

Prospectus



Alcoa Inc.

Common Stock

2013 Alcoa Stock Incentive Plan, As Amended and Restated

This prospectus relates to shares of common stock, par value \$1.00 per share, of Alcoa Inc. issuable pursuant to the provisions of the 2013 Alcoa Stock Incentive Plan, As Amended and Restated.

Alcoa's common stock is listed on the New York Stock Exchange under the symbol "AA."

The principal executive offices of Alcoa are located at 390 Park Avenue, New York, New York 10022-4608. The telephone number is (212) 836-2600.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June __, 2016.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

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GENERAL

About the Prospectus

This prospectus relates to shares of common stock, par value \$1.00 per share, of Alcoa Inc. (“Alcoa” or the “Company”) that may be issued under the 2013 Alcoa Stock Incentive Plan, as amended and restated and as may be further amended (the “2013 Plan”). In connection with the offering of the shares, Alcoa is required to provide you with a prospectus (the “2013 Plan Prospectus”) giving a general description of material information regarding the 2013 Plan and its operations. The 2013 Plan Prospectus consists of the following, taken together:

- this document;
- the 2013 Plan;
- the Terms and Conditions for Stock Option Awards, as amended, restated or supplemented from time to time;
- the Terms and Conditions for Restricted Share Units, as amended, restated or supplemented from time to time;
- the documents incorporated by reference into the 2013 Plan Prospectus (see “Incorporation of Certain Documents by Reference” below); and
- any other documents that Alcoa specifically identifies in the future as being part of the 2013 Plan Prospectus.

You should read all of the documents constituting part of the 2013 Plan Prospectus.

Where You Can Find More Information

Alcoa files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). Its SEC filings are available to the public from the SEC’s web site at <http://www.sec.gov>. You may also read and copy any document Alcoa files with the SEC at the SEC’s public reference facilities in Washington, D.C., located at 100 F. Street, NE, Room 1580, Washington, D.C., 20549. Information on the operation of the Office of Investor Education and Advocacy (formerly known as the public reference room) may be obtained by calling the SEC at 1-800-SEC-0330. Information about Alcoa is also available at its Internet web site at <http://www.alcoa.com>. The information contained in, or that can be accessed through, Alcoa’s Internet site is not a part of the 2013 Plan Prospectus.

Alcoa has filed a registration statement on Form S-8 with the SEC under the Securities Act of 1933, as amended (the “Securities Act”), that registers the shares offered by this prospectus. As permitted by the rules and regulations of the SEC, this prospectus does not contain all of the information set forth in the registration statement. You should read the registration statement for further information about Alcoa and its common stock.

Incorporation of Certain Documents by Reference

The SEC allows Alcoa to “incorporate by reference” in this prospectus the information in the documents that it files with the SEC, which means that Alcoa can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that Alcoa files later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus. Alcoa incorporates by reference in this prospectus the documents listed below and any future filings that it may make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), until the completion of the offering of the securities described in this prospectus:

- Alcoa’s latest annual report filed pursuant to Section 13(a) or 15(d) of the Exchange Act, which contains audited consolidated financial statements for Alcoa's latest fiscal year;
- All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the document referred to above;
- The description of Alcoa’s common stock, par value \$1.00 per share, contained in Alcoa’s Registration Statement on Form S-3 (File No. 333- 197371), filed July 11, 2014, as amended by Amendment No. 1 on Form S-3/A on July 25, 2014.

Alcoa is not incorporating, in any case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules.

Alcoa will furnish without charge to you, upon written or oral request, a copy of any or all of the documents incorporated by reference in this prospectus. Exhibits to those documents will not be provided unless they are specifically incorporated by reference. Alcoa will also furnish without charge to you, upon written or oral request, reports, proxy statements and other communications distributed to Alcoa’s shareholders generally if you do not otherwise receive such material. Requests for copies should be addressed to:

Alcoa Inc.
Attention: Investor Relations
390 Park Avenue
New York, New York 10022-4608
Telephone: (212) 836-2674

Alcoa will also furnish without charge to you, upon written or oral request, a copy of all the documents that then constitute part of the 2013 Plan Prospectus. Requests for copies should be addressed to:

Alcoa Manager
Stock Administration
Alcoa Inc.
201 Isabella Street
Pittsburgh, PA 15212

Merrill Lynch is the stock plan administrator of the 2013 Plan. For more information, please refer to Merrill Lynch's Benefits OnLine website by logging on to your account at www.benefits.ml.com, or call Merrill Lynch's Participant Service Representatives at (877) 785-2526 or (609) 818-8894 (outside the United States, Puerto Rico or Canada, dial direct: +1 609 818-8894).

For information about the 2013 Plan or Alcoa, you should rely only on the information contained or incorporated by reference in this prospectus or the other documents constituting part of the 2013 Plan Prospectus. Alcoa has not authorized anyone to provide you with different or additional information. You should not assume that the information in any document constituting part of the 2013 Plan Prospectus is accurate as of any date other than the date on the front of the document.

INFORMATION CONCERNING THE 2013 PLAN

The following summary of certain provisions of the 2013 Plan is not meant to be complete. For more information, you should refer to the full text of the 2013 Plan, including the definition of terms used and not defined in this prospectus.

General Information

The 2013 Plan authorizes the Compensation and Benefits Committee (the “Committee”) of the Board of Directors (the “Board”) of Alcoa to grant stock-based awards to employees of Alcoa and its subsidiaries. The 2013 Plan also authorizes the Board of Directors to make stock-based awards to non-employee directors.

The purpose of the 2013 Plan is to encourage participants to acquire a proprietary interest in the long-term growth and financial success of Alcoa and to further link the interests of such individuals to the long-term interests of shareholders.

Term

The 2013 Plan became effective on May 3, 2013 and was amended and restated in 2016, with such amendment becoming effective as of its approval by shareholders on May 6, 2016. The 2013 Plan replaced the 2009 Alcoa Stock Incentive Plan (the “Prior Plan”). No awards may be granted under the Prior Plan after May 2, 2013. All outstanding awards previously granted under the Prior Plan will continue to be governed by and administered under the Prior Plan. No awards may be granted under the 2013 Plan after May 2, 2023.

Eligibility

All employees of Alcoa and its subsidiaries and all non-employee directors of Alcoa are eligible to be selected as participants under the 2013 Plan.

Administration of the 2013 Plan

The 2013 Plan is administered by the Committee. Committee members must be independent directors to satisfy applicable regulatory requirements. Among other things, this means that they are not, or have not been within the last three years, Alcoa officers or employees, and they have not received, during any twelve-months within the last three years, more than \$120,000 in direct compensation from Alcoa except in their capacity as directors. The members of the Committee are appointed by a majority vote of the Board from among its members based on the recommendations of the Governance and Nominating Committee and serve until such member’s successor is duly appointed and qualified or until such member’s resignation, expiration of term or removal by a majority vote of the Board.

The Committee has the authority, subject to the terms of the 2013 Plan, to:

- select employees to whom awards may be granted;
- determine the types of awards and the number of shares to be covered by each employee award;
- determine the terms and conditions of employee awards and make modifications to such terms and conditions for any outstanding awards;
- determine whether, to what extent and under what circumstances employee awards may be settled in cash, shares or other property or may be canceled or suspended;
- determine whether, to what extent and under what circumstances cash, shares and other property and other amounts payable with respect to employee awards may be deferred;
- determine whether any corporate transaction will be deemed to result in a participant's termination of service for purposes of any award granted under the 2013 Plan;
- interpret the 2013 Plan and any instrument or agreement entered into under the 2013 Plan;
- establish rules and regulations and appoint agents for the proper administration of the 2013 Plan; and
- make any other determination and take any other action that the Committee deems necessary or desirable for administration of the 2013 Plan.

The Board of Directors has similar authority with respect to awards to non-employee directors. The Board may assume responsibilities otherwise assigned to the Committee. In addition, the 2013 Plan permits delegation of certain authority to senior officers in limited instances to grant, cancel or suspend awards to employees who are not Alcoa directors or executive officers.

Additional information about the 2013 Plan and its administration by the Committee and/or the Board may be obtained by contacting Alcoa at the address below:

Alcoa Inc.
 Attention: Alcoa Manager, Stock Administration
 201 Isabella Street
 Pittsburgh, PA 15212
AlcoaStockIncentives@Alcoa.com

In addition, you may obtain information about the 2013 Plan, including information on outstanding grants and participants' rights under the 2013 Plan on Merrill Lynch's Benefits OnLine website by logging on to your account at www.benefits.ml.com, or call Merrill Lynch's Participant Service Representatives at (877) 785-2526 or (609) 818-8894 (outside the United States, Puerto Rico or Canada, dial direct: +1 609 818-8894). Benefits OnLine and Participant Service Representatives are available 24 hours a day, 7 days a week (subject to occasional downtime for system maintenance). Inquiries by mail can be addressed to:

Merrill Lynch Wealth Management
Client Account Services
NJ2-140-03-17
PO Box 1501
Pennington, NJ 08534-9953

Participants may also email AlcoaStockIncentives@alcoa.com.

Other than the information provided to participants by or through the above resources, account statements will not be sent to participants under the 2013 Plan.

Shares Issuable for Awards

Shares of Alcoa common stock issuable under the 2013 Plan may consist of authorized and unissued shares, treasury shares (shares reacquired by Alcoa and held in its treasury) or any combination of the two.

Shares Authorized and Award Limits

Up to 140 million shares of Alcoa common stock may be issued under the 2013 Plan (which reflects an increase of 85 million shares from 55 million, the original number of shares that were authorized for issuance under the 2013 Plan as of May 3, 2013). Any award other than a stock option or stock appreciation right will count as 2.33 shares for purposes of the foregoing authorization. Stock options and stock appreciation rights will be counted as one share for each option or stock appreciation right. In addition to the 140 million shares, the following shares will be available for issuance under the 2013 Plan:

- shares underlying awards that are granted under the 2013 Plan which are subsequently forfeited, cancelled or expire in accordance with the terms of the awards; and
- shares underlying awards that had previously been granted under prior stock incentive plans that were outstanding as of May 3, 2013, which are subsequently forfeited, cancelled or expire in accordance with the terms of the award.

Non-employee directors may not receive awards of more than \$250,000 based on grant date fair value (determined in accordance with U.S. generally accepted accounting principles) in any one-year period.

Types of Awards

The following types of awards may be granted under the 2013 Plan:

- Nonqualified stock options (without reload features);
- Stock appreciation rights;
- Restricted shares;

- Restricted share units; and
- Other forms of awards authorized by the 2013 Plan.

These forms of awards may have a performance feature under which the award is not earned unless performance goals are achieved. See “*Performance Awards*” below.

Stock Option Awards. Under the 2013 Plan, stock option awards, once vested, entitle a participant to purchase shares of Alcoa common stock during the option term at a fixed price which is equal to the fair market value of Alcoa's stock on the date of the grant. The minimum vesting period for stock options is one year, except in connection with a capitalization adjustment or substitute award. The maximum term of stock options granted is ten years. The Committee has discretion to cap the amount of gain that may be obtained in the exercise of the stock option. Options with a reload feature will not be granted under the 2013 Plan. The option price must be paid in full by the participant upon exercise of the option, in cash, shares or other consideration having a fair market value equal to the option price, or by a combination of cash, shares or other consideration specified by the Committee.

Stock Appreciation Rights. A stock appreciation right ("SAR"), once vested, entitles the holder to receive, on exercise, the excess of the fair market value of the shares on the exercise date (or, if the Committee so determines, as of any time during a specified period before the exercise date) over the SAR grant price. The Committee may grant SAR awards as stand-alone awards or in combination with a related option award under the 2013 Plan. The SAR grant price is set by the Committee and may not be less than the fair market value of the shares on the date of grant. Payment by the Company upon exercise will be in cash, stock or other property or any combination of cash, stock or other property as the Committee may determine. Unless otherwise determined by the Committee, any related option will no longer be exercisable to the extent the SAR has been exercised, and the exercise of an option will cancel the related SAR. The Committee has discretion to cap the amount of gain that may be obtained in the exercise of a SAR. The maximum term of SARs is ten years, or if granted in tandem with an option, the expiration date of the option. The minimum vesting period of a SAR is one year, except in connection with a capitalization adjustment or substitute award.

Restricted Shares. A restricted share is a share issued with such contingencies or restrictions as the Committee may impose. Until the conditions or contingencies are satisfied or lapse, the stock is subject to forfeiture. Restricted share awards that are restricted only on the passage of time will have a minimum three-year pro-rata restriction period (the restrictions lapse each year as to 1/3 of the restricted share awards), except in connection with an adjustment or substitute award; *provided, however,* that a restriction period of less than this period may be approved for awards with respect to up to 5% of the shares authorized under the 2013 Plan. A recipient of a restricted share award has the right to vote the shares and receive dividends on them unless the Committee determines otherwise. Upon termination of service before the end of the contingency period, the award is forfeited by the participant, subject to such exceptions as authorized by the Committee.

Restricted Share Units. A restricted share unit is an award of a right to receive, in cash or shares, as the Committee may determine, the fair market value of one share of Alcoa common stock, on such terms and conditions as the Committee may determine. Restricted share units that are vested only on the passage of time have a minimum three-year pro-rata vesting period (1/3 vests each year), except in connection with a capitalization adjustment or substitute award; *provided* that a vesting period of less than three years may be approved for restricted share units with respect to up to 5% of the shares authorized under the 2013 Plan.

Performance Awards. A performance award may be in any form of award permitted under the 2013 Plan. The Committee may select periods of at least one year during which performance criteria chosen by the Committee are measured for the purpose of determining the extent to which a performance award has been earned. The Committee decides whether the performance levels have

been achieved, what amount of the award will be paid and the form of payment, which may be cash, stock or other property or any combination.

Dividends

No dividends may be paid on stock options or SARs. Dividend equivalents may not be paid on any unvested restricted share units but will be accrued and paid only if and when the restricted share units vest, unless otherwise determined by the Committee. No dividends or dividend equivalents may be paid on unearned performance-based restricted share units. A recipient of restricted shares will receive dividends on the restricted shares unless the Committee determines otherwise.

Substitute Awards

The Committee may grant awards to employees of companies acquired by Alcoa or a subsidiary in exchange for, or upon assumption of, outstanding stock-based awards issued by the acquired company. Shares covered by substitute awards will not reduce the number of shares otherwise available for award under the 2013 Plan.

Stock Option and SAR Repricing Prohibited

The 2013 Plan prohibits repricing of options or SARs without shareholder approval. Repricing means the cancellation of an underwater option or SAR in exchange for cash, other awards or the grant of a new option or SAR with a lower exercise price than the original option or SAR, or the amendment of an outstanding award to reduce the exercise price. The grant of a substitute award (as described above) is not a repricing.

Adjustments

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the common stock of Alcoa or the price of the common stock other than an equity restructuring, the Committee will make such adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to:

- the aggregate number and kind of shares that may be issued under the 2013 Plan;
- the terms and conditions of any outstanding awards (including, without limitation, any applicable performance goals or criteria with respect thereto); and
- the grant or exercise price per share for any outstanding awards under the 2013 Plan.

In the event of any transaction or event described above or any unusual or nonrecurring transaction or event affecting the Company or any of its affiliates or the financial statements of the Company or any of its affiliates, or any change in applicable law, regulation or accounting principles, the Committee may take action in order to prevent dilution or enlargement of the benefits or potential

benefits intended under the 2013 Plan or with respect to an award, or to give effect to such changes in laws, regulations or principles.

In the event of an equity restructuring involving the Company and its shareholders, such as a stock dividend, stock split (including a reverse stock split), spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the shares or securities of the Company or the price of shares or securities of the Company and causes a change in the per share value of the shares underlying outstanding awards, the Committee will adjust the terms of the 2013 Plan and each outstanding award as it deems equitable to reflect the equity restructuring, which may include:

- adjusting the number and type of securities subject to each outstanding award and/or that may be granted under the 2013 Plan;
- adjusting the terms and conditions of (including the grant or exercise price), and the performance targets or other criteria included in, outstanding awards; and
- granting new awards or making cash payments to participants.

Consideration for Awards; Withholding Taxes

Unless otherwise determined by the Committee, and except as required to pay the purchase price of options, recipients of awards are not required to make any payment or provide consideration other than rendering of services. The 2013 Plan authorizes Alcoa to withhold from any award granted or payment due under the 2013 Plan the amount of withholding taxes due in respect of an award or payment and to take such other action as may be necessary to satisfy all obligations for the payment of such taxes, including:

- all U.S. Federal, state, and local income, employment and any other taxes (including the participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or a subsidiary,
- any fringe benefit tax liability associated with the grant, vesting, or exercise of an award or sale of shares issued under the award, and
- any other taxes, social insurance, social security liabilities or premium for which the participant has an obligation, or which the participant has agreed to bear, with respect to such award (or exercise thereof or issuance of shares or other consideration thereunder).

The Committee may establish procedures for election by participants to satisfy such obligations. All personal taxes applicable to any award under the 2013 Plan are the sole liability of the participant.

Transferability of Awards

Awards may be transferred by will or the laws of descent and distribution. Except as provided in the 2013 Plan, awards are exercisable during the participant's lifetime only by the participant or, if permissible under applicable law, by the participant's guardian or legal representative. Unless otherwise provided by the Committee or limited by applicable law, a participant may, in the manner

established by the Committee, designate a beneficiary to exercise the rights of the participant with respect to any award upon the death of the participant. Unless otherwise provided by the Committee or limited by applicable law, awards may be transferred to family members or to a trust whose beneficiaries include the participant or family members under terms and conditions established by the Committee. The Committee has the authority to determine, at the time of grant, any other rights or restrictions applicable to the transfer of awards; *provided, however*, that awards may not be transferred to a third party for value or consideration. Except as provided in the 2013 Plan or the terms and conditions established for an award, any award will be null and void upon any attempted assignment or transfer, including any purported assignment, pledge, hypothecation or other disposition, attachment, divorce or trustee process or similar process, whether legal or equitable.

Change in Control Provisions

The definition of change in control under the 2013 Plan is based on the Internal Revenue Code (the “Code”) Section 409A definition. It provides that if one of the following events has occurred, a change in control of Alcoa will have happened:

- (a) any one person or more than one person acting as a group (as determined in accordance with Section 1.409A-3(i)(5)(v)(B) of the regulations promulgated under the Code) (a “*Person*”) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person), in either case whether by purchase in the market, tender offer, reorganization, merger, statutory share exchange or consolidation, other similar transaction involving the Company or any of its subsidiaries or otherwise (a “*Transaction*”), common stock of the Company possessing 30% or more of the total voting power of the stock of the Company unless (A) all or substantially all of the individuals and entities that were the beneficial owners of the then-outstanding shares of common stock of the Company (the “*Outstanding Company Common Stock*”) or the combined voting power of the then outstanding voting securities of the Company (the “*Outstanding Company Voting Securities*”) immediately prior to such Transaction own, directly or indirectly, 50% or more of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Transaction (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Transaction of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, and (B) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Transaction were members of the board of directors of the Company at the time of the Transaction (which in the case of a market purchase shall be the date 30% ownership was first acquired, in the case of a tender offer, when at least 30% of the Company’s shares were tendered, and in other events upon the execution of the initial agreement or of the action of the Board providing for such Transaction); and provided, further, that, for purposes of this paragraph, the following acquisitions shall not constitute a change in control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, or (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates;

- (b) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the Company's Board before the date of such appointment or election; or
- (c) any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets of the Company that have a total gross fair market value of more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

A transaction will not constitute a change in control if its sole purpose is to change the jurisdiction of the Company's incorporation, or create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

In the event of a change in control of the Company, if outstanding awards under the 2013 Plan are replaced by the acquirer or related entity, those replacement awards will not immediately vest unless the participant is terminated without cause or quits for good reason (as those terms are defined in the Alcoa Inc. Change in Control Severance Plan) within 24 months following the change in control. If outstanding awards under the 2013 Plan are not exchanged for replacement awards in the event of a change in control of the Company, unless the Committee determines otherwise at the time of grant of a particular award:

- all outstanding stock option and SAR awards vest and are immediately exercisable; and
- any restrictions, conditions or deferral limitations on restricted share awards, restricted share units or other stock unit awards lapse.

In the event of a change in control of the Company, all performance awards will be earned at the target amount of shares covered by the award if the change in control event occurs when less than 50% of the performance period has been completed, or at the actual amount of the award if the change in control event occurs when 50% or more of the performance period has been completed. Such earned performance awards then continue to vest in accordance with their original schedule unless they are not exchanged for replacement awards, in which case the treatment described above for time-based awards will apply.

Amendment and Termination

The Board of Directors may amend, alter, suspend, discontinue or terminate the 2013 Plan or any portion of the 2013 Plan at any time, except that no such action may be made:

- without the consent of the affected participant, if such action would impair the rights of such participant under any outstanding award (except as described below under "Cancellation of Awards"); or
- without shareholder approval, if such approval would be required by applicable law or the requirements of the New York Stock Exchange (or such other stock exchange on which the shares are traded).

Notwithstanding anything to the contrary in the 2013 Plan, the Committee may amend the 2013 Plan to conform to local rules and regulations in any jurisdiction outside the United States or to qualify for or comply with tax or regulatory requirements for which or with which the Board of Directors or Committee deems it necessary or desirable to qualify or comply.

Cancellation of Awards

The 2013 Plan authorizes the Committee to cancel or suspend any award under the 2013 Plan if, at any time before a change in control:

- an employee, without the consent of the Committee, while employed by Alcoa or after termination of employment, becomes associated with, employed by, renders services to or owns any interest (other than an interest of up to 5% in a publicly traded company or any other nonsubstantial interest, as determined by the Committee) in any business that is in competition with Alcoa;
- a participant willfully engages in conduct which is injurious to Alcoa, monetarily or otherwise; or
- such cancellation or suspension is necessary to comply with applicable laws.

In addition, in accordance with Alcoa's Corporate Governance Guidelines, if the Board of Directors learns of any misconduct by an executive officer that contributed to Alcoa having to restate all or a portion of its financial statements, the Board will, to the full extent permitted by governing law, in all appropriate cases, effect the cancellation and recovery of awards (or the value of awards) previously granted to the executive officer under the 2013 Plan if: (i) the amount of the award was calculated based upon the achievement of certain financial results that were subsequently the subject of a restatement, (ii) the executive engaged in intentional misconduct that caused or partially caused the need for the restatement, and (iii) the amount of the award had the financial results been properly reported would have been lower than the amount actually awarded. Furthermore, all awards (including vested awards) shall be subject to the terms and conditions, if applicable, of any other recoupment policy adopted by the Company from time to time or any recoupment requirement imposed under applicable laws, rules, regulations or stock exchange listing standards, including, without limitation, recoupment requirements imposed pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Section 304 of the Sarbanes-Oxley Act of 2002, or any regulations promulgated thereunder, or recoupment requirements under the laws of any other jurisdiction.

U.S. Federal Tax Aspects of the 2013 Plan

The following summary of the material U.S. federal tax consequences that may accrue to participants as a result of participation in the 2013 Plan, as well as the tax effects upon Alcoa, is limited in the following ways:

- Tax consequences of participating in the 2013 Plan can vary depending on each participant's tax situation. Participants are responsible for consulting with tax advisors to determine the

tax effect of 2013 Plan participation in light of current and proposed federal, state, local, foreign and other tax laws.

- The discussion is based on current law as of the date of this prospectus. Changes in the law may change the tax treatment described below.
- The discussion does not cover state, local, foreign or other tax laws.
- Awards granted under the 2013 Plan, including any deferrals of such awards permitted by the 2013 Plan, may be subject to Section 409A of the Code. Section 409A imposes severe tax consequences on certain deferrals of income that do not comply with its requirements. As of the date of this prospectus, the Company intends to operate the 2013 Plan in compliance with Section 409A so as to minimize or avoid any taxes or interest that would be payable under Section 409A. In addition, from time to time, the Company may amend the 2013 Plan and/or any awards granted under it if, in its sole discretion, it determines that such an amendment is necessary or desirable to minimize or avoid the imposition of any such taxes or interest on any participants. The Company cannot guarantee that any such operation of the 2013 Plan, or any such amendment, will eliminate any taxes or interest payable by any participants pursuant to Section 409A. Certain taxes imposed pursuant to Section 409A are not collected by withholding and a participant may need to pay estimated taxes with respect to them if they are imposed. The following discussion assumes that Section 409A will not be triggered by the 2013 Plan, and that any deferrals of awards granted under the 2013 Plan are made in compliance with Section 409A.

The grant of a nonqualified stock option or SAR under the 2013 Plan has no U.S. federal income tax consequences for a U.S. citizen or resident or Alcoa. Upon exercise of a stock option or SAR, Alcoa may take a tax deduction, and the participant realizes ordinary income. The amount of this deduction and income is equal to the difference between the fair market value of the shares on the date of exercise and the fair market value of the shares on the grant date.

Regarding 2013 Plan awards (other than options or SARs) that are settled either in cash or in stock or other property that is either transferable or not subject to substantial risk of forfeiture, a U.S. citizen or resident must recognize ordinary income equal to the cash or the fair market value of shares or other property received. Alcoa may take a deduction at that same time and for the same amount.

Regarding 2013 Plan awards (other than options or SARs) that are settled in stock or other property that is subject to contingencies restricting transfer and to a substantial risk of forfeiture, a U. S. citizen or resident will generally recognize ordinary income equal to the fair market value of the shares or other property received (less any amount paid by the participant) when the shares or other property first become transferable or not subject to substantial risk of forfeiture, whichever occurs first. Alcoa may take a deduction at the same time and for the same amount.

When the participant is subject to ordinary income taxation on an award granted under the 2013 Plan, Alcoa (or its subsidiary employing the participant, as applicable) will withhold the applicable federal taxes and report the ordinary income as wages on the participant's Form W-2. The Committee may permit or require participants to surrender Alcoa shares in order to satisfy the required withholding tax obligation.

The Committee may adjust awards to participants who are not U.S. citizens or U.S. residents to recognize differences in local law or tax policy and may impose conditions on the exercise or vesting of awards to minimize tax equalization obligations for expatriate employees.

Performance-Based Compensation

The Committee determines at the time of grant whether awards are intended to be performance-based compensation within the meaning of Section 162(m) of the Code. Section 162(m) limits the amount of the deduction that the Company may take on its U.S. federal tax return for compensation paid to any of the executive officers named in the Company's proxy statement other than the Chief Financial Officer (Section 162(m) refers to these officers as "covered employees"). The limit is \$1 million per covered employee per year, with certain exceptions. This deductibility cap does not apply to "performance-based compensation," if approved by shareholders. The annual limits on performance-based compensation per participant in the 2013 Plan for awards intended to comply with Section 162(m) are: 4 million shares if the award is in the form of restricted shares or restricted stock units; 10 million shares if the award is in the form of stock options or SARs; and \$15 million in value if the award is paid in property other than shares. While the 2013 Plan is designed to allow the Company to grant awards intended to comply with the performance-based exception to Section 162(m), the Company may elect to provide non-deductible compensation under the 2013 Plan. Additionally, there can be no guarantee that awards granted under the 2013 Plan eligible for treatment as qualified performance-based compensation under Section 162(m) will receive such treatment.

The Committee may grant awards to employees who are or may be "covered employees," as defined in Section 162(m), that are intended to be performance-based compensation within the meaning of Section 162(m) to preserve the deductibility of these awards for federal income tax purposes. Participants are entitled to receive payment for a Section 162(m) performance-based award for any given performance period only to the extent that pre-established performance goals set by the Committee for the period are satisfied. These pre-established performance goals are based on one or more of the following performance measures: (i) earnings, including earnings margin, operating income, earnings before or after taxes, and earnings before or after interest, taxes, depreciation, and amortization; (ii) book value per share; (iii) pre-tax income, after-tax income, income from continuing operations, or after tax operating income; (iv) operating profit; (v) earnings per common share (basic or diluted); (vi) return on assets (net or gross); (vii) return on capital; (viii) return on invested capital; (ix) sales, revenues or growth in or returns on sales or revenues; (x) share price appreciation; (xi) total shareholder return; (xii) cash flow, operating cash flow, free cash flow, cash flow return on investment (discounted or otherwise), cash on hand, reduction of debt, capital structure of the Company including debt to capital ratios; (xiii) implementation or completion of critical projects or processes; (xiv) economic profit, economic value added or created; (xv) cumulative earnings per share growth; (xvi) achievement of cost reduction goals; (xvii) return on shareholders' equity; (xviii) total shareholders' return; (xix) reduction of days working capital, working capital or inventory; (xx) operating margin or profit margin; (xxi) capital expenditures; (xxii) cost targets, reductions and savings, productivity and efficiencies; (xxiii) strategic business criteria, consisting of one or more objectives based on market penetration, geographic business expansion, customer satisfaction (including product quality and delivery), employee satisfaction, human resources management (including diversity representation), supervision of litigation, information technology, and goals relating to acquisitions, divestitures, joint ventures and similar transactions, and budget comparisons; (xxiv) personal professional objectives, including any of the foregoing performance measures, the implementation of policies and plans, the negotiation of

transactions, the development of long-term business goals, formation of joint ventures, research or development collaborations, technology and best practice sharing within the Company, and the completion of other corporate goals or transactions; (xxv) sustainability measures, community engagement measures or environmental, health or safety goals of the Company or the subsidiary or business unit of the Company for or within which the participant is primarily employed; or (xxvi) audit and compliance measures. Any of the performance measures may be assessed, with respect to the Company, any Company subsidiary or Company unit, either in absolute terms, terms of improvement, or as compared to the performance of comparator companies or an external index or indicator, and may be calculated to exclude special items, unusual or infrequently occurring items or nonrecurring items or may be normalized for fluctuations in market forces, including, but not limited to, currency and the price of aluminum on the London Metal Exchange.

Restrictions on Resale of Shares

All employees and directors are required to comply with Alcoa's Insider Trading Policy. That policy prohibits employees and directors from trading in Alcoa securities unless the employee or director is sure that he or she does not possess material nonpublic information. They must also refrain from engaging in short sales of Alcoa's equity securities. Additionally, directors and certain employees are prohibited from trading during the Company's blackout periods. Participants should refer to the Insider Trading Policy for the specific restrictions and requirements of the policy.

A participant in the 2013 Plan who is an "affiliate" of Alcoa, as defined under U.S. federal securities laws, may not resell any shares of Alcoa common stock acquired under the 2013 Plan except under an effective registration statement filed with the SEC, under Rule 144 under the Securities Act, or otherwise under an applicable exemption from registration under the Securities Act. Because an "affiliate" is a person who "controls" Alcoa, this restriction on resale applies only to a senior officer or director of Alcoa. There are no such restrictions applicable to the resale of shares of Alcoa common stock by participants who are not affiliates of Alcoa.

Directors and senior officers of Alcoa who have been designated as subject to Section 16 of the Exchange Act are required under U.S. federal securities laws to report to the SEC changes in their ownership of Alcoa equity securities and to disgorge to Alcoa any profits realized on "short-swing transactions" (i.e., a purchase and sale, or sale and purchase, of Alcoa's equity securities in certain transactions that occur within a period of less than six months). Directors and such senior officers are also prohibited under Alcoa's Insider Trading Policy 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.

ERISA; Status as Qualified Plan

The 2013 Plan is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), and is not a "qualified" plan under Section 401(a) of the Internal Revenue Code of 1986, as amended