



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”). This Policy also applies to certain family members, other members of a person’s household and entities controlled by a person covered by this Policy, as described below.

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

Maintaining the confidence of shareholders and the public markets is important. The principle underlying this 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 nonpublic 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 TRADING ON OR TIPPING OF MATERIAL NONPUBLIC INFORMATION

1. No director, officer or employee of the Company may trade, directly or indirectly through family members or other persons or entities, in Alcoa securities unless the director, officer or employee is sure that he or she does not possess material nonpublic information.
2. 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).

3. Directors, officers and employees may not trade, directly or indirectly through family members or other persons or entities, in securities of any other firm (including, without limitation, a current or prospective Company customer, supplier, joint venture participant, partner, or party to a potential corporate development transaction) unless they are sure that they do not possess any material nonpublic 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 the other firm.

OTHER PROHIBITED TRANSACTIONS

1. Directors, officers and employees may not trade, directly or indirectly through family members or other persons or entities, in aluminum futures or options unless they are sure that they do not possess nonpublic information about Alcoa’s trading activities in aluminum futures markets.
2. Short sales of Alcoa securities (a sale of securities which are not then owned) and derivative or speculative transactions in Alcoa securities are prohibited.
3. No director, officer or employee is permitted to purchase or use, directly or indirectly through family members or other persons or entities, 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.
4. 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.

BLACKOUT PERIODS

Trading in Alcoa securities by certain designated individuals is prohibited during the Company’s blackout periods. The Company has established four routine quarterly blackout periods (“Quarterly Blackout Periods”). Each Quarterly Blackout Period begins on the first day of the third month of the quarter and ends 24 hours after the Company’s quarterly earnings are released.

Who is subject to the Quarterly Blackout Periods?

- Directors, officers and assistant officers of Alcoa.
- Members of Alcoa’s Executive Council.
- Business Unit Presidents.
- Members of Alcoa’s legal department.
- All individuals reporting directly to the Chief Financial Officer of Alcoa.
- Employees in the Controller’s group who are involved in the preparation of financial statements (to be determined by the Controller).
- Employees with knowledge of financial performance forecasts.
- Investor Relations professionals.
- Corporate Communications professionals.
- Attendees of the Company’s quarterly business review meetings.

- Anyone in possession of material nonpublic information.
- Family members or others living in the same household, family members whose transactions in Alcoa securities are directed by, or are subject to the influence or control of, the individuals listed above, and any entities that the individuals listed above influence or control.

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 there is reason to believe that the recipient intends to sell the shares during the blackout period then in effect.
- Transfers of Alcoa stock to or from a trust.
- Transactions that comply with SEC Rule 10b5-1 pre-arranged written plans, subject to the conditions described below.

In addition to the Quarterly 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 Quarterly Blackout Periods are encouraged to refrain from trading Alcoa securities during the Quarterly Blackout Periods to avoid the appearance of improper trading.

The Quarterly Blackout Periods apply, whether or not a reminder notice of the blackout is sent. You are responsible for compliance with the Company's Policy on Insider Trading.

PRE-CLEARANCE OF ALCOA SECURITIES TRANSACTIONS

In addition to complying with the prohibition on trading during blackout periods, the following individuals must first obtain pre-clearance before engaging in any transaction in Alcoa securities:

- Directors, officers and assistant officers of Alcoa.
- Members of Alcoa's Executive Council.
- Business Unit Presidents.
- Family members or others living in the same household, family members whose transactions in Alcoa securities are directed by, or are subject to the influence or control of, the individuals listed above, and any entities that the individuals listed above influence or control.



Transactions requiring pre-clearance include all transactions noted above as being prohibited during a blackout period, as well as gifts and any stock option exercise.

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.

Who authorizes the pre-clearance?

- Chief Legal Officer and Secretary.
- Other attorneys designated by the Chief Legal Officer and Secretary.

A request for pre-clearance to trade in Alcoa securities should be submitted to the Chief Legal Officer and Secretary (or other designated attorneys) at least one business day in advance of the proposed transaction. When a request for pre-clearance is made, the requestor should confirm in the request that he or she (i) has reviewed this Policy and (ii) is not aware of any material nonpublic information about the Company. If a proposed transaction receives pre-clearance, the pre-cleared trade must be effected within five business days of receipt of pre-clearance unless an exception is granted or the person becomes aware of material nonpublic information before the trade is executed in which case the pre-clearance is void and the trade must not be completed. Transactions not effected within the time limit would be subject to pre-clearance again. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Alcoa securities, and should not inform any other person of the restriction.

INDIVIDUAL RESPONSIBILITY

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not trade in Alcoa securities (or the securities of another firm) while in possession of material nonpublic information. In all cases, the ultimate responsibility for adhering to this Policy and avoiding improper trading rests with you, and any action on the part of the Company, the Chief Legal Officer and Secretary or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. If you violate this Policy, the Company may take disciplinary action, including dismissal for cause. You may also be subject to severe legal penalties under applicable securities laws.

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 plans.

Material information is any information that a reasonable investor would consider important in a decision to buy, sell or hold 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 financial results, changes to previously announced earnings guidance, significant changes in management, proposed major mergers, acquisitions or divestitures, changes in dividends, significant financial liquidity problem, an extraordinary item for accounting purposes, and important business



developments such as major raw material shortages or discoveries, significant plant closings, or major litigation or government investigation. The information may be positive or negative. The public, the media, and the courts may use hindsight in judging what is material.

Nonpublic information means information that 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 AND LIMIT ORDERS

Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 plans, as described below) create heightened risks for insider trading violations and should be used only for a brief period of time. The problem with purchases or sales resulting from standing instructions to a broker or limit orders is that there is no control over the timing of the transaction. The transaction could be executed when you are in possession of material nonpublic information.

TRANSACTIONS COVERED

Trading includes purchases and sales of stock, preferred stock, derivative securities such as put and call options, convertible debentures and debt securities (debentures, bonds and notes). Trading also includes certain transactions 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.
- *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.

TRANSACTIONS BY FAMILY MEMBERS, CONTROLLED ENTITIES AND OTHERS

This Policy applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Alcoa securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Alcoa securities (collectively referred to as "Family



Members”). This Policy also applies to any entities that you influence or control, including any corporations, partnerships or trusts. You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Alcoa securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to securities transactions of Family Members or entities where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

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 (referred to as “Section 16 Officers”).

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 to rely on this defense, a person must enter into a “10b5-1 plan” for trading in Alcoa securities. If the plan meets the requirements of Rule 10b5-1, Alcoa securities may be purchased or sold without regard to certain insider trading restrictions.

In general, a 10b5-1 plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person 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.

You may enter into a 10b5-1 plan only if the plan meets the requirements of Rule 10b5-1 and the plan is approved by the Chief Legal Officer and Secretary. Any contemplated 10b5-1 plan must be submitted for approval at least five business days prior to the entry into the plan.