

ALCOA INC.
STOCK OPTION AWARD

Alcoa Inc. (the "Company") has on _____ granted to

«NAME»

(NAME)

«SSN»

(SOCIAL SECURITY NUMBER)

("Participant"), the option to purchase «AWARD» shares of the common stock of the Company at the price of \$ _____ per share.

1. This option is granted under the provisions of the Alcoa Stock Incentive Plan (the "Plan"), as last amended prior to the date above, and is subject to all of the terms and conditions of the Plan, to the Rules for Stock Option Awards adopted under the Plan and to the provisions set forth below or on the reverse side of this award form.

2. This option grant vests: (a) on January 10, 2004, as to one-third of the options granted (b) on January 10, 2005, as to one-third of the options granted and (c) on January 10, 2006, as to one-third of the options granted.

Issued in Pittsburgh, Pennsylvania on the date set forth above.

Terms and Conditions – 2003 Stock Option Grants

1. This option is not exercisable until it vests.
2. Except as provided below, if the Participant's employment terminates before the option vests in whole or in part, the portion of the option that is not vested is forfeited and it is automatically canceled.
3. This option vests in accordance with the schedule set forth on the front of this certificate, except in the following instances:
 - If the Participant's employment terminates due to retirement under a Company or subsidiary retirement plan on a date that is at least six months from the grant date, the option is not forfeited and the original vesting schedule set forth on the front of this certificate shall apply to such option.
 - An option held by a Participant who dies while an employee vests immediately.
 - An option vests and becomes exercisable immediately upon certain Change in Control events described in the Plan.
4. This option may not be exercised after its termination date.
5. This option terminates 10 years from the grant date, or earlier in the following instances:
 - Options held by a Participant who dies while in the employ of the Company or after retirement terminate not later than 5 years after the Participant's death.
 - Vested, exercisable options held by a Participant whose employment with the Company terminates (other than as a result of the Participant's retirement or death) expire after 90 days from the date of employment termination.
6. A vested, exercisable option is exercised when the option program administrator receives a notification of exercise, signed or delivered by the Participant.
7. Payment in full of the option purchase price is due on the exercise date. Payment may be made in cash or by the delivery or presentation to the Company of shares of Alcoa stock that have been owned by the Participant for a minimum holding period established by the Committee and have an aggregate fair market value on the date of exercise which, together with any cash payment, equals or exceeds the option purchase price.
8. All taxes required to be withheld under applicable tax laws in connection an option exercise must be paid over by the Participant, in cash, immediately upon advice, or, in certain instances established by the Committee, by instructing the Company to withhold from the shares to be issued upon the exercise shares whose value on the exercise date equals the withholding amount to be paid.
9. In accordance with the Plan and the Rules for Stock Options, a cancelable Reload Option may be granted upon exercise of this option. **AS A CONDITION OF THE GRANT OF THIS OPTION, ALL RELOAD OPTION RIGHTS ASSOCIATED WITH THIS OPTION MAY BE TERMINATED AT ANY TIME WITHOUT FURTHER NOTICE.** A cancelable Reload Option vests contingently upon the grant of the Reload Option. Vesting is contingent and any cancelable Reload Option that has been granted may be terminated at any time before it is exercised. A cancelable Reload Option is not exercisable for 6 months from its grant date, except in the event of a Change in Control when it becomes exercisable immediately. The cancelable Reload Option has the same termination date as this option, unless it is terminated prior to the termination date of this option. The Committee may at any time change, suspend, terminate or impose additional conditions upon the award of any cancelable Reload Options associated with this option grant.
10. This option is nontransferable except in limited instances permitted by the Plan.
11. The exercisability of this option award may be suspended or limited by the Committee at any time if it determines that this action is necessary or desirable in order to permit the Company to obtain the listing, registration or qualification of shares covered by this option upon any securities exchange or under any law, rule, regulation or decision or the consent or approval of any governmental regulatory body or to comply with insider trading laws. No suspension or delay resulting from this action will extend the termination date of this option.
12. In addition, the Committee has full power and authority to determine whether, to what extent and under what circumstances this option will be canceled. In particular, but without limitation, all outstanding option awards to any Participant shall be canceled if the Participant, without the consent of the Committee, while employed by the Company or after termination of employment, becomes associated with, employed by, renders services to or owns any interest in (other than any nonsubstantial interest, as determined by the Committee) any business that is in competition with the Company or with any business in which the Company has a substantial interest as determined by the Committee or otherwise takes any action that in the judgment of the Committee is not in the best interests of the Company.
13. This option does not confer any rights of continued employment upon the Participant.