Prospectus

Alcoa Corporation

Common Stock

Alcoa Corporation 2016 Stock Incentive Plan
(As Amended and Restated)

This prospectus relates to shares of common stock, par value $0.01 per share (the "Common Stock"), of Alcoa Corporation ("Alcoa" or the "Company") issuable pursuant to the Alcoa Corporation 2016 Stock Incentive Plan (As Amended and Restated) (the "Plan").

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) 518-5400. Effective as of September 1, 2017, Alcoa's principal executive offices will be located at 201 Isabella Street, Suite 500, Pittsburgh, Pennsylvania, 15212-5858. The telephone number is (412) 315-2900.

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 May 16, 2017.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended (the "Securities Act").

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GENERAL

About the Prospectus

This prospectus relates to shares of Alcoa's Common Stock that may be issued under the Plan, as may be further amended. Pursuant to the U.S. federal securities laws, Alcoa is required to provide you with a prospectus (the "Prospectus") providing a general description of material information about the Plan. The Prospectus consists of the following, taken together:

- this document;
- the Plan;
- the documents incorporated by reference into the 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 Prospectus.

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

Where You Can Find More Information

Alcoa files annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC"). Alcoa's SEC filings are publicly-available on the SEC's website at *www.sec.gov.* You may also read and copy any document that Alcoa files with the SEC at the Public Reference Room at the SEC's headquarters, located at 100 F Street NE, Room 1580, Washington, DC, 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330 or visiting *www.sec.gov*.

Information about Alcoa also is available on our website at *www.alcoa.com.* The information contained in, or that can be accessed through, Alcoa's website is not a part of the Prospectus.

Alcoa has filed Registration Statements on Form S-1 and Form S-8 with the SEC under the Securities Act that registers the offering of the shares of Common Stock. As permitted by the rules and regulations of the SEC, the Prospectus does not contain all of the information set forth in the Registration Statements. You should read the Registration Statements for further information about Alcoa and the Common Stock.

Incorporation of Certain Documents by Reference

The SEC allows Alcoa to "incorporate by reference" to the Prospectus the information contained 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. Information incorporated by reference is considered to be a part of the Prospectus, and information incorporated by reference in documents that Alcoa will file with the SEC in the future will automatically update and supersede information contained in documents filed earlier with the SEC or in the Prospectus.

Alcoa incorporates by reference 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 the Prospectus, except for information deemed to have been "furnished" and not "filed" in accordance with SEC rules:

- Alcoa's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on March 15, 2017;

- Alcoa's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017, filed with the SEC on May 10, 2017;

- Alcoa's Current Reports on Form 8-K, filed with the SEC on March 3, 2017, April 19, 2017 and May 15, 2017; and

- The description of Alcoa's Common Stock contained in Alcoa's Registration Statement on Form S-1 (File No. 333- 21560), filed with the SEC on January 18, 2017, and any amendment or report filed for the purpose of updating such description.

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

Alcoa Corporation
Attention: Investor Relations
201 Isabella Street, Suite 500
Pittsburgh, PA 15212
Telephone: 412-315-2900

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

Manager, Equity Plan Administration
Alcoa Corporation
201 Isabella Street, Suite 500
Pittsburgh, PA 15212

Merrill Lynch is the stock plan administrator of the 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 U.S., Puerto Rico or Canada, dial direct: +1 (609) 818-8894).

For information about the Plan or Alcoa, you should rely only on the information contained or incorporated by reference in the Prospectus or the other documents constituting part of the 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 Prospectus is accurate as of any date other than the date on the front of the applicable document.

INFORMATION ABOUT THE PLAN

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

General Information

The purpose of the Plan is to encourage eligible employees and directors 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 stockholders.

Term

The Plan became effective on November 1, 2016 and was amended and restated, upon approval by Alcoa's stockholders, on May 10, 2017. No Awards may be granted under the Plan after May 10, 2027.

Eligibility

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

The Plan authorizes the Compensation and Benefits Committee (the "Committee") of the Board of Directors (the "Board") of Alcoa to grant awards to eligible employees of Alcoa and its subsidiaries. The Plan also authorizes the Board to make awards to non-employee directors.

Administration of the Plan

The Plan generally is administered by the Committee. The Board or the Committee may delegate to a subcommittee of the Committee, other Board members, or to one or more officers of Alcoa or an affiliate any or all of its authority (except as otherwise provided in the Plan).

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

- select the employees to whom awards may be granted;
- determine the types of awards and the number of shares to be covered by each award;
- determine the terms and conditions of awards and make modifications to such terms and conditions;
- determine whether, to what extent and under what circumstances awards may be (i) settled in cash, shares or other property or (ii) canceled or suspended;
- determine whether, to what extent, and under what circumstances, cash, shares and other property and other amounts payable with respect to 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 Plan;
- interpret the Plan and any instrument or agreement entered into under the Plan;
- establish rules and regulations and appoint agents for the proper administration of the Plan; and
- make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan.

The Board has similar authority with respect to awards to non-employee directors.

Additional information about the Plan and its administration may be obtained by contacting Alcoa at the address below:

Alcoa Corporation
Attention: Manager, Equity Plan Administration
201 Isabella Street, Suite 500
Pittsburgh, PA 15212
AlcoaStockIncentives@Alcoa.com

In addition, you may obtain information about the Plan, including information on outstanding grants and participants' rights under the Plan, on Merrill Lynch's Benefits Online website by logging on to your account at ***www.benefits.ml.com,*** or calling Merrill Lynch's Participant Service Representatives at (877) 785-2526 or (609) 818-8894 (outside the U.S., 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 for information about the Plan.

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

Shares Issuable for Awards

Shares of Common Stock issuable under the Plan may consist of authorized but unissued shares, treasury shares (i.e., shares reacquired by Alcoa and held in its treasury), shares purchased on the open market or otherwise.

Shares Authorized and Award Limits

Up to 30 million shares of Common Stock may be issued under the Plan. Shares authorized under the Plan are subject to the following limitations and "share counting" provisions:

- Shares issued or transferred upon the exercise of incentive stock options (“ISOs”) may not exceed five million shares;
- Each share issued pursuant to an award other than an option or stock appreciation right (“SAR”) will count as 1.63 shares from May 10, 2017 and thereafter.
- Options and SARs will be counted as one share for each option or SAR.
- Shares subject to awards that are granted in cash, or cash-settled awards, will not count against the 30 million share limit.

No participant in the Plan may be granted, during any one fiscal year:

- Options or SARs, in the aggregate, for more than 10 million shares of Common Stock;
- Restricted share awards or restricted share unit (“RSU”) awards, in each case, that are performance awards (at a maximum award level), in the aggregate, for more than four million shares of Common Stock; or
- Performance awards that are valued with reference to cash or property, other than shares of Common Stock, with an aggregate value in excess of $15,000,000.

Subject to adjustment as described in the Plan, awards to a non-employee director made under the Plan will not exceed $500,000, based on the grant date fair value, in any one fiscal year period.

Types of Awards

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

- Options;
- SARs;
- Restricted shares;
- RSUs; and
- Other forms of awards authorized by the Plan.

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

Options. Options, once vested, entitle a participant to purchase shares of Common Stock during the option term at a fixed price that is equal to the fair market value of Common Stock on the date of the grant. Options may be (i) ISOs that are intended to qualify under particular provisions of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) options that are not intended to be ISOs, or (iii) a combination of the foregoing. ISOs may only be granted to participants who meet the definition of “employee” under Section 3401(c) of the Code.

The maximum term of options is ten years, or five years in the case of ISOs granted to a 10% Stockholder (as such term is defined in the Plan). Subject to the provisions of the Plan, any option may be exercised, and the participant may make payment of the exercise price in such form or forms, including, without limitation, payment by delivery of cash, shares or other consideration (as permitted by the Committee) having a fair market value on the exercise date equal to the total option price, or by any combination of cash, shares and other consideration as the Committee may specify in the applicable award agreement.

Stock Appreciation Rights. A 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 SARs as standalone awards or in combination with a related option under the Plan.

The maximum term of SARs is ten years, or if granted in tandem with an option, the expiration date of the option. The SAR grant price is set by the Committee and may not be less than the fair market value of the shares of Common Stock on the date of grant. Payment by Alcoa upon exercise of the SAR will be in cash, stock or other property (or any combination) as the Committee may determine.

Restricted Shares. A restricted share is a share of Common Stock issued with certain contingencies or restrictions imposed by the Committee. Until these contingencies or restrictions are satisfied or lapse, the stock is subject to forfeiture.

A recipient of a restricted share award has the right to vote the shares of Common Stock relating to such award and receive dividends on them, unless the Committee determines otherwise.

Restricted Share Units. A RSU is an award of a right to receive, in cash or shares of Common Stock, the fair market value of one share of Common Stock, on such terms and conditions as the Committee may determine.

Performance Awards. A performance award may be in any form of award permitted under the Plan. The Committee will determine the terms of performance awards, including 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).

Other Awards. Other awards may be granted to participants under the Plan, which other awards may consist of shares of Common Stock or awards that are valued based on, shares or other property. Other awards may be paid in shares of Common Stock, cash or any other form of property as the Committee may determine. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the terms and all other conditions of such other awards, which need not be the same with respect to each recipient.

Minimum Vesting Requirements

Except in the case of substitute awards (see below under "*Substitute Awards*"), awards granted under the Plan are subject to the following minimum vesting periods:

- Restricted shares and RSUs that vest based solely on the passage of time have a minimum vesting period of three years; and
- Any other awards, including performance awards, are subject to a minimum one year vesting period.

However, the Committee may, at its discretion, accelerate vesting of awards in the event of a participant's death, disability, or the occurrence of a Change in Control (as defined in the Plan), and may grant awards without minimum vesting requirements of up to 5% of the aggregate number of shares of Common Stock authorized for issuance under the Plan.

Dividends

The Plan prohibits Alcoa from paying dividends on options or SARs. Additionally, dividends may not be paid on restricted share and RSU awards (including performance awards in the form of restricted shares and RSUs) unless and until the applicable vesting and/or performance conditions have been satisfied or achieved.

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 these substitute awards will not reduce the number of shares otherwise available for award under the Plan.

Stock Option and SAR Repricing Prohibited

Subject to certain adjustment provisions contained in the Plan, options and SARs cannot be repriced without stockholder approval. Repricing means the (i) the reduction of the exercise price of an option or SAR, (ii) the cancellation of an option in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs, or (iii) the replacement of an option or SAR in exchange for cash or other awards at a time when the exercise price of such options or SARs is higher than the fair market value of a share of Common Stock.

Adjustments

The Plan provides the Committee with broad discretionary authority to adjust awards in connection with certain transactions, including, without limitation, stock dividends, stock splits, mergers and consolidations.

Consideration for Awards

Unless otherwise determined by the Committee, and except in connection with the payment of the purchase price of options, recipients of awards are not required to make any payment or provide consideration other than rendering of services.

Withholding Taxes

The Plan authorizes Alcoa to withhold from any award granted (or payment due) under the Plan the amount of tax obligations that are due in respect of an award (or payment made under such award) and to take such other action as may be necessary to satisfy all obligations for the payment of such taxes, including, but not limited to:

- 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) required to be withheld by Alcoa or a subsidiary;

- the participant's and, to the extent required, Alcoa's (or a subsidiary's) 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 of the award, or issuance of shares of Common Stock or other consideration pursuant to the award).

The Committee may establish procedures for election by participants to satisfy such obligations, including, but not limited to, requiring the participant to pay cash or withholding otherwise deliverable cash or shares of Common Stock having a fair market value equal to the amount required to be withheld.

All personal taxes applicable to any award under the 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 set forth herein, awards will be exercisable, during a 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 laws, 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 laws, awards may be transferred to one or more Family Members (as defined in the Plan), individually or jointly, or to a trust whose beneficiaries include the participant or one or more Family Members under terms and conditions established by the Committee. The Committee will have authority to determine, at the time of grant, any other rights or restrictions applicable to the transfer of awards; *provided however*, that no award may be transferred to a third party for value or consideration. Except as provided in this Plan or the terms and conditions established for an award, any award will be null and void and without effect upon any attempted assignment or transfer, including, without limitation, any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition, attachment, divorce or trustee process or similar process, whether legal or equitable.

Change in Control Provisions

The Plan generally provides for "double-trigger" accelerated vesting in the event of a Change in Control (as defined in the Plan), meaning that both a Change in Control and qualifying termination event must occur for a participant's outstanding award to accelerate and vest.

Replacement Awards. In the event of a Change in Control of Alcoa, if outstanding awards granted under the Plan are replaced by an acquirer or related entity, such replacement awards will not immediately vest on a "single trigger" basis, but would accelerate and vest only if the participant is terminated without Cause or resigns for Good Reason (as those terms are defined in the Alcoa Corporation Change in Control Severance Plan) within 24 months following the Change in Control.

Awards Not Replaced. In the event of a Change in Control of Alcoa, if outstanding awards granted under the Plan are not exchanged for replacement awards, such awards generally will vest as follows (unless the Committee determines otherwise at the time of grant of a particular award):

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

Performance Awards. In the event of a Change in Control of Alcoa, all performance awards will be deemed earned as follows:

- at the target amount of shares of Common Stock covered by the performance award, if the Change in Control event occurs at a time when less than 50% of the applicable 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 applicable performance period has been completed.

Such earned performance awards would then continue to vest in accordance with their original schedule, assuming the awards are exchanged for replacement awards. If performance awards are not exchanged for replacement awards, the treatment described above under "*Awards Not Replaced*" will apply. The Committee may also determine to settle outstanding vested awards in cash.

Performance-Based Compensation under Section 162(m) of the Code

In granting awards under the Plan, the Committee may determine that a restricted share award, performance award, or RSU award is intended to be "performance-based compensation" within the meaning of Section 162(m) of the Code. For additional information regarding Section 162(m) of the Code and the deductibility implications to Alcoa, please see below under "*U.S. Federal Tax Aspects of the Plan*."

Under the Plan, participants are entitled to receive payment for "performance-based compensation" only to the extent that pre-established performance goals set by the Committee are set within the time period prescribed by, and otherwise comply with, the requirements of Section 162(m) of the Code, and such pre-established performance goals for the period are satisfied. The Section 162(m) performance goals established by the Committee may be based upon (x) the achievement of specified levels of Alcoa, subsidiary, division or business unit performance under one or more of the measures described below, (y) the improvement in Alcoa, subsidiary, division or business unit performance under one or more of the measures, and (z) Alcoa, subsidiary or business unit performance under one or more of the measures relative to the performance of other comparator companies or groups of companies or an external index or indicator. Performance goals may include a threshold level of performance below which no award will be earned, levels of performance at which an award will become partially earned, and a level of performance at which an award will be fully earned.

Specifically, the Committee will select one or more of the following objectively determinable performance goals: (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 stockholder 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, 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 stockholders' equity; (xviii) total stockholders' 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, and the completion of other corporate goals or transactions; (xxv) sustainability measures, community engagement measures or environmental, health or safety goals; or (xxvi) audit and compliance measures.

During the period in which the Committee is permitted, pursuant to Section 162(m), to determine the terms of the awards in accordance with the time limits under Section 162(m), the Committee may also specify any inclusion(s) or exclusion(s) for any event(s) or occurrence(s) which the Committee determines should be included or excluded, as appropriate, for purposes of measuring performance against the applicable performance goals.

Amendment and Termination

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

- without the consent of the affected participant, if such action would materially impair the rights of such participant under any outstanding award (except as described below under "*Cancellation of Awards*"); or

- without stockholder 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 of Common Stock are traded).

The Committee may also amend the Plan to conform it to local rules and regulations in any jurisdiction outside the U.S. or to qualify for or comply with tax or regulatory requirements for which or with which the Board or Committee deems it necessary or desirable. Please see *"Awards to Non-U.S. Employees"* below.

Cancellation of Awards

Except for certain limitations set forth in the Plan, the Committee may adjust performance award criteria or the terms and conditions of other awards in light of unusual or nonrecurring events affecting Alcoa or its financial statements, or due to changes in applicable laws, regulations or accounting principles. The Committee may also correct any errors or omissions, or reconcile any inconsistencies in the Plan or any award in the manner and to the extent it deems fit.

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

- an employee, without the consent of the Committee, while employed by Alcoa or a subsidiary, or after termination of such 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 non-substantial interest, as determined by the Committee) in any business that is in competition with Alcoa or a subsidiary;

- a participant in the Plan willfully engages in conduct that is injurious to Alcoa or a Subsidiary, monetarily or otherwise;

- an executive officer engages in misconduct as set forth in the Plan; or

- such cancellation or suspension is necessary to comply with applicable laws.

Clawback

In accordance with Alcoa's Corporate Governance Guidelines, if the Board 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 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 Alcoa 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.

By accepting awards under the Plan, participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, Alcoa to recover or recoup any award or amounts paid under the Plan subject to clawback pursuant to such law, government regulation, stock exchange listing requirement or Alcoa policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any award or amounts paid under the Plan from a participant's accounts, or pending or future compensation or awards.

Awards to Non-U.S. Employees

Awards may be granted to employees and directors who are foreign nationals or residents or employed outside the U.S., or both. Such awards may be granted on terms and conditions that are different from those applicable to awards granted to employees and directors who are not foreign nationals or residents or who are employed in the U.S. as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law, regulations or tax policy.

The Committee or the Board, as applicable, may adopt (i) rules and procedures regarding the conversion of local currency, withholding procedures and handling of stock certificates that vary with local requirements and (ii) sub-plans. The Committee also may impose conditions on the exercise or vesting of awards in order to minimize Alcoa's or a subsidiary's obligation with respect to tax equalization for employees on assignments outside their home countries.

Any non-U.S. participant remains solely liable for any applicable personal taxes.

ERISA; Status as Qualified Plan

The Plan is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), and is not a qualified pension or retirement plan under Section 401(a) of the Code.

U.S. FEDERAL TAX ASPECTS OF THE PLAN

The following summary is based upon an interpretation of present U.S. federal tax laws and regulations and may be inapplicable if such laws and regulations are changed. The following summary is not intended to be exhaustive or constitute tax advice and is limited to the impact of U.S. federal tax laws upon U.S. citizens residing in the U.S. (and does not describe state, local or foreign tax consequences). If you have any questions as to the federal, state or other tax consequences of participating in the Plan, you are urged to consult your personal legal or tax advisors.

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

- Tax consequences of participating in the Plan can vary depending on each participant's tax situation. Participants are responsible for consulting with tax advisors to determine the tax effect of 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 Plan, including any deferrals of such awards permitted by the 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 (or an exception therefrom). As of the date of the Prospectus, Alcoa intends to operate the Plan in compliance with Section 409A (or an exception therefrom) so as to minimize or avoid any taxes or interest that would be payable under Section 409A. The following discussion assumes that Section 409A will not be triggered by the Plan, and that any deferrals of awards granted under the Plan are made in compliance with Section 409A.

Incentive Stock Options. Options issued under the Plan and designated as ISOs are intended to qualify as such under Section 422 of the Code. Under the provisions of Section 422 and the related regulations, an optionee who has been granted an ISO will not recognize income and Alcoa will not be entitled to a deduction at the time of the grant or exercise of the option; provided, however, that the difference between the value of the Common Stock received on the exercise date and the exercise price paid is an item of tax preference for purposes of determining the optionee's alternative minimum tax. The taxation of gain or loss upon the sale of the Common Stock acquired upon exercise of an ISO depends, in part, on whether the holding period of the Common Stock is at least (i) two years from the date the option was granted and (ii) one year from the date the option was exercised. If these holding period requirements are satisfied, any gain or loss realized on a subsequent disposition of the Common Stock will be treated as a long-term capital gain or loss. If these holding period requirements are not met, then, upon such "disqualifying disposition" of the Common Stock, the optionee will realize compensation, taxable as ordinary income, in an amount equal to the excess of the fair market value of the Common Stock at the time of exercise over the exercise price, limited to the gain on sale. Any further gain (or loss) realized by the optionee generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period. If the optionee recognizes ordinary income upon a disqualifying disposition, Alcoa generally will be entitled to a tax deduction in the same amount. If, however, the optionee meets the applicable holding period, Alcoa generally will not be entitled to a tax deduction with respect to capital gains recognized by the optionee. If an ISO is exercised at a time when it no longer qualifies as an ISO, the option will be treated as a nonqualified stock option.

Nonqualified Stock Options and SARs. The grant of a nonqualified option or SAR under the Plan has no U.S. federal income tax consequences for a U.S. citizen or resident or Alcoa. Upon exercise of an 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. Upon a subsequent disposition of the Common Stock acquired under a nonqualified stock option, the optionee will realize short-term or long-term capital gain (or loss) depending on the holding period. The capital gain (or loss) will be short-term if the Common Stock is disposed of within one year after the nonqualified stock option is exercised, and long-term if the Common Stock was held more than 12 months as of the sale date.

Restricted Shares. A participant that receives a restricted share award under the Plan normally will not be required to recognize income for federal income tax purposes at the time of grant, nor is Alcoa entitled to any deduction, to the extent that the Common Stock awarded has not vested (i.e., is no longer subject to a substantial risk of forfeiture). When any part of a restricted share award vests, the participant will realize compensation taxable as ordinary income in an amount equal to the fair market value of the vested Common Stock on the vesting date (less the amount, if any, paid for the stock). The participant may, however, make an election, referred to as a Section 83(b) election, within thirty days following the grant of the restricted share award, to be taxed at the time of the grant of the award based on the fair market value of the Common Stock on the grant date. A participant who makes a Section 83(b) election will recognize ordinary taxable income on the grant date equal to the fair market value of the shares as if the shares were unrestricted. If the shares subject to such election are subsequently forfeited, the recipient will not be entitled to any deduction, refund or loss for tax purposes with respect to the forfeited shares. If a Section 83(b) election has not been made, any dividends received with respect to the restricted share award prior to the lapse of the restrictions will be treated as additional compensation that is taxable as ordinary income to the participant. Alcoa will be entitled to a deduction in the same amount and at the same time that the participant recognizes ordinary income. Upon the sale of the vested Common Stock, the participant will realize short-term or long-term capital gain or loss depending on the holding period. The holding period generally begins when the restriction period expires. If the recipient timely made a Section 83(b) election, the holding period commences on the date of grant.

Restricted Share Units. A recipient of RSUs will not be required to recognize any income for federal income tax purposes, and Alcoa is not entitled to a deduction, at the time of grant. Rather, upon the settlement of units, the recipient of such units generally will be subject to tax at ordinary income rates on the fair market value of any Common Stock issued or cash paid in settlement of the award of such units, and Alcoa generally will be entitled to a deduction equal to the amount of the ordinary income realized by the recipient. If the participant is an employee, the participant will be subject to Social Security and Medicare taxes at the time the RSUs vest, even though the recipient of RSUs has not received payment with respect to such units at such time. However, no additional Social Security or Medicare taxes will be due when such payment is made (even if that the market value of the underlying shares has increased). If the recipient receives shares of Common Stock upon settlement then, upon disposition of such shares, appreciation or depreciation after the settlement date is treated as either short-term or long-term capital gain or loss, depending on how long the shares have been held.

Performance Awards. A participant generally will not recognize income upon the grant of a performance award. Upon payment of the performance award, the participant will recognize ordinary income in an amount equal to the cash received or, if the performance award is payable in Common Stock, the fair market value of the Common Stock received. When the participant recognizes ordinary income upon payment of a performance award, Alcoa generally will be entitled to a tax deduction in the same amount.

Consequences of Change in Control. If a Change in Control of Alcoa causes awards under the Plan to accelerate vesting or is deemed to result in the attainment of performance goals, the participants could, in some cases, be considered to have received "excess parachute payments," which could subject participants to a 20% excise tax on the excess parachute payments and result in a disallowance of Alcoa's deductions under Section 280G of the Code.

Section 409A. Section 409A of the Code ("Section 409A") applies to compensation that individuals earn in one year but that is not paid until a future year. This is referred to as nonqualified deferred compensation. Section 409A, however, does not apply to qualified plans (such as a Section 401(k) plan) and certain welfare benefits. If deferred compensation covered by Section 409A meets the requirements of Section 409A, then Section 409A has no effect on the individual's taxes. The compensation is taxed in the same manner as it would be taxed if it were not covered by Section 409A. If a deferred compensation arrangement does not meet the requirements of Section 409A, the compensation is subject to accelerated taxation in the year in which such compensation is no longer subject to a substantial risk of forfeiture and certain additional taxes, interest and penalties, including a 20% additional income tax. Section 409A has no effect on FICA (Social Security and Medicare) tax. Awards of stock options, SARs, RSUs and performance awards under the Plan may, in some cases, result in the deferral of compensation that is subject to the requirements of Section 409A. Awards under the Plan are intended to comply with Section 409A, the regulations issued thereunder or an exception thereto. Notwithstanding the foregoing, Section 409A may impose upon a participant certain taxes or interest charges for which the participant is responsible. Section 409A does not impose any penalties on Alcoa and does limit Alcoa's deduction with respect to compensation paid to a participant.

Section 162(m). With certain exceptions, Section 162(m) of the Code limits Alcoa's deduction for compensation in excess of $1 million paid to certain covered employees (generally, Alcoa's chief executive officer and its three other highest-paid executive officers, other than the chief financial officer). Compensation paid to covered employees is not subject to the deduction limitation if it is considered "qualified performance-based compensation" within the meaning of Section 162(m) of the Code. Alcoa believes that options, SARs and performance awards (intended to be treated as qualified performance-based compensation) granted to covered employees under the Plan will satisfy the requirements of qualified performance-based compensation and, therefore, Alcoa will be entitled to a deduction with respect to such options, SARs and performance awards. However, Alcoa has preserved the flexibility to grant awards that do not qualify as qualified performance-based compensation under Section 162(m) of the Code in the future.

INSIDER TRADING POLICY AND 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 if the employee or director is in possession of material non-public information. They must not engage in short sales of Alcoa's equity securities or hold Alcoa securities in margin accounts or pledge Alcoa securities as collateral, among other prohibited activities. Additionally, directors and certain employees are prohibited from trading during Alcoa's blackout periods. Alcoa urges participants in the Plan, particularly those who may be "affiliates," to consult legal counsel and to refer to Alcoa's Insider Trading Policy prior to any proposed sale or purchase of Common Stock or other Alcoa securities.

A participant in the Plan who is an "affiliate" of Alcoa, as defined under U.S. federal securities laws, may not resell any shares of Common Stock acquired under the Plan except under an effective registration statement filed with the SEC, or otherwise under an applicable exemption from registration under the Securities Act. Generally, in the absence of registration under the Securities Act, shares of Common Stock held by affiliates may be sold pursuant to an available exemption from the registration requirements of the Securities Act, such as Rule 144. Consistent with the provisions of the Securities Act, Alcoa may place a restrictive legend on shares of Common Stock issued to affiliates, and issue stop order instructions to Alcoa's transfer agent.

Participants in the Plan who are not "affiliates" generally may resell shares of Common Stock acquired under the Plan free of restrictions imposed by the U.S. federal securities laws.

Directors and certain 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 beneficial 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 six months).