



ALCOA INC. INSIDER TRADING POLICY

BACKGROUND:

This Policy applies to directors, officers and employees at all levels of Alcoa Inc. (“Alcoa”) and of each domestic and foreign subsidiary, partnership, venture or other business association that is effectively controlled by Alcoa directly or indirectly (together called the “Company”).

The Company and its directors, officers and employees worldwide must act in a manner that does not misuse financial material or other information that has not been publicly disclosed. Failure to do so breaches our integrity value. Also, in some countries including the United States, insider trading violates laws that impose strict penalties upon both companies and individuals, including both financial sanctions and possibly prison.

Maintaining the confidence of shareholders and the public markets is important. The principle underlying Alcoa’s policy is fairness in dealings with other persons, which requires that Alcoans not take personal advantage of undisclosed information to the detriment of others who do not have the information.

It is important that you understand the breadth of activities that constitute illegal insider trading and the consequences, which can be severe. Both the U.S. Securities and Exchange Commission (“SEC”) and the New York Stock Exchange investigate and are very effective at detecting insider trading. The SEC, together with the U.S. Attorneys, pursue insider trading violations vigorously. Cases have been successfully prosecuted against trading by employees through foreign accounts, trading by family members and friends, and trading involving only a small number of shares.

The following penalties apply under SEC Rule 10b-5, which prohibits trading on material inside information: (1) imprisonment for up to 20 years; (2) criminal fines of up to \$5 million; (3) civil penalties of up to 3 times the profits gained or losses avoided; (4) prejudgment interest; and (5) private party damages. In addition to damage to reputation, violation of Company policy could result in termination of employment.

This policy is designed to prevent insider trading or allegations of insider trading, and to protect the Company’s reputation for integrity and ethical conduct. It is your obligation to understand and comply with this policy. Should you have any questions regarding this policy, please contact the Corporate Secretary at (212) 836-2732.

POLICY:

No director, officer or employee of the Company may trade in Alcoa securities unless the director, officer or employee is sure that he or she does not possess material inside information. No director, officer or employee of the Company may disclose such information to others who might use it for trading or might pass it along to others who might trade. This practice, known as “tipping,” also can result in the same penalties as trading even though you did not trade (and did not gain any benefit from another trader).

Similarly, directors, officers and employees may not trade in securities of any other firm (including, without limitation, a current or prospective customer, supplier, joint venture partner, or party to a potential corporate development transaction), unless they are sure that they do not possess any



material inside information about that firm which they obtained in the course of their employment with the Company, such as information about a major contract or merger being negotiated. Information that is not material to the Company may nevertheless be material to one of those other firms.

Directors, Officers and employees may not trade in aluminum futures or options unless they are sure that they do not possess non-public information about Alcoa's trading activities in aluminum futures markets.

Short sales of Alcoa securities (a sale of securities which are not then owned) and derivative or speculative transactions in Alcoa securities are prohibited.

No director, officer or employee or any designee of such director, officer or employee is permitted to purchase or use financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds) that are designed to hedge or offset any decrease in the market value of Alcoa securities.

Directors and Section 16 Officers are prohibited from holding Alcoa securities in margin accounts, pledging Alcoa securities as collateral, or maintaining an automatic rebalance feature in savings plans, deferred compensation or deferred fee plans.

The ultimate responsibility for adhering to this policy and avoiding improper trading rests with you. If you violate this policy, the Company may take disciplinary action, including dismissal for cause.

DEFINITIONS:

Securities include stock (i.e., common or preferred), bonds, notes or debentures (including convertible debt securities), put and call options or other derivative securities and other marketable securities of any company.

Trading includes buying or selling securities, as well as writing options or transferring to or from the Alcoa stock fund under the savings plans, deferred compensation or deferred fee plans or other benefit plan.

Material information is any information that a reasonable investor would consider important in a decision to buy, sell or hold the securities. Any information that could reasonably be expected to affect the price of the securities is likely to be considered material. Examples of material information include unexpected financial results, changes in management, proposed major mergers and acquisitions, sale of major assets, changes in dividends, severe financial liquidity problem an extraordinary item for accounting purposes, and important business developments such as major raw material shortages or discoveries or major litigation. The information may be positive or negative. The public, the media, and the courts may use hindsight in judging what is material.

Inside means the information has not yet become publicly available. Release of information to the media does not immediately free insiders to trade. Insiders should refrain from trading until the market has had an opportunity to absorb and evaluate the information. If the information has been widely disseminated, it is usually sufficient to wait at least 24 hours after publication.

ADDITIONAL GUIDANCE

Standing Orders

Standing orders (except standing orders under approved Rule 10b5-1 plans, see below) should be used only for a brief period of time. The problem with purchases or sales resulting from standing instructions to a broker is that there is no control over the timing of the transaction. The broker could execute a transaction when you are in possession of material inside information.

Transactions Covered

Trading includes purchases and sales of stock, derivative securities such as put and call options and convertible debentures or preferred stock, and debt securities (debentures, bonds and notes). Trading also includes certain transaction under Company plans, as follows:

- *Stock Option Exercises.* This policy's trading restrictions generally do not apply to the exercise of a stock option. The trading restrictions do apply, however, to any sale of the underlying stock or to a cashless exercise of the option through a broker, as this entails selling a portion of the underlying stock to cover the costs of exercise.
- *Employee Stock Purchase Plan.* This policy's trading restrictions do not apply to purchases of Company stock in the employee stock purchase plan resulting from your periodic payroll contributions to the plan under an election you made at the time of enrollment in the plan. The trading restrictions do apply to your election to participate in the plan and to your sales of Company stock purchased under the plan.
- *401(k) Plan.* This policy's trading restrictions do not apply to purchases of Company stock in the 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. The trading restrictions do apply, however, to elections you may make under the 401(k) plan to (a) increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.
- *Dividend Reinvestment Plan.* This policy's trading restrictions do not apply to purchases of Company stock under the Company's dividend reinvestment plan resulting from your reinvestment of dividends paid on Company securities. The trading restrictions do apply, however, to voluntary purchases of Company stock resulting from additional contributions you choose to make to the plan, and to your election to participate in the plan or increase your level of participation in the plan. This policy also applies to your sale of any Company stock purchased pursuant to the plan.

BLACKOUT POLICIES

A regular black-out prohibits trading in Alcoa securities by officers, directors and certain employees, beginning 15 days before the end of a quarter and ending 24 hours after earnings are released.

Who is covered by this Policy?

- Directors, officers and assistant officers of Alcoa
- Business Unit Presidents.
- All individuals reporting directly to the Chief Financial Officer of Alcoa.
- Certain employees in the Controller's group who were involved in the preparation of financial statements (to be determined by the Controller).
- Investor Relations professionals.

- Corporate Communications professionals.
- Anyone in possession of material non-public information.
- Family members living in the same household as anyone covered by this Policy.

An early blackout period prohibits trading in Company securities by members of the Executive Council and any director, officer or employee who has knowledge of financial performance forecasts for the period, beginning the first day of the third month of a quarter and ending 24 hours after earnings are released.

What transactions are prohibited during a blackout period?

- Open market purchase or sale of Alcoa securities.
- Purchase or sale of Alcoa securities through a broker.
- Exercise of stock options where all or a portion of the acquired stock is sold during the blackout period.
- Switching existing balances into or out of the Alcoa stock fund in a savings plan, deferred compensation or deferred fee plan or other benefit plans.
- New cash investments in the dividend reinvestment plan.

What transactions are allowed during a blackout period?

- Exercise of stock options where no Alcoa stock is sold in the market to fund the option exercise.
- Regular and matching contributions to the Alcoa stock fund in a benefit plan.
- Regular reinvestment in the dividend reinvestment plan.
- Gifts of Alcoa stock, unless you have reason to believe the recipient intends to sell the shares during the current blackout period.
- Transfers of Alcoa stock to or from a trust.
- Transactions that comply with SEC Rule 10b5-1 pre-arranged written plans. For further information about pre-arranged plans, please contact the Corporate Secretary.

In addition to the standard end-of-quarter blackout periods, the Company may, from time to time, impose other blackout periods upon notice to those persons who are affected.

Employees not otherwise subject to the blackout periods are encouraged to refrain from trading Alcoa securities during blackout periods to avoid the appearance of improper trading.

Black-out periods apply, whether or not a reminder notice of the black-out is sent. You are responsible for compliance with the Company's policies on Insider Trading.

PRE-CLEARANCE OF STOCK TRANSACTIONS

Alcoa directors, officers, executive council members, assistant officers and business unit presidents are obligated to pre-clear transactions in Alcoa securities. These transactions include all transactions noted above as being prohibited during a black-out period, as well as gifts and any stock option exercise.

Who authorizes the clearance?

- Chief Legal and Compliance Officer
- Corporate Secretary

- Other attorneys designated by the Chief Legal and Compliance Officer or the Corporate Secretary

In addition, other employees are encouraged to discuss any transaction involving Alcoa securities to make sure there is no pending material event that could create an appearance of improper trading.

SECTION 16 REPORTS

Who is obligated to file Section 16 reports?

- Alcoa directors.
- Alcoa officers designated as “executive officers” for SEC reporting purposes by the Board of Directors.

The Corporate Secretary’s Office will assist reporting persons in preparing and filing the required reports; however reporting persons retain responsibility for the reports.

FORM 144 REPORTS

Alcoa directors and certain Alcoa officers designated by the Board of Directors are required to file Form 144 before making an open market sale of Alcoa securities. Form 144 notifies the SEC of your intent to sell Alcoa securities. This form is generally prepared and filed by your broker and is in addition to the Section 16 reports filed on your behalf by the Corporate Secretary’s Office.

10b5-1 PLANS

Rule 10b5-1 provides a defense from insider trading liability under SEC Rule 10b-5. To be eligible for this defense, an insider may enter into a “10b5-1 plan” for trading in company stock. If the plan meets the requirements of Rule 10b5-1, company stock may be purchased or sold without regard to certain insider trading restrictions. Directors and Section 16 Officers are prohibited from entering into a 10b5-1 plan.

To comply with the Company’s insider trading policy, a 10b5-1 plan must be approved by the Chief Legal and Compliance Officer or Corporate Secretary and meet the requirements of Rule 10b5-1.

In general, a 10b5-1 plan must be entered into at a time when there is no undisclosed material information. Once the plan is adopted, the insider must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.