).
 12. The committee shall review with the outside auditors and the internal auditors any audit problems or difficulties encountered (including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management) and management's response. The committee shall be responsible for the resolution of disagreements among the company's management, the outside auditors and the internal auditors regarding financial reporting.
 13. The committee shall review with the internal auditor and the external auditor their annual audit plans and the degree of coordination of such plans.
 14. Based on the above review and discussions, the committee shall determine whether to recommend to the board that the company's audited financial statements be included in the company's Annual Report on Form 10-K.
 15. The committee shall prepare the report of the audit committee required by the rules of the SEC to be included in the company's annual proxy statement.
 16. The committee shall periodically discuss with management the types of information to be disclosed and the types of presentations to be made in quarterly earnings press releases and with respect to financial information and earnings guidance provided to analysts and rating agencies or otherwise made public.

17. The committee shall discuss with management, the internal auditors and the outside auditors the company's policies with respect to risk assessment and risk management. This discussion should cover the company's major financial risk exposures and the steps management has taken to monitor and control these exposures.
18. The committee shall review the annual audit report regarding officers' expense accounts and perquisites and the results of the annual survey of compliance with the company's Business Conduct Policies.
19. The committee shall review with the company's Chief Legal and Compliance Officer, the internal auditors and other appropriate parties legal matters that may have a material impact on the company's financial statements, the company's compliance policies and procedures and any material reports received from or communications with regulators or government agencies.
20. The committee shall (a) regularly receive reports from management regarding compliance with the Business Conduct Policies and the Code of Ethics for the Chief Executive Officer (the "CEO"), Chief Financial Officer (the "CFO") and Other Financial Professionals and the procedures established to monitor compliance with the Business Conduct Policies and the Code of Ethics for the CEO, CFO and Other Financial Professionals; (b) review requests for waivers from (i) the Code of Ethics for the CEO, CFO and Other Financial Professionals; and (ii) from the Business Conduct Policies with respect to directors and executive officers; and (c) promptly disclose any waivers that are required by regulation or listing standards to be disclosed publicly.
21. The committee shall oversee and regularly review the adequacy and performance of established procedures for (a) the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls and/or auditing matters; and (b) the confidential, anonymous submission by company employees of concerns regarding questionable accounting or auditing matters.
22. The committee shall review its own performance and reassess the adequacy of this charter at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the full board for review, discussion and approval.
23. The committee shall have the authority to engage and obtain advice and assistance from internal or external legal, accounting or other advisors, without having to seek board approval.
24. The committee shall make determinations with respect to funding by the company with respect to the payment of the company's outside auditors and any other advisors retained by the committee.

Structure and Operations

The board shall designate one member of the committee to act as its chairperson. The committee shall meet in person or telephonically at least four times per year at such times and places determined by the committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the committee or its chairperson. The chairperson, with input from the other members of the committee, shall set the agendas for committee meetings; such agendas shall be distributed to the full board. Two members of the committee shall constitute a quorum; when more than two members are present, the act of a majority of such members at a meeting at which a quorum exists shall be the act of the committee,

and when only two members are present, the unanimous vote of the two members shall constitute the act of the committee.

The committee may request that any directors, officers or other employees of the company, or any other persons whose advice and counsel are sought by the committee, attend any meeting of the committee to provide such pertinent information as the committee requests. The committee may exclude from its meetings any persons it deems appropriate in order for it to fulfill its responsibilities.

The committee may form and delegate authority to subcommittees when appropriate. In particular, the committee may also delegate to one or more of its members the authority to pre-approve audit and/or non-audit services, provided that the decisions of any member(s) to whom pre-approval authority is delegated shall be presented to the committee at the next committee meeting.

The committee shall maintain minutes or other records of its meetings and shall give regular reports to the board on these meetings, including the committee's actions, conclusions and recommendations and such other matters as required by this charter or as the board may from time to time specify.

Except as expressly provided in this charter, the company's by-laws or the company's Corporate Governance Guidelines, or as required by law, regulation or NYSE listing standards, the committee shall set its own rules of procedure.

Compensation

No member of the committee may receive, directly or indirectly, any compensation from the company other than (i) fees paid to directors for service on the board (including customary perquisites and other benefits that all directors receive); (ii) additional fees paid to directors for service on a committee of the board (including the committee) or as the chairperson of any committee; and (iii) a pension or other deferred compensation for prior service that is not contingent on future service on the board.

(Revised November 2009)