ALCOA INC
Form PRE 14A
March 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. _)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ALCOA INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March __ , 2013

Dear Shareholder:

I hope you will attend the 2013 Annual Meeting of Shareholders of Alcoa Inc., which will be held on Friday, May 3, 2013, at 9:30 a.m. at the Fairmont Hotel, 510 Market Street, Pittsburgh, Pennsylvania 15222.

The accompanying Notice of Annual Meeting and Proxy Statement describe the items to be voted on at the meeting. In addition to voting, we will review the Company's major developments of 2012 and answer your questions about Alcoa's business and operations. Your vote is very important, whether or not you will attend the meeting. In advance of the meeting on May 3, please cast your vote through the internet, by telephone or by mail. Instructions on how to vote are found in the section entitled "Proxy Summary — How to Cast Your Vote" on page 6.

This year's proxy statement demonstrates our ongoing commitment to provide a clear and detailed discussion of matters that will be addressed at the meeting. We have included a proxy summary starting on page 6 that provides highlights of the detailed information included elsewhere in the proxy statement. The Compensation Discussion and Analysis, which begins on page 35, has an expanded focus on executive compensation practices that reinforce pay for performance and shareholder alignment.

Thank you for being a shareholder of Alcoa, and for the confidence you have placed in our Company. We look forward to seeing you at the meeting.

Sincerely,

Klaus Kleinfeld
Chairman of the Board and Chief Executive Officer

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Alcoa Inc.

390 Park Avenue

New York, NY 10022-4608

Notice of 2013 Annual Meeting of Shareholders
Friday, May 3, 2013

9:30 a.m. (EDT)

Fairmont Hotel, 510 Market Street, Pittsburgh, PA 15222

The Annual Meeting of Shareholders of Alcoa Inc. ("Alcoa" or the "Company") will be held on Friday, May 3, 2013 at 9:30 a.m., local time, at the Fairmont Hotel, 510 Market Street, Pittsburgh, PA 15222. Shareholders of record of Alcoa common stock at the close of business on February 4, 2013 are entitled to vote at the meeting.

The purposes of the meeting are:

1.

to elect the three Directors identified in the accompanying proxy statement to serve three-year terms expiring at the 2016 annual meeting of shareholders;

2.

to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013;

3.

to approve, on an advisory basis, executive compensation;

4.

to approve the 2013 Alcoa Stock Incentive Plan;

5.

to approve amendments to the Articles of Incorporation and By-Laws to permit the calling of special meetings, including by shareholders of 25% of the Company's outstanding common stock; and

6.

to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

You will need an admission ticket if you plan to attend the meeting. Please see the questions and answers section of the proxy statement for instructions on how to obtain an admission ticket.

On behalf of Alcoa's Board of Directors,

Audrey Strauss

Executive Vice President, Chief Legal and Compliance Officer and Secretary

March __ , 2013

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Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding the Company's 2012 performance, please review the Company's 2012 Annual Report.

2013 Annual Meeting of Shareholders

Time and Date: 9:30 a.m. Eastern Daylight Time, May 3, 2013

Place: Fairmont Hotel, 510 Market Street, Pittsburgh, Pennsylvania 15222

Record Date: February 4, 2013

Voting: Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.

Admission: An admission ticket is required to enter Alcoa's annual meeting. Please follow the instructions beginning on page 9.

Webcast: We will provide a live webcast of the annual meeting from our website at *http://www.alcoa.com* under "About – Corporate Governance – Annual Meeting".

Voting Matters

		Board Vote Recommendation	Page Reference (for more detail)
Item 1 –	Election of Three Director Nominees to Serve for a Three-Year Term Expiring in 2016	FOR each Director Nominee	11
Item 2 –	Ratification of Appointment of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for 2013	FOR	31
Item 3 –	Advisory Vote to Approve Executive Compensation	FOR	33
Item 4 –	Approval of 2013 Alcoa Stock Incentive Plan	FOR	55
Item 5 –	Approval of Amendments to the Articles of Incorporation and By-Laws to Permit the Calling of Special Meetings, Including by Shareholders of 25% of the Company's Outstanding Common Stock	FOR	63

How to Cast Your Vote

Your vote is important! Please cast your vote and play a part in the future of Alcoa.

Even if you plan to attend our annual meeting in person, please cast your vote as soon as possible by:

internet at **www.cesvote.com**	**QR code**—scan and vote with your mobile device	**calling 1-888-693-8683** toll-free from the U.S. or Canada	**mail** return the signed proxy card

The deadline for voting online or by telephone is 6:00 a.m. EDT on May 3, 2013. If you vote by mail, your proxy card must be received before the annual meeting. If you hold shares in an Alcoa savings plan, your voting instructions must be received by 6:00 a.m. EDT on May 1, 2013.

If you own shares through a bank, broker or other nominee, you may receive other instructions for voting. If you own shares in different accounts or in more than one name, you may receive more than one Notice of Internet Availability of Proxy Materials (or paper proxy card or voting instruction form), which may contain different voting instructions for each type of ownership. Please vote all your shares.

If you are a shareholder of record or a beneficial owner that has a legal proxy to vote the shares, you may choose to vote in person at the annual meeting. See the "Questions and Answers about the Meeting and Voting" section beginning on page 8 for more details.

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Board Nominees (page 11)

Alcoa's Board of Directors has 11 members divided into three classes. Directors are elected for three-year terms. The following table provides summary information about each Director nominee standing for re-election to the Board for a three-year term expiring in 2016.

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships	Other Public Company Boards
Arthur D. Collins, Jr.	65	2010	Retired Chairman and Chief Executive Officer, Medtronic, Inc.	Yes	A, C	• The Boeing Company • U.S. Bancorp
Michael G. Morris	66	2008	Chairman and Retired President and Chief Executive Officer, American Electric Power Company, Inc.	Yes	A, C, E, G	• American Electric Power Company, Inc. • Limited Brands, Inc. • The Hartford Financial Services Group, Inc.
E. Stanley O'Neal	61	2008	Former Chairman of the Board and Chief Executive Officer, Merrill Lynch & Co., Inc.	Yes	A, E, G	

A

Audit Committee

C

Compensation and Benefits Committee

E

Executive Committee

G

Governance and Nominating Committee

Executive Compensation Highlights (page 33)

Strong Pay for Performance Alignment

- The impact of our stock price on executive compensation is significant: for example, 87% of the CEO's compensation is performance-based and 68% of his compensation is paid in the form of equity.

- The CEO's 2012 equity award value was reduced by 20% from the 2011 grant level in response to the decline in our stock price. In addition, the value of the outstanding equity compensation granted to the CEO since he joined the Company has declined by 55%, compared to the original grant values.

- A majority of the awards granted to the CEO and the other named executive officers under our executive compensation program is in the form of performance-based restricted share units that are earned only if targets for revenue growth and adjusted EBITDA margin are met.

- Due to a 16% drop in the average price of aluminum on the London Metal Exchange from 2011 to 2012 and rising costs for energy, raw materials, labor and maintenance, Alcoa managers had to overcome more than $1.5 billion in adverse market impacts and cost headwinds to achieve strong operational and financial performance in 2012.

Key Features of Our Executive Compensation Program

WHAT WE DO	**WHAT WE DON'T DO**
We pay for performance	We do not pay dividend equivalents on stock options and unvested restricted share units
We consider peer groups in establishing compensation	We do not allow share recycling
We review tally sheets	
We have robust stock ownership guidelines	We do not allow for repricing of underwater stock options (including cash-outs)
We schedule and price stock option grants to promote transparency and consistency	We do not allow hedging or pledging of Company stock
We have clawback policies incorporated into our incentive plans	We do not have excise tax gross-ups for new participants in our change-in-control severance plan
We have double-trigger equity vesting in the event of a change-in-control	We do not enter into multi-year employment contracts

We pay reasonable salaries to our senior executives

We provide appropriate benefits to our senior executives

We have a conservative compensation risk profile

We maximize the tax deductibility of incentive compensation

We retain an independent compensation consultant

We do not pay tax gross-ups on our limited perquisites

Our executive compensation practices are described in greater detail in the "Executive Compensation" section.

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Alcoa Inc.

390 Park Avenue

New York, NY 10022-4608

PROXY STATEMENT

The Annual Meeting and Voting

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 3, 2013.

The Company's Notice of Annual Meeting and Proxy Statement and 2012 Annual Report are available at *www. ReadMaterial. com/AA*.

The Board of Directors of Alcoa Inc. ("Alcoa" or the "Company") is providing this proxy statement in connection with Alcoa's 2013 Annual Meeting of Shareholders to be held on Friday, May 3, 2013, at 9:30 a.m., local time, at the Fairmont Hotel, 510 Market Street, Pittsburgh, PA 15222, and at any adjournment or postponement thereof.

Proxy materials or a Notice of Internet Availability of Proxy Materials (the "Notice") are being first sent to shareholders on or about March __ , 2013. In accordance with rules and regulations adopted by the Securities and Exchange Commission (the "SEC"), instead of mailing a printed copy of the Company's proxy materials to each shareholder of record, the Company may furnish proxy materials by providing access to those documents on the Internet. The Notice contains instructions on how to vote online, or in the alternative, request a paper copy of the proxy materials and a proxy card.

Questions and Answers about the Meeting and Voting

1. Who is entitled to vote and how many votes do I have?

If you are a holder of record of Alcoa common stock, par value $1.00 per share (the "common stock"), at the close of business on February 4, 2013, you are eligible to vote at the annual meeting. For each matter presented for vote, you have one vote for each share you own.

2. How do I vote?

By Written Proxy. All shareholders of record can vote by written proxy card. If you are a shareholder of record and receive a Notice of Internet Availability of Proxy Materials ("Notice"), you may request a written proxy card by following the instructions included in the Notice. If you are a beneficial owner, you may request a written proxy card or a voting instruction form from your bank or broker. If you sign and return your proxy card but do not mark any selections giving specific voting instructions, your shares represented by that proxy will be voted as recommended by the Board of Directors.

By Telephone or Internet. All shareholders of record also can vote by touchtone telephone within the U.S., U.S. territories and Canada, using the toll-free telephone number on the proxy card, or through the Internet, using the procedures and instructions described on the proxy card. Beneficial owners may vote by telephone or Internet if their bank or broker makes those methods available, in which case the bank or broker will include the instructions with the proxy materials. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to vote their shares and to confirm that their instructions have been recorded properly.

In Person. All shareholders of record may vote in person at the meeting. Beneficial owners may vote in person at the meeting if they have a legal proxy, as described in the response to Question 3 below.

Whether you plan to attend the meeting or not, we encourage you to vote by proxy as soon as possible. The proxy committee will vote your shares according to your directions.

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3. How do I get an admission ticket to attend the annual meeting?

You may attend the meeting if you were a shareholder as of the close of business on February 4, 2013. If you plan to attend the meeting, you will need an admission ticket. If a broker or bank holds your shares and you would like to attend the meeting, please write to: Alcoa Inc., 201 Isabella Street, Pittsburgh, PA 15212-5858, Attention: Diane Thumma or email to *diane. thumma@ alcoa. com.* Please include a copy of your brokerage account statement or a legal proxy (which you can get from your broker or bank), and we will send you an admission ticket. If you are a registered shareholder, have your Notice available and either call 1 866 804-9594 or visit *www. AlcoaAdmissionTicket.com a*nd follow the instructions provided.

4. What does it mean if I receive more than one Notice?

If you are a shareholder of record or participate in Alcoa's Dividend Reinvestment and Stock Purchase Plan or employee savings plans, you will receive one Notice (or if you are an employee with an Alcoa email address, an email proxy form) for all shares of common stock held in or credited to your accounts as of the record date, if the account names are exactly the same. If your shares are registered differently and are in more than one account, you will receive more than one Notice or email proxy form, and in that case, you can and are urged to vote all of your shares, which will require you to vote more than once. To avoid this situation in the future, we encourage you to have all accounts registered in the same name and address whenever possible. You can do this by contacting our transfer agent, Computershare, at 1 888 985-2058 (in the U.S. and Canada) or 1 201 680-6578 (all other locations) or through the Computershare website, *www. computershare.com.*

5. How do I vote if I participate in one of the employee savings plans?

You must provide the trustee of the employee savings plan with your voting instructions in advance of the meeting. You may do so by returning your voting instructions by mail, or submitting them by telephone or electronically using the Internet. You cannot vote your shares in person at the annual meeting; the trustee is the only one who can vote your shares. The trustee will vote your shares as you have instructed. If the trustee does not receive your instructions, your shares generally will be voted in proportion to the way the other plan participants voted. To allow sufficient time for voting by the trustee, your voting instructions must be received by 6:00 a.m. Eastern Daylight Time (EDT) on May 1, 2013.

6. Can I change my vote?

There are several ways in which you may revoke your proxy or change your voting instructions before the time of voting at the meeting (please note that, in order to be counted, the revocation or change must be received by 6:00 a.m. EDT on May 3, 2013, or by 6:00 a.m. EDT on May 1, 2013 in the case of instructions to the trustee of an employee savings plan):

- Vote again by telephone or at the Internet website.

- Mail a revised proxy card or voting instruction form that is dated later than the prior one.

- Common shareholders of record may vote in person at the annual meeting.

- Common shareholders of record may notify Alcoa's Corporate Secretary in writing that a prior proxy is revoked or voting instructions are changed.

- Employee savings plan participants may notify the plan trustee in writing that prior voting instructions are revoked or are changed.

7. Is my vote confidential?

Yes. Proxy cards, ballots and voting tabulations that identify shareholders are kept confidential except:

- as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company;

- in the case of a contested proxy solicitation;

- if a shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or

- to allow the independent inspector of election to certify the results of the vote.

Corporate Election Services, Inc., the independent proxy tabulator used by Alcoa, counts the votes and acts as the inspector of election for the meeting.

8. What constitutes a "quorum" for the meeting?

A quorum consists of a majority of the outstanding shares, present or represented by proxy. A quorum is necessary to conduct business at the annual meeting. You are part of the quorum if you have voted by proxy. Abstentions and broker non-votes count as "shares present" at the meeting for purposes of determining a quorum. Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because the proposal is not a routine matter, and the broker has not received voting instructions from the beneficial owner of the shares. All items on this year's ballot are "non-routine" matters under New York Stock Exchange ("NYSE") rules except ratification of selection of the auditors (Item 2). If you vote to abstain on one or more proposals, your shares will be counted as present for purposes of determining the presence of a quorum unless you vote to abstain on all proposals.

9. What is the voting requirement to approve each of the proposals, and how are votes counted?

At the close of business on February 4, 2013, the record date for the meeting, Alcoa had outstanding 1,069,292,165 shares of common stock (excluding treasury shares). Each share of common stock outstanding on the record date is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on. Treasury shares are not voted.

Under Pennsylvania corporation law, the approval of any corporate action taken at the annual meeting is based on votes cast. The votes necessary to approve Item 4 (the 2013 Alcoa Stock Incentive Plan), including the impact of abstentions and broker non-votes, are subject to separate NYSE rules and are described below. For all other proposals to be considered at the annual meeting, shareholder approval occurs if the votes cast in favor of the proposal exceed the votes cast against the proposal. “Votes cast” on these proposals means votes “for” or “against” a particular proposal, whether by proxy or in person. Abstentions and broker non-votes are not considered “votes cast” on these proposals and therefore have no effect on the outcome of these proposals. In uncontested elections, directors are elected by a majority of votes cast. As described in more detail on page 22 under “Corporate Governance—Majority Voting for Directors,” Alcoa’s Articles of Incorporation and By-Laws require any incumbent director nominee who receives more “against” than “for” votes to tender his or her resignation for consideration by the Governance and Nominating Committee. Item 3 (advisory approval of executive compensation) is an advisory vote requiring further action by the Company to implement any changes.

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For Item 4 (approval of the 2013 Alcoa Stock Incentive Plan), under NYSE rules, shareholder approval occurs if a majority of votes cast are “for” Item 4 and the total number of votes cast are a majority of the shares of common stock outstanding at the record date. Under NYSE rules, “votes cast” for Item 4 consist of votes “for” or “against” Item 4 as well as abstentions. As a result, abstentions have the effect of a vote “against” Item 4. Broker non-votes are not considered “votes cast” and therefore have no effect on the number of votes cast on Item 4. However, broker non-votes can have the effect of a vote “against” Item 4 if the broker non-vote causes the total number of votes cast on Item 4 to be less than a majority of the shares of common stock outstanding at the record date. If you are a beneficial owner and do not provide the shareholder of record with voting instructions, your shares may constitute broker non-votes, as described under Question 8 above.

10. Who pays for the solicitation of proxies?

Alcoa pays the cost of soliciting proxies. Proxies will be solicited on behalf of the Board of Directors by mail, telephone, other electronic means or in person. We have retained Morrow & Co., LLC, 470 West Avenue, Stamford, CT 06902, to assist with the solicitation for an estimated fee of $13,000 plus expenses. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for sending proxy materials to shareholders and obtaining their votes.

11. How do I comment on Company business?

Your comments are collected when you vote using the Internet. We also collect comments from the proxy card if you vote by mailing the proxy card. You may also send your comments to us in care of the Corporate Secretary: Alcoa Inc., Corporate Secretary’s Office, 390 Park Avenue, New York, NY 10022-4608. Although it is not possible to respond to each shareholder, your comments help us to understand your concerns.

12. May I nominate someone to be a director of Alcoa?

Yes, please see page 17 of this proxy statement for complete details.

13. When are the 2014 shareholder proposals due?

To be considered for inclusion in the Company’s 2014 proxy statement, shareholder proposals submitted in accordance with SEC Rule 14a-8 must be received in writing at our principal executive offices no later than November __ , 2013. Address all shareholder proposals to: Alcoa Inc., Corporate Secretary’s Office, 390 Park Avenue, New York, NY 10022-4608. For any proposal that is not submitted for inclusion in next year’s proxy statement, but is instead sought to be presented directly at the 2014 annual meeting, notice of intention to present the proposal, including all information required to be provided by the shareholder in accordance with the Company’s By-Laws, must be received in writing at our principal executive offices by February 2, 2014. Address all notices of intention to present proposals at the 2014 annual meeting to: Alcoa Inc., Corporate Secretary’s Office, 390 Park Avenue, New York, NY 10022-4608. For information on the procedures for shareholder nominations of director candidates for the 2014 annual meeting, see “Nominating Board Candidates—Procedures and Director Qualifications” on page 17.

14. Will the annual meeting be webcast?

Yes, our annual meeting will be webcast on May 3, 2013. You are invited to visit *http://www.alcoa.com* under "About—Corporate Governance—Annual Meeting" at 9:30 a.m. Eastern Daylight Time on May 3, 2013, to access the webcast of the meeting. Registration for the webcast is required. Pre-registration will be available beginning on April 19, 2013. An archived copy of the webcast also will be available on our website.

15. What is "householding"?

Shareholders of record who have the same last name and address and who request paper copies of the proxy materials will receive only one copy unless one or more of them notifies us that they wish to receive individual copies. Householding will not in any way affect dividend check mailings.

We will deliver promptly upon written or oral request a separate copy of the 2012 Annual Report, proxy statement, or Notice of Internet Availability of Proxy Materials, as applicable, to a security holder at a shared address to which a single copy of the document was delivered. Please direct such requests to Diane Thumma at Alcoa Inc., 201 Isabella Street, Pittsburgh, PA 15212-5858, Attention: Diane Thumma or email to *diane. thumma@ alcoa.com* or call 1 412 553-1245.

Shareholders of record may request to discontinue or begin householding in the future by contacting our transfer agent, Computershare, at 1 888 985-2058 (in the U.S. and Canada), 1 201 680-6578 (all other locations), by mail to Computershare Shareowner Services LLC, P.O. Box 43006, Providence, RI 02940-3006 or through the Computershare website, *www. computershare.com*. Shareholders owning their shares through a bank, broker or other nominee may request to discontinue or begin householding by contacting their bank, broker or other nominee.

16. How may I obtain a copy of Alcoa's Annual Report on Form 10-K?

The Company will provide by mail, without charge, a copy of its Annual Report on Form 10-K for the year ended December 31, 2012 (not including exhibits and documents incorporated by reference), at your request. Please direct all requests to Alcoa Inc., Corporate Communications, 201 Isabella Street, Pittsburgh, PA 15212-5858.

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ITEM 1 ELECTION OF DIRECTORS

As of the date of this proxy statement, Alcoa's Board of Directors has 11 members divided into three classes. Directors are elected for three-year terms. The terms for members of each class end in successive years.

The Board of Directors, upon the recommendation of the Governance and Nominating Committee, has nominated three incumbent directors, Arthur D. Collins, Jr., Michael G. Morris, and E. Stanley O'Neal, to stand for re-election to the Board for a three-year term expiring in 2016.

Each of the director nominees was elected by the shareholders at the 2010 Annual Meeting of Shareholders. The Board of Directors affirmatively determined that each of the three nominees qualifies for election under the criteria for evaluation of directors (see "Minimum Qualifications for Director Nominees and Board Member Attributes" on page 17 of this proxy statement). Included in each nominee's biography below is a description of the qualifications, experience, attributes and skills of such nominee. In addition, the Board of Directors determined that each nominee qualifies as an independent director under New York Stock Exchange corporate governance listing standards and the Company's Director Independence Standards. See "Board, Committee and Director Evaluations" on page 25 and "Director Independence and Related Person Transactions" on page 21.

If a nominee is unable to serve as a director, the Board may reduce its size or choose a substitute. Proxies cannot be voted for a greater number of persons than the number of nominees named.

The Board of Directors recommends a vote "FOR" ITEM 1, the election of each of Arthur D. Collins, Jr., Michael G. Morris, and E. Stanley O'Neal to the Board for a three-year term expiring in 2016.

Nominees to Serve for a Three-Year Term Expiring in 2016

Arthur D. Collins, Jr.

Director since: 2010

Age: 65

Committees: Audit Committee; Compensation and Benefits Committee

Other Current Public Directorships: The Boeing Company; U.S. Bancorp

Career Highlights and Qualifications:

Mr. Collins was the Chairman of Medtronic, Inc., a leading medical device and technology company, from April 2002 until his retirement in August 2008, and Chief Executive Officer from May 2002 to August 2007. He held a succession of other executive leadership positions with Medtronic from 1992 until his retirement. Mr. Collins served as President and Chief Executive Officer, President and Chief Operating Officer and Chief Operating Officer at the company. He was Executive Vice President of Medtronic and President of Medtronic International from June 1992 to January 1994.

Prior to joining Medtronic, he was Corporate Vice President of Abbott Laboratories (health care products) from October 1989 to May 1992 and Divisional Vice President of that company from May 1984 to October 1989. He joined

Abbott in 1978 after spending four years with Booz, Allen & Hamilton, a major management consulting firm.

Other Current Affiliations:

In addition to his public company board memberships, Mr. Collins currently serves on the board of privately held Cargill, Incorporated. He is a member of the Board of Overseers of The Wharton School at the University of Pennsylvania and the Board of Visitors at Miami University of Ohio. He also serves as a senior advisor to Oak Hill Capital Partners, L.P., a private equity firm.

Previous Directorships:

Mr. Collins was Chairman of Medtronic, Inc. from 2002 to 2008.

Attributes and Skills:

In addition to his public company board memberships, Mr. Collins' extensive executive and business experience, including his years of executive leadership at Medtronic, allow Alcoa to benefit from his experience managing the operations of a large, global company. He also brings the perspective of a member of several corporate boards. Mr. Collins currently chairs the Governance Committee at U.S. Bancorp, the Compensation Committee at Boeing and the Human Resources and Compensation Committee at Cargill, and he has served on the audit, finance, compensation, governance and executive committees of various boards.

Mr. Collins qualifies as an audit committee financial expert.

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Nominees to Serve for a Three-Year Term Expiring in 2016

Michael G. Morris

Director since: 2008

Age: 66

Committees: Audit Committee; Compensation and Benefits Committee; Executive Committee; Governance and Nominating Committee

Other Current Public Directorships: American Electric Power Company, Inc.; Limited Brands, Inc.; The Hartford Financial Services Group, Inc.

Career Highlights and Qualifications:

Mr. Morris is Chairman and retired President and Chief Executive Officer of American Electric Power Company, Inc. (AEP), one of the nation’s largest utility generators and owner of the largest electricity transmission system in the United States.

Mr. Morris has been Chairman of AEP since 2004. He served as Chief Executive officer of AEP and all of its major subsidiaries from 2004 to November 2011 and as President from 2004 to 2011. From 1997 to 2003, Mr. Morris was Chairman, President and Chief Executive Officer of Northeast Utilities. Prior to that, he held positions of increasing responsibility in energy and natural gas businesses.

Other Current Affiliations:

In addition to his public company board memberships, Mr. Morris serves on the U.S. Department of Energy’s Electricity Advisory Board, the National Governors Association Task Force on Electricity Infrastructure, the Institute of Nuclear Power Operations and the Business Roundtable (chairing the Business Roundtable’s Energy Task Force).

Previous Directorships:

From 1997 to 2003, Mr. Morris was Chairman of Northeast Utilities. Mr. Morris was previously chairman of the Edison Electric Institute.

Attributes and Skills:

Mr. Morris has proven business acumen, having served as the chief executive officer of significant, complex organizations. Mr. Morris’ experience in the energy field is a valuable resource to the Company as we engage in renewing our energy supplies. The production of aluminum requires large amounts of energy in an electrolytic smelting process. In addition, Mr. Morris is a leader in developing the carbon sequestration process, which is a technology that may prove to be valuable to the aluminum industry in reducing greenhouse gas emissions.

Mr. Morris qualified as an audit committee financial expert.

E. Stanley O’Neal

Director since: 2008

Age: 61

Committees: Audit Committee; Executive Committee; Governance and Nominating Committee

Career Highlights and Qualifications:

Mr. O'Neal served as Chairman of the Board and Chief Executive Officer of Merrill Lynch & Co., Inc. until October 2007. He became Chief Executive Officer of Merrill Lynch in 2002 and was elected Chairman of the Board in 2003. Mr. O'Neal was employed with Merrill Lynch for 21 years, serving as President and Chief Operating Officer from July 2001 to December 2002; President of U.S. Private Client from February 2000 to July 2001; Chief Financial Officer from 1998 to 2000 and Executive Vice President and Co-head of Global Markets and Investment Banking from 1997 to 1998.

Before joining Merrill Lynch, Mr. O'Neal was employed at General Motors Corporation where he held a number of financial positions of increasing responsibility.

Other Current Affiliations:

Mr. O'Neal's other affiliations include service on the board of the Memorial Sloan-Kettering Cancer Center, and membership in the Council on Foreign Relations, the Center for Strategic and International Studies and the Economic Club of New York.

Previous Directorships:

Mr. O'Neal was a director of General Motors Corporation from 2001 to 2006, chairman of the board of Merrill Lynch & Co., Inc. from 2003 to 2007, and a director of American Beacon Advisors, Inc. (investment advisor registered with the Securities and Exchange Commission) from 2009 to September 2012.

Attributes and Skills:

Mr. O'Neal provides a valuable perspective to the Audit Committee as the Company does not have another director with a background in investment banking. He also brings to the Audit Committee a strong financial background in an industrial setting, having served in various financial and leadership positions at General Motors Corporation.

Mr. O'Neal qualifies as an audit committee financial expert.

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Directors Whose Terms Expire in 2014

Klaus Kleinfeld

Director since: 2003

Age: 55

Committees: Executive Committee (Chair); International Committee (Chair)

Other Current Public Directorships: Bayer AG (Supervisory Board); Morgan Stanley

Career Highlights and Qualifications:

Mr. Kleinfeld has been the Chairman and Chief Executive Officer of Alcoa since April 2010. He was President and Chief Executive Officer of Alcoa from May 2008 to April 2010, and President and Chief Operating Officer from October 2007 to May 2008.

Before Alcoa, Mr. Kleinfeld had a 20-year career with Siemens, the global electronics and industrial conglomerate, based in the U.S. and Germany, where he served as Chief Executive Officer of Siemens AG from January 2005 to June 2007. During his tenure, Mr. Kleinfeld presided over a dramatic transformation of that company, reshaping the company's portfolio around three high-growth areas, resulting in an increase of revenues and a near doubling of market capitalization. Mr. Kleinfeld was Deputy Chairman of the Managing Board and Executive Vice President of Siemens AG from 2004 to January 2005, and President and Chief Executive Officer from 2002 to 2004 of Siemens Corporation, Siemens AG's subsidiary in the U.S., which represents the company's largest region.

Mr. Kleinfeld was born in Bremen, Germany, and educated at the University of Goettingen and University of Wuerzburg. He holds a Ph.D. in strategic management and a master's degree in business administration.

Other Current Affiliations:

In addition to his public company board memberships, Mr. Kleinfeld serves on the Brookings Institution Board of Trustees. He is Chairman of the U.S.-Russia Business Council, which is dedicated to promoting trade and investment between the United States and Russia.

Previous Directorships:

Mr. Kleinfeld was a director of Citigroup Inc. from 2005 to 2007 and a member of the Managing Board of Siemens AG from 2004 to 2007.

Attributes and Skills:

As the only management representative on our Board, Mr. Kleinfeld provides an insider's perspective in Board discussions about the business and strategic direction of the Company. He brings to the Board his knowledge of all aspects of Alcoa's global business and his extensive international and senior executive experience.

James W. Owens

Director since: 2005

Age: 67

Committee: Audit Committee (Chair)

Other Current Public Directorships: International Business Machines Corporation; Morgan Stanley

Career Highlights and Qualifications:

Mr. Owens served as Chairman and Chief Executive Officer of Caterpillar Inc., a leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines, from February 2004 through June 2010. He was Executive Chairman from June to October 2010, when he retired from the company.

Mr. Owens served as Vice Chairman of Caterpillar from December 2003 to February 2004 and as Group President from 1995 to 2003, responsible at various times for 13 of the company's 25 divisions. Mr. Owens joined Caterpillar in 1972 as a corporate economist and was named chief economist of Caterpillar Overseas S.A. in Geneva, Switzerland in 1975. From 1980 until 1987, he held managerial positions in the Accounting and Product Source Planning Departments. In 1987, he became managing director of P.T. Natra Raya, Caterpillar's joint venture in Indonesia. He held that position until 1990, when he was elected a Corporate Vice President and named President of Solar Turbines Incorporated, a Caterpillar subsidiary in San Diego, California. In 1993, he was elected Vice President and Chief Financial Officer.

Other Current Affiliations:

In addition to his public company board memberships, Mr. Owens serves as a senior advisor to Kohlberg Kravis Roberts & Co. L.P., a global asset manager working in private equity and fixed income. His other major affiliations include the Peterson Institute for International Economics and the Council on Foreign Relations.

Previous Directorships:

Mr. Owens was Chairman of Caterpillar Inc. from 2004 to 2010. He was also former Chairman and Executive Committee member of the Business Council.

Attributes and Skills:

Mr. Owens' background as former Chief Financial Officer of Caterpillar provides a strong financial foundation for Audit Committee deliberations. Mr. Owens has proven business acumen, having served as the chief executive officer of a significant, complex global industrial company.

Mr. Owens qualifies as an audit committee financial expert.

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Directors Whose Terms Expire in 2014

Sir Martin Sorrell

Director since: 2012

Age: 68

Committees: International Committee; Public Issues Committee

Other Current Public Directorships: WPP plc

Career Highlights and Qualifications:

Sir Martin Sorrell founded WPP plc (WPP), the world's largest advertising and marketing services group, in 1985, and has been the Chief Executive Officer since that time. WPP companies, which include some of the most eminent agencies in the business, provide clients with advertising, media investment management, consumer insight, public relations and public affairs, branding and identity, healthcare communications, direct, interactive and internet marketing, and special communication services. Collectively, WPP employs over 153,000 people in 107 countries.

Sir Martin actively supports the advancement of international business schools, advising Harvard, IESE (Spain), the London Business School, the Indian School of Business and the Judge Institute at Cambridge University. He has been publicly recognized with a number of awards, including the Harvard Business School Alumni Achievement Award. Sir Martin received a knighthood in January 2000.

Other Current Affiliations:

In addition to his public company board memberships, Sir Martin serves as a non-executive director of Alpha Topco Limited, a privately held holding company of the Formula One Group. He is Chairman of the International Business Council of the World Economic Forum and a member of the Business Council in the U.S. In addition, Sir Martin serves on the board of directors of the Bloomberg Family Foundation and is a member of the Advisory Boards of global investment firm Stanhope Capital and private equity firm Bowmark Capital.

Attributes and Skills:

Sir Martin is an internationally recognized business leader and brings to the Board his experience in growing the WPP enterprise through innovation, acquisitions and his extensive international business relationships. His international experience and perspective in heading a large multinational group of companies provides Alcoa with invaluable insight and guidance.

Ratan N. Tata

Director since: 2007

Age: 75

Committees: International Committee; Public Issues Committee

Career Highlights and Qualifications:

Mr. Tata served as Chairman of Tata Sons Limited, the holding company of the Tata Group, one of India's largest business conglomerates, from 1991 until December 28, 2012. Mr. Tata was also Chairman of the major Tata Group companies, including Tata Motors, Tata Steel, Tata Consultancy and several other Tata companies, until December 28, 2012. Mr. Tata joined the Tata Group in December 1962.

Mr. Tata received a Bachelor of Science degree in Architecture with Structural Engineering from Cornell University in 1962 and completed the Advanced Management Program at Harvard Business School in 1975. He is the recipient of numerous awards and honors, including the Government of India's second highest civilian award, the Padma Vibhushan, and the Deming Cup, awarded in October 2012 by Columbia Business School's W. Edwards Deming Center for quality, productivity, and competiveness.

Other Current Affiliations:

Mr. Tata is associated with various organizations in India and overseas. He is the Chairman of two of the largest private-sector philanthropic trusts in India. He is a member of the Indian Prime Minister's Council on Trade and Industry. He is the President of the Court of the Indian Institute of Science and Chairman of the Council of Management of the Tata Institute of Fundamental Research. He also serves on the Board of Trustees of Cornell University and the University of Southern California. Mr. Tata is also on the international advisory boards of Mitsubishi Corporation, JP Morgan Chase, Rolls-Royce, Temasek Holdings and the Monetary Authority of Singapore.

Previous Directorships:

Mr. Tata was a director of Bombay Dyeing and Manufacturing Company Limited from 1994 to February 2013 and Fiat S.p.A. from 2006 to April 2012, and Chairman of Tata Sons Limited and the major Tata Group companies until December 2012.

Attributes and Skills:

Mr. Tata brings to the Company's Board significant international business experience in a wide variety of industries. His Asian perspective adds valuable diversity to the deliberations of the Company's Board.

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Directors Whose Terms Expire in 2015

Kathryn S. Fuller

Director since: 2002

Age: 66

Committees: Compensation and Benefits Committee; Public Issues Committee

Career Highlights and Qualifications:

Ms. Fuller is the Chair of the Smithsonian's National Museum of Natural History, the world's preeminent museum and research complex, and she also currently serves on the board of The Robert Wood Johnson Foundation, a leading philanthropy in the field of health and health care. Ms. Fuller retired as Chair of The Ford Foundation, a nonprofit organization, in September 2010, after having served in that position since May 2004.

Ms. Fuller retired as President and Chief Executive Officer of World Wildlife Fund U.S. (WWF), one of the world's largest nature conservation organizations, in July 2005, after having served in those positions since 1989. Ms. Fuller continues her affiliation with WWF as President Emerita and an honorary member of the Board of Directors.

Ms. Fuller was a Public Policy Scholar at the Woodrow Wilson International Center for Scholars, a nonpartisan institute established by Congress for advanced study of national and world affairs, for a year beginning in October 2005.

Ms. Fuller had various responsibilities with WWF and The Conservation Foundation from 1982 to 1989, including executive vice president, general counsel and director of WWF's public policy and wildlife trade monitoring programs. Before that, she held several positions in the U.S. Department of Justice, culminating as Chief, Wildlife and Marine Resources Section, in 1981 and 1982.

Attributes and Skills:

Ms. Fuller has led three internationally recognized and respected organizations, having served as the chief executive officer of WWF and Chair of The Ford Foundation and currently serving as Chair of the Smithsonian's National Museum of Natural History. Her experience in managing world-class organizations, combined with her proven leadership skills, international experience and environmental focus have all contributed to the diversity and richness of the Board's deliberations.

The Company has long recognized the need to earn the right to continue to do business in the communities in which it operates, and as a result, the Board seeks the input of directors, such as Ms. Fuller, who have a broad perspective on sustainable development.

Judith M. Gueron

Lead Director

Director since: 1988

Age: 71

Committees: Executive Committee; Governance and Nominating Committee (Chair); Public Issues Committee

Career Highlights and Qualifications:

Dr. Gueron is Scholar in Residence of MDRC, a nonprofit research organization that designs, manages and studies projects to increase the self-sufficiency of economically disadvantaged groups, since September 2005, and President Emerita of MDRC since 2004. She is a director of the National Bureau of Economic Research.

Dr. Gueron was a Visiting Scholar at the Russell Sage Foundation, a foundation devoted to research in the social sciences, from 2004 to 2005. She was President of MDRC from 1986 to August 2004 and MDRC's Executive Vice President for research and evaluation from 1978 to 1986 and Research Director from 1974 to 1978. Before joining MDRC, she was director of special projects and studies and a consultant for the New York City Human Resources Administration.

A widely published, nationally recognized expert on employment and training, poverty, and family assistance, Dr. Gueron is the author of "From Welfare to Work". She is past President of the Association for Public Policy Analysis and Management, has served on several National Academy of Sciences committees and federal advisory panels, and has frequently testified before Congress. In 2005, she received the inaugural Richard E. Neustadt Award from the John F. Kennedy School of Government, Harvard University.

Dr. Gueron received her B.A. Summa Cum Laude from Radcliffe College in 1963 and her Ph.D. in economics from Harvard University in 1971.

Other Current Affiliations:

Dr. Gueron serves on the board of the Society for Research on Educational Effectiveness and the Coalition for Evidence Based Policy.

Attributes and Skills:

Dr. Gueron has a depth of experience with the aluminum industry, having served on the Company's Board for over 20 years. Dr. Gueron chaired the Public Issues Committee from its inception in 2002 to April 2010. She has been recognized by her colleagues on the Board for her leadership and development of this committee, which provides advice and guidance on corporate social responsibility and significant public issues that are pertinent to the Company and its stakeholders. Dr. Gueron led three trips to the Juruti bauxite mine project in the Amazon region of Brazil to meet directly with management, community leaders and non-governmental organizations regarding sustainable community development and environmental stewardship of this sensitive area.

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Directors Whose Terms Expire in 2015

Patricia F. Russo

Director since: 2008

Age: 60

Committees: Compensation and Benefits Committee (Chair); Executive Committee; Governance and Nominating Committee

Other Current Public Directorships: General Motors Company (Lead Director); Hewlett-Packard Company; Merck & Co., Inc.

Career Highlights and Qualifications:

Ms. Russo is the former Chief Executive Officer of Alcatel Lucent, a communications company, from December 2006 to September 2008. She served as Chairman of Lucent Technologies Inc. from 2003 to 2006 and as its Chief Executive Officer and President from 2002 to 2006.

Ms. Russo was President and Chief Operating Officer of Eastman Kodak Company from April 2001, and Director from July 2001, until January 2002, and Chairman of Avaya Inc. from December 2000, until she rejoined Lucent as Chief Executive Officer in January 2002.

Ms. Russo was Executive Vice President and Chief Executive Officer of the Service Provider Networks business of Lucent from November 1999 to August 2000 and served as Executive Vice President from 1996 to 1999. Prior to that, she held various executive positions with Lucent and AT&T.

Other Current Affiliations:

In addition to her public company board memberships, Ms. Russo is a director of KKR Management LLC (the managing partner of KKR & Co., L.P.). She also is Chairman of the Partnership for a Drug-Free America, a national non-profit organization.

Previous Directorships:

Ms. Russo served as a director of Schering Plough Corp. from 1995 until 2009, when it merged with Merck & Co. She was chair of Schering Plough’s Governance Committee for six years and its Lead Director prior to the merger.

Attributes and Skills:

Ms. Russo has proven business acumen, having served in executive and board leadership capacities at a number of significant complex global organizations. As chief executive officer of Lucent, she successfully led the company through the severe telecommunications industry downturn in 2002 and 2003, restoring the company to profitability and growth. She then led its cross-border merger negotiations with Alcatel, a French company, and became the newly merged organization’s first chief executive, headquartered in France. In addition, her directorships at other public companies provide her with broad experience on issues facing public companies. Ms. Russo has demonstrated a depth of business experience, knowledge of compensation and benefits in her service on the Company’s Compensation and

Benefits Committee and as chairman of Hewlett Packard's compensation committee, and an extensive knowledge of governance practices and principles.

Ernesto Zedillo

Director since: 2002

Age: 61

Committees: Audit Committee; Public Issues Committee (Chair)

Other Current Public Directorships: Citigroup Inc.; Promotora de Informaciones, S.A.; The Procter & Gamble Company

Career Highlights and Qualifications:

Mr. Zedillo has been at Yale University since 2002, where he is the Frederick Iseman '74 Director of the Yale Center for the Study of Globalization; Professor in the Field of International Economics and Politics; Professor of International and Area Studies; and Professor Adjunct of Forestry and Environmental Studies. He was a Distinguished Visiting Fellow at the London School of Economics in 2001.

Mr. Zedillo was elected President of Mexico in August of 1994; his term ran from December of 1994 to December of 2000. He served in the Federal Government of Mexico as Undersecretary of the Budget (1987-1988); as Secretary of Economic Programming and the Budget and board member of various state owned enterprises, including PEMEX, Mexico's national oil company (1988-1992); and as Secretary of Education (1992-1993). From 1978 to1987, he was with the central bank of Mexico where he served as deputy manager of economic research and deputy director. From 1983 to 1987, he was the founding General Director of the Trust Fund for the Coverage of Exchange Risks, a mechanism created to manage the rescheduling of the foreign debt of the country's private sector that involved negotiations and complex financial operations with hundreds of firms and international banks.

Mr. Zedillo earned his Bachelor's degree from the School of Economics of the National Polytechnic Institute in Mexico and his M.A., M.Phil. and Ph.D. at Yale University. In Mexico, he taught economics at the National Polytechnic Institute and El Colegio de Mexico.

Other Current Affiliations:

In addition to his public company board memberships, Mr. Zedillo belongs to the international advisory boards of Rolls-Royce and BP. He is a senior advisor to the Credit Suisse Research Institute. His current service in non-profit institutions includes being a member of the Foundation Board of the World Economic Forum.

Previous Directorships:

Mr. Zedillo was a director of Electronic Data Systems Corporation from 2007 to 2008 where he was a member of its Governance Committee. He was a director of the Union Pacific Corporation from 2001 to 2006 where he served on the Audit and Finance Committees.

Attributes and Skills:

From his broad experience in government and international politics and his prior service as President of Mexico, Mr. Zedillo brings international perspective and insight to matters such as governmental relations and public issues in the various countries in which Alcoa operates. Mr. Zedillo also has significant financial experience, having previously served on the audit committee of Union Pacific and as the Secretary of Economic Programming and the Budget for Mexico, as well as having held various positions at Banco de México, the central bank of Mexico.

Mr. Zedillo qualifies as an audit committee financial expert.

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Nominating Board Candidates – Procedures and Director Qualifications

Shareholder Recommendations for Director Nominees

Any shareholder wishing to recommend a candidate for director should submit the recommendation in writing to our principal executive office: Alcoa Inc., Governance and Nominating Committee, c/o Corporate Secretary's Office, 390 Park Avenue, New York, NY 10022-4608. The written submission should comply with all requirements set forth in the Company's Articles of Incorporation and By-Laws. The committee will consider all candidates recommended by shareholders who comply with the foregoing procedures and satisfy the minimum qualifications for director nominees and Board member attributes.

Shareholder Nominations from the Floor of the Annual Meeting

The Company's Articles of Incorporation provide that any shareholder entitled to vote at an annual shareholders' meeting may nominate one or more director candidates for election at that annual meeting by following certain prescribed procedures. Not later than 90 days before the anniversary date of the immediately preceding annual meeting, the shareholder must provide to Alcoa's Corporate Secretary written notice of the shareholder's intent to make such a nomination or nominations. The notice must contain all of the information required in the Company's Articles of Incorporation and By-Laws.

Any such notice must be sent to our principal executive offices: Alcoa Inc., Corporate Secretary's Office, 390 Park Avenue, New York, NY 10022-4608. The deadline for receipt of any shareholder nominations for the 2014 annual meeting is February 2, 2014.

Minimum Qualifications for Director Nominees and Board Member Attributes

The Governance and Nominating Committee has adopted Criteria for Identification, Evaluation and Selection of Directors:

1.

Directors must have demonstrated the highest ethical behavior and must be committed to the Company's values.

2.

Directors must be committed to seeking and balancing the legitimate long-term interests of all of the Company's shareholders, as well as its other stakeholders, including its customers, employees and the communities where the Company has an impact. Directors must not be beholden primarily to any special interest group or constituency.

3.

It is the objective of the Board that all non-management directors be independent. In addition, no director should have, or appear to have, a conflict of interest that would impair that director's ability to make decisions consistently in a fair and balanced manner.

4.

Directors must be independent in thought and judgment. They must each have the ability to speak out on difficult subjects; to ask tough questions and demand accurate, honest answers; to constructively challenge management; and at the same time, act as an effective member of the team, engendering by his or her attitude an atmosphere of collegiality and trust.

5.

Each director must have demonstrated excellence in his or her area and must be able to deal effectively with crises and to provide advice and counsel to the Chief Executive Officer and his or her peers.

6.

Directors should have proven business acumen, serving or having served as a chief executive officer, chief operating officer or chief financial officer of a significant, complex organization, or other senior leadership role in a significant, complex organization; or serving or having served in a significant policy-making or leadership position in a well respected, nationally or internationally recognized educational institution, not-for-profit organization or governmental entity; or having achieved a widely recognized position of leadership in the director's field of endeavor, which adds substantial value to the oversight of material issues related to the Company's business.

7.

Directors must be committed to understanding the Company and its industry; to regularly preparing for, attending and actively participating in meetings of the Board and its committees; and to ensuring that existing and future individual commitments will not materially interfere with the director's obligations to the Company. The number of other board memberships, in light of the demands of a director nominee's principal occupation, should be considered, as well as travel demands for meeting attendance.

8.

Directors must understand the legal responsibilities of board service and fiduciary obligations. All members of the Board should be financially literate and have a sound understanding of business strategy, business environment, corporate governance and board operations. At least one member of the Board must satisfy the requirements of an "audit committee financial expert."

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9.

Directors must be self-confident and willing and able to assume leadership and collaborative roles as needed. They need to demonstrate maturity, valuing board and team performance over individual performance and respect for others and their views.

10.

New director nominees should be able to and committed to serve as a member of the Board for an extended period of time.

11.

While the diversity, the variety of experiences and viewpoints represented on the Board should always be considered, a director nominee should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the committee will focus on any special skills, expertise or background that would complement the existing Board, recognizing that the Company’s businesses and operations are diverse and global in nature.

12.

Directors should have reputations, both personal and professional, consistent with the Company’s image and reputation.

Process of Evaluation of Director Candidates

The Governance and Nominating Committee makes a preliminary review of a prospective candidate’s background, career experience and qualifications based on available information or information provided by an independent search firm which identifies or provides an assessment of a candidate. If a consensus is reached by the committee that a particular candidate would likely contribute positively to the Board’s mix of skills and experiences, and a Board vacancy exists or is likely to occur, the candidate is contacted to confirm his or her interest and willingness to serve. The committee conducts in-person interviews and may invite other Board members or senior Alcoa executives to interview the candidate to assess the candidate’s overall qualifications. The committee considers the candidate against the criteria it has adopted in the context of the current composition and needs of the Board and its committees.

At the conclusion of this process, the committee reaches a conclusion and reports the results of its review to the full Board. The report includes a recommendation whether the candidate should be nominated for election to the Board. This procedure is the same for all candidates, including director candidates identified by shareholders.

The Governance and Nominating Committee has retained the services of a search firm that specializes in identifying and evaluating director candidates. Services provided by the search firm include identifying potential director candidates meeting criteria established by the committee, verifying information about the prospective candidate’s credentials, and obtaining a preliminary indication of interest and willingness to serve as a Board member.

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DIRECTOR COMPENSATION

The Governance and Nominating Committee reviews director compensation periodically and recommends changes to the Board, when it deems appropriate, based on market information provided to the committee by Pearl Meyer & Partners, an independent compensation consultant, and taking into account various factors, including the responsibilities of directors generally, the responsibilities of committee chairs, and Company performance. Information regarding the retention of Pearl Meyer can be found under "Corporate Governance—Compensation Consultants" on page 27. The Board reviews the recommendations of the Governance and Nominating Committee and determines the form and amount of director compensation. Directors who also serve as employees of the Company do not receive payment for services as a director.

Director Fees

The following table describes the components of director compensation for 2012:

Type of Fee		2012 Amount
Annual retainer for all directors	$	210,000
Annual fee to serve as Lead Director and to chair the Governance and Nominating Committee	$	27,500
Annual fee to chair the Audit Committee	$	27,500
Annual fee to serve on the Audit Committee	$	11,000
Annual fee to chair the Compensation and Benefits Committee	$	16,500
Annual fee to chair the Public Issues Committee	$	16,500

Effective January 1, 2013, the Board of Directors, upon recommendation of the Governance and Nominating Committee, approved an increase of the annual director retainer fee to $230,000, and an increase of the annual fee to chair the Compensation and Benefits Committee to $20,000. The 2013 fee increase was the first increase in directors' compensation since January 1, 2011. Fees for service as Lead Director, for service as leaders of other committees or for participation on the Audit Committee were not changed.

Stock Ownership Guidelines for Directors

Each director is required to invest 50% of his or her cash fees annually to purchase Alcoa common stock until stock ownership reaches $350,000 (this amount was increased to $400,000 effective beginning in 2013), and each director is required to maintain that investment until retirement from the Board. To satisfy this requirement, directors may defer fees into the Alcoa share equivalent fund under the Company's 2005 Deferred Fee Plan for Directors, or purchase shares in the market. Compliance with the ownership value requirement is measured annually and if the stock price declines in value, directors must continue to invest in Alcoa stock until the stock ownership guideline is reached.

2012 Director Compensation

The following table details the total compensation of the Company's non-employee directors for the year ended December 31, 2012:

Name[1] (a)	Fees Earned or Paid in Cash ($)(b)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(f)	All Other Compensation ($)(g)	Total ($)(h)
Arthur D. Collins, Jr.	$ 221,000		$ 2,500	$ 223,500
Kathryn S. Fuller	$ 210,000		$ 250	$ 210,250
Judith M. Gueron	$ 237,500	$ 40,798	$ 3,819	$ 282,117
Michael G. Morris	$ 221,000			$ 221,000
E. Stanley O'Neal	$ 221,000			$ 221,000
James W. Owens	$ 237,500			$ 237,500
Patricia F. Russo	$ 226,500			$ 226,500
Sir Martin Sorrell	$ 210,000			$ 210,000
Ratan N. Tata	$ 210,000			$ 210,000
Ernesto Zedillo	$ 237,500			$ 237,500

1.

Klaus Kleinfeld is a Company employee and receives no compensation for services as a director.

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Explanation of information in the columns of the table:

Fees Earned or Paid in Cash (Column (b))

This column reflects the cash fees earned by directors for Board and committee service in 2012, whether or not such fees were deferred.

Stock Awards, Option Awards, and Non-Equity Incentive Plan Compensation (Columns (c),(d) and (e))

In 2012, we did not issue any stock or option awards to directors and we do not have any non-equity incentive plan compensation for directors. Accordingly, we have omitted columns (c), (d) and (e) from the table.

Change in Pension Value and Nonqualified Deferred Compensation Earnings (Column (f))

This column reflects the change in pension value for a legacy plan described below under “Fee Continuation Plan for Non-Employee Directors.” The Company does not pay above-market or preferential earnings on fees that are deferred. The 2005 Deferred Fee Plan for Directors and a predecessor plan have the same investment options as the Company’s 401(k) tax-qualified savings plan for salaried employees. We therefore do not report earnings on deferred fees in column (f).

All Other Compensation (Column (g))

The amounts shown in this column for Mr. Collins and Ms. Fuller are amounts matched by the Alcoa Foundation in 2012 under an educational gift matching program. The program, which matched up to $2,500 in charitable contributions a year to approved educational organizations, was available to all U.S. employees and retirees on the same basis and was discontinued at the end of 2012. The amount shown in this column for Ms. Gueron represents imputed income related to a 2012 trip to U.S. Alcoa facilities by directors to review the Company’s Engineered Products and Solutions operations. Spouses were invited to attend this trip and imputed income was charged to those directors whose spouses joined the briefing. This imputed income was primarily for air travel to and from New York and meals. Directors do not receive tax gross ups for imputed income.

Fee Continuation Plan for Non-Employee Directors

The Company does not provide retirement benefits to non-employee directors under any current program. Ms. Gueron is the only current director entitled to receive retirement benefits under a legacy plan. She will receive annual payments in cash for life upon retirement from the Board under the terms of the Fee Continuation Plan for Non-Employee Directors, which was frozen in 1995. The plan was amended in 2006 to provide that all payments would be made in cash rather than stock and cash, at the equivalent value of the payments plan participants would have received in stock and cash. The amounts reflected in column (f) of the 2012 Director Compensation table assume retirement with a present value of the accumulated stock-based portion of the award based on the 2012 year-end closing price of $8.68 per share as compared with a 2011 year-end closing price of $8.65 per share, and with the present value of annual stock grant payments assuming an annual stock increase of 4.00% per year consistent with Financial Accounting Standards Board’s Accounting Standards Codification Topic 715, Compensation—Retirement Benefits accounting valuation assumptions.

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CORPORATE GOVERNANCE

Alcoa is a values-based company. Our values guide our behavior at every level and apply across the Company on a global basis. We expect all directors, officers and employees to conduct business in compliance with our Business Conduct Policies and we survey compliance with these policies on an annual basis. The Board has adopted a number of policies to support our values and good corporate governance, including Corporate Governance Guidelines, Board committee charters, Director Independence Standards, a Code of Ethics for the CEO, CFO and other financial professionals and a Related Person Transaction Approval Policy.

Our values have been recognized in numerous awards, including being selected for the Dow Jones Sustainability Index for both North America and the World. In addition, Alcoa has been named the Most Admired Company in the metals category of the 2013 Fortune Most Admired Companies rankings.

Where to Find Corporate Governance Information

Additional corporate governance information as well as all of the documents listed above are available on our website at *http:// www.alcoa.com* under "About—Corporate Governance." Copies of these documents are also available in print form at no charge by sending a request to Alcoa Inc., Corporate Communications, 201 Isabella Street, Pittsburgh, PA 15212-5858.

In addition to the other policies described in this section, we highlight below certain of our corporate governance policies and practices:

- Service on the audit committees of public companies is limited to three audit committees, including the Company's.
- Directors who serve as chief executive officers of public companies should not serve on more than two outside boards and other directors should not serve on more than four outside public company boards in addition to Alcoa's Board. Exceptions to the general rule regarding directors who are not CEOs may be made by the Governance and Nominating Committee.
- Directors' attendance at annual meetings is expected.
- A nominee for election or re-election to the Board of Directors will not be considered for election or re-election if the nominee will reach the mandatory retirement age during the term, unless the nominee is in a significant leadership role with another complex, global organization at the time of nomination or unless a majority of the Board approves an exception.
-

The criteria for selection of directors are included in the Corporate Governance Guidelines and posted on the Company's website.

- Our Insider Trading Policy, which is applicable to directors, officers and employees and certain family members, other members of a person's household and entities controlled by a person covered by the policy, contains restrictions that, among other things:

  – prohibits the use of 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; and

  – prohibits directors and executive officers from holding Alcoa securities in margin accounts, pledging Alcoa securities as collateral, or maintaining an automatic rebalance feature in savings accounts.

- The Public Issues Committee oversees the Company's policies and practices relating to the Company's political activities. Additional information is available on our website at the address noted above.

Director Independence and Related Person Transactions

Director Independence

In its Corporate Governance Guidelines, the Board has adopted the policy that independence depends not only on directors' individual relationships, but also on the Board's overall attitude. Providing objective, independent judgment is at the core of the Board's oversight function. Under the Company's Director Independence Standards, which conform to the corporate governance listing standards of the New York Stock Exchange, a director is not considered "independent" unless the Board affirmatively determines that the director has no material relationship with the Company or any subsidiary in the consolidated group. The Director Independence Standards comprise a list of all categories of material relationships affecting the determination of a director's independence. Any relationship that falls below a threshold set forth in the Director Independence Standards, or is not otherwise listed in the Director Independence Standards, and is not required to be disclosed under Item 404(a) of Securities and Exchange Commission Regulation S-K, is deemed to be an immaterial relationship.

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The Board has affirmatively determined that all the directors are independent except Mr. Kleinfeld, who is employed by the Company (and therefore does not meet the independence standards set forth in the Director Independence Standards). In the course of its determination regarding independence, the Board did not find any material relationships between the Company and any of the directors, other than Mr. Kleinfeld's employment.

Transactions with Related Persons

Review, Approval and Ratification of Transactions with Related Persons. The Company's policies and procedures for reviewing, approving and ratifying transactions with related persons are set forth in a written policy, which is available on our website at *http://www.alcoa.com* under "About—Corporate Governance—Policies—Related Person Transaction Approval Policy." The policy applies to any transaction in which the Company or a Company subsidiary is a participant, the amount involved exceeds $120,000 and a related person has a direct or indirect material interest. A related person means any director or executive officer of the Company, any nominee for director, any shareholder known to the Company to be the beneficial owner of more than 5% of any class of the Company's voting securities, and any immediate family member of any such person.

Under these procedures, management reviews determine which transactions or relationships should be referred to the Governance and Nominating Committee for consideration. The Governance and Nominating Committee then reviews the material facts regarding a transaction and determines whether to approve, ratify, revise or reject a related person transaction, or to refer it to the full Board or another committee of the Board for consideration. Under the policy, certain transactions are deemed to be pre-approved: (i) employment of executive officers (except employment of an executive officer that is an immediate family member of another executive officer); (ii) director compensation; (iii) commercial transactions in the ordinary course of business under ordinary business terms with another company in which a director or a director's immediate family member is an employee, a director, or a beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of $1 million or 2 percent of the other company's total annual revenues, (iv) charitable contributions in which a related person's only relationship is as an employee (other than an executive officer), or a director or trustee, if the aggregate amount involved does not exceed the greater of $250,000 or 2 percent of the charitable organization's total annual receipts; (v) transactions, such as the receipt of dividends, in which all shareholders receive proportional benefits; and (vi) transactions involving competitive bids.

2012 Transactions with Related Persons. Based on information provided by the directors, the executive officers, and the legal department, the Governance and Nominating Committee determined that there are no material related person transactions to be reported in this proxy statement. We indemnify our directors and officers to the fullest extent permitted by law against personal liability in connection with their service to the Company. This indemnity is required under the Company's Articles of Incorporation and the By-Laws, and we have entered into agreements with these individuals contractually obligating us to provide this indemnification to them.

Majority Voting for Directors

Alcoa's Articles of Incorporation and By-Laws provide a majority voting standard for election of directors in uncontested elections. If an incumbent director nominee receives a greater number of votes cast against his or her election than in favor of his or her election (excluding abstentions) in an uncontested election, the nominee must immediately tender his or her resignation, and the Board will decide, through a process managed by the Governance and Nominating Committee and excluding the nominee, whether to accept the resignation at its next regularly scheduled Board meeting. The Board's explanation of its decision will be promptly disclosed in accordance with SEC rules and regulations. An election of directors is considered to be contested if there are more nominees for election than positions on the Board to be filled by election at the meeting of shareholders. Any director nominee not already serving on the Board who fails to receive a majority of votes cast in an uncontested election will not be elected to the Board.

Board Leadership Structure

The Company's current Board leadership structure is composed of a combined Chairman of the Board and Chief Executive Officer, an independent director serving as the Lead Director and strong, active independent directors. Alcoa has had a strong, independent Lead Director for a number of years. The Board believes this structure provides a very well-functioning and effective balance between strong Company leadership and appropriate safeguards and oversight by independent directors. By serving in both positions, the Chief Executive Officer and Chairman is able to draw on his detailed knowledge of the Company to provide the Board, in coordination with the Lead Director, leadership in focusing its discussions and review of the Company's strategy. In addition, a combined role of Chief Executive Officer and Chairman ensures that the Company presents its message and strategy to its stakeholders with a unified voice. It also allows for efficient decision making and focused accountability. The Board believes that it is in the best interest of the Company and its shareholders for Mr. Kleinfeld to serve as Chairman and Chief Executive Officer, considering the strong role of our independent Lead Director and other corporate governance practices providing independent oversight of management as set forth below.

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The Company's corporate governance practices and policies ensure substantial independent oversight of management. For instance:

•

Ten out of our 11 directors are independent as defined by the listing standards of the New York Stock Exchange and the Company's Director Independence Standards.

•

The Board's key standing committees are composed solely of independent directors. The Audit Committee, the Compensation and Benefits Committee, the Governance and Nominating Committee and the Public Issues Committee are each composed solely of independent directors. All members of the International Committee and the Executive Committee are independent directors other than Mr. Kleinfeld. The committees provide independent oversight of management.

•

Our independent directors meet at every regular meeting in executive session without management or the Chairman and Chief Executive Officer present. These meetings are led by the Lead Director, Judith M. Gueron.

The Lead Director's role is defined as follows:

1.

Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

2.

Respond directly to shareholder and other stakeholder questions and comments that are directed to the Lead Director or to the independent directors as a group, with such consultation with the Chairman or other directors as the Lead Director may deem appropriate;

3.

Approve meeting agendas and schedules for the Board;

4.

Ensure personal availability for consultation and communication with independent directors and with the Chairman, as appropriate;

5.

Call executive sessions of the Board; and

6.

Call special meetings of the independent directors in accordance with the By-Laws of the Company, as the Lead Director may deem to be appropriate.

The Chief Legal and Compliance Officer and the Corporate Secretary's Office provide support to the Lead Director in fulfilling the Lead Director's role.

The Board's Role in Risk Oversight

It is management's responsibility to manage risk and bring to the Board of Directors' attention the most material risks to the Company. The Board of Directors has oversight responsibility of the processes established to report and monitor systems for material risks applicable to the Company and annually reviews the Company's enterprise risk management. The Audit Committee regularly reviews materials risk management, which includes hedging policies and practices and the relationship between the commodity pricing of aluminum on the London Metal Exchange, and major cost inputs, including energy. The Audit Committee also regularly reviews treasury risks (including those relating to insurance, credit, debt, interest rates and foreign currency exchange rates), financial and accounting risks, legal and compliance risks, information technology and cyber security risks, tax and environmental risks, and risks related to internal controls. In addition, the Public Issues Committee considers risks to the Company's reputation and reviews risks related to the sustainability of its operations. The Governance and Nominating Committee considers risks related to succession planning for the Board of Directors and oversees the appropriate allocation of responsibility for risk oversight among the committees of the Board. The Compensation and Benefits Committee considers risks related to the attraction and retention of talent, risks relating to the design of compensation programs and incentive arrangements, and risks related to the investment management of the Company's principal retirement and savings plans. The Compensation and Benefits Committee also reviews compensation and benefits plans affecting employees in addition to those applicable to executive officers. We have determined that it is not reasonably likely that risks arising from compensation and benefit plans would have a material adverse effect on the Company. See "Compensation Discussion and Analysis—Other Compensation Policies and Practices—What We Do—We Have a Conservative Compensation Risk Profile" on page 45. The full Board has oversight of enterprise risk management and considers strategic risks and opportunities on a regular basis. In addition, the Board regularly receives detailed reports from the committees regarding risk oversight in their areas of responsibility. The Company believes that the Board leadership structure supports its role in risk oversight. Strong independent directors chair the various committees involved with risk oversight, there is open communication between management and directors and all directors are actively involved in the risk oversight function.

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Board Diversity

Our policy on Board diversity relates to the selection of nominees for the Board. Our policy provides that while diversity and variety of experiences and viewpoints represented on the Board should always be considered, a director nominee should not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity. In selecting a director nominee, the Governance and Nominating Committee focuses on skills, expertise and background that would complement the existing Board, recognizing that the Company's businesses and operations are diverse and global in nature. Reflecting the global nature of our business, our directors are citizens of the United States, Germany, India, Mexico and the United Kingdom. We have three female directors, one African-American director, one Indian director and one Hispanic director out of a total of 11 directors, as of the date of this proxy statement. Our directors come from diverse backgrounds, including in the business, non-profit and governmental arenas.

Meetings and Attendance

The Board met six times in 2012. Attendance by directors at Board and committee meetings averaged 96%. Each director attended 75% or more of the aggregate of all meetings of the Board and the committees on which he or she served during 2012.

Under Alcoa's Corporate Governance Guidelines, all directors are expected to attend the annual meeting of shareholders. All of the current members of the Board, except Mr. Tata, attended the Company's 2012 annual meeting.

Committees of the Board

There are six standing committees of the Board, as discussed below. The Board has adopted written charters for the Audit, Compensation and Benefits, Governance and Nominating and Public Issues Committees, which are available on our website at *http://www.alcoa.com* under "About—Corporate Governance—Committees."

The following table sets forth the Board committees and the current members of each of the committees.

	Audit	**Compensation and Benefits**	**Executive**	**Governance and Nominating**	**International**	**Public Issues**
Arthur D. Collins, Jr.*	X	X				
Kathryn S. Fuller*		X				X
Judith M. Gueron*			X	Chair		X
Klaus Kleinfeld			Chair		Chair	
Michael G. Morris*	X	X	X	X		
E. Stanley O'Neal*	X		X	X		

James W. Owens*	Chair					
Patricia F. Russo*		Chair	X	X		
Sir Martin Sorrell*					X	X
Ratan N. Tata*					X	X
Ernesto Zedillo*	X					Chair

*

Independent Director

Audit Committee. The Audit Committee reviews Alcoa's auditing, financial reporting and internal control functions and retains, oversees and evaluates the independent auditors. It also reviews the Company's internal and external audit reports, compliance reports and risk management issues. The Audit Committee has oversight of key risk management issues as well as financial matters. The Audit Committee Charter authorizes the committee to retain the independent auditors and to engage outside advisors, as it deems appropriate, including financial and legal experts. At its regularly scheduled meetings, the Audit Committee meets individually with the independent auditors, the Chief Financial Officer, the Vice President of internal audit and the Chief Legal and Compliance Officer, without any other members of management present. The committee met nine times in 2012. The chairman of this committee also met with management and the independent auditors before earnings announcements in January, April, July and October.

Each member of the Audit Committee is financially literate, and the Board of Directors has determined that each member qualifies as an "audit committee financial expert" under applicable Securities and Exchange Commission rules. All members of the Audit Committee have been determined by the Board of Directors to be independent in accordance with SEC regulations, NYSE listing standards and the Board's Director Independence Standards. No committee member currently sits on more than one other public company's audit committee.

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Compensation and Benefits Committee. The Compensation and Benefits Committee discharges the Board's responsibilities relating to the compensation of the Company's officers, oversees the administration of the Company's compensation and benefits plans (particularly the incentive compensation and equity-based plans) and approves the Compensation Discussion and Analysis for inclusion in the proxy statement. The By-Laws of the Company provide that the Compensation and Benefits Committee of the Board of Directors has the sole authority to determine the compensation of all officers of the Company who are elected by the Board, including incentive compensation. In addition, the 2009 Alcoa Stock Incentive Plan (and its predecessor) approved by shareholders provides that the Compensation and Benefits Committee has full power and authority to establish equity-based awards for executive officers. Executive officers do not determine the amount or form of executive or director compensation, but the Chief Executive Officer recommends to the Compensation and Benefits Committee compensation changes and incentive compensation for other executive officers. The Compensation and Benefits Committee may form and delegate its authority to subcommittees when appropriate (including subcommittees of management).

The Compensation and Benefits Committee has the sole authority to retain and terminate a compensation consultant, as well as to approve the consultant's fees and other terms of engagement. It also has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. Information regarding the Compensation and Benefits Committee's engagement of a compensation consulting firm can be found under "—Compensation Consultants" on page 27.

The Compensation and Benefits Committee met six times in 2012. All members of the Compensation and Benefits Committee have been determined by the Board of Directors to be independent in accordance with SEC regulations, the NYSE listing standards and the Board's Director Independence Standards.

Executive Committee. The Executive Committee has authority to act on behalf of the Board. In 2012, this committee met two times when specific action was required between Board meetings.

Governance and Nominating Committee. The Governance and Nominating Committee is responsible for identifying individuals qualified to become Board members and recommending them to the full Board for consideration. This responsibility includes evaluating all potential candidates, whether initially recommended by management, other Board members or shareholders. In addition, the committee makes recommendations to the Board regarding Board committee assignments, develops and annually reviews corporate governance guidelines for the Company, approves related person transactions, coordinates an annual performance review of the Board, Board committees and individual director nominees and otherwise oversees corporate governance matters. The committee also periodically reviews and makes recommendations to the Board regarding director compensation. The committee met five times in 2012. All members of the Governance and Nominating Committee have been determined by the Board of Directors to be independent in accordance with SEC regulations, the NYSE listing standards and the Board's Director Independence Standards.

International Committee. The International Committee provides a forum for additional discussion and input on international markets, business conditions and political developments. The committee meets on an as-needed basis depending on business requirements. The committee did not meet in 2012.

Public Issues Committee. The Public Issues Committee provides guidance on matters relating to the Company's corporate social responsibility, including good corporate citizenship, environmental sustainability, health and safety and social issues, oversees and monitors the Company's policies and practices to ensure alignment with the Company's vision and values, and advises on significant public issues that are pertinent to the Company and its stakeholders. The Public Issues Committee considers, and brings to the attention of the Board as appropriate, current and emerging political, social and environmental trends and major global legislative and regulatory developments or other public policy issues that may affect the business operations, performance or public image of the Company or are otherwise pertinent to the Company and its stakeholders. In addition, the committee oversees the Company's policies and practices relating to the Company's political activities, diversity and charitable contributions, and monitors the Company's reputation and environmental sustainability progress. The committee met five times in 2012.

Board, Committee and Director Evaluations

The Board of Directors annually assesses the effectiveness of the full Board, the operations of its committees and the contributions of individual directors. The Governance and Nominating Committee oversees the evaluation of the Board as a whole and its committees, as well as individual evaluations of those directors who are being considered for possible re-nomination to the Board.

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Shareholder Communications with Directors

The Board of Directors welcomes input and suggestions. Those wishing to contact the Lead Director or the non-management directors as a group may do so by sending a written communication to the attention of the Lead Director c/o Alcoa Inc., Corporate Secretary's Office, 390 Park Avenue, New York, NY 10022-4608. To communicate issues or complaints regarding questionable accounting, internal accounting controls or auditing matters, send a written communication to the Audit Committee c/o Alcoa Inc., Corporate Secretary's Office, 390 Park Avenue, New York, NY 10022-4608. Alternatively, you may place an anonymous, confidential, toll free call in the United States to Alcoa's Compliance Line at 1 800 346-7319. For a listing of Compliance Line telephone numbers outside the United States, go to *http://www.alcoa.com* "About Alcoa—Corporate Governance—Ethics and Compliance".

Communications received are distributed to the Board or to any individual director or directors as appropriate, depending upon the facts and circumstances outlined in the communication. The Board of Directors has asked the Corporate Secretary's Office to submit to the Board all communications received, excluding only those items that are not related to Board duties and responsibilities, such as:

- Junk mail and mass mailings;
- Product complaints and product inquiries;
- New product or technology suggestions;
- Job inquiries and resumes;
- Advertisements or solicitations; and
- Surveys.

Business Conduct Policies and Code of Ethics

The Company's Business Conduct Policies, which have been in place for many years, apply equally to the directors and to all officers and employees of the Company, as well as those of our controlled subsidiaries, affiliates and joint ventures. The directors and employees in positions to make discretionary decisions are surveyed annually regarding their compliance with the policies.

In November 2003, the Board adopted a code of ethics applicable to the CEO, CFO and other financial professionals, including the principal accounting officer, and those subject to it are surveyed annually for compliance with it. Only the Audit Committee can amend or grant waivers from the provisions of the Company's code of ethics, and any such amendments or waivers will be posted promptly at *http://www.alcoa.com*. To date, no such amendments have been made or waivers granted.

Recovery of Incentive Compensation

The Board of Directors adopted the following policy in 2006:

If the Board learns of any misconduct by an executive officer that contributed to the Company having to restate all or a portion of its financial statements, it shall take such action as it deems necessary to remedy the misconduct, prevent its recurrence and, if appropriate, based on all relevant facts and circumstances, take remedial action against the wrongdoer in a manner it deems appropriate. In determining what remedies to pursue, the Board shall take into account all relevant factors, including whether the restatement was the result of negligent, intentional or gross misconduct. The Board will, to the full extent permitted by governing law, in all appropriate cases, require reimbursement of any bonus or incentive compensation awarded to an executive officer or effect the cancellation of unvested restricted or deferred stock awards previously granted to the executive officer if: a) the amount of the bonus or incentive compensation was calculated based upon the achievement of certain financial results that were subsequently the subject of a restatement, b) the executive engaged in intentional misconduct that caused or partially caused the need for the restatement, and c) the amount of the bonus or incentive compensation that would have been awarded to the executive had the financial results been properly reported would have been lower than the amount actually awarded. In addition, the Board may dismiss the executive officer, authorize legal action for breach of fiduciary duty or take such other action to enforce the executive's obligations to Alcoa Inc. as the Board determines fit the facts surrounding the particular case. The Board may, in determining appropriate remedial action, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the wrongdoer is in addition to, and not in replacement of, remedies imposed by such entities.

The Incentive Compensation Plan was amended in 2006 to incorporate this policy. This plan governs annual incentive compensation awards to a large number of executives and managers. In 2009, the shareholders approved the 2009 Alcoa Stock Incentive Plan, which also incorporates this policy. In 2011, the shareholders approved a Section 162(m) Compliant Annual Cash Incentive Compensation Plan, which incorporates this policy. If approved by shareholders, the 2013 Alcoa Stock Incentive Plan, as proposed in Item 4, also contains this policy.

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Compensation Committee Interlocks and Insider Participation

No member of the Compensation and Benefits Committee has served as one of our officers or employees at any time. None of our executive officers serves as a member of the compensation committee of any other company that has an executive officer serving as a member of our Board. None of our executive officers serves as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation and Benefits Committee.

Compensation Consultants

During 2012, the Compensation and Benefits Committee continued its retention of Pay Governance LLC as its independent compensation consultant. See "Compensation Discussion and Analysis—Other Compensation Policies and Practices—What We Do—We Retain An Independent Compensation Consultant" on page 45. The committee assessed Pay Governance's independence and found no conflict of interest. In its assessment, the Committee took into account the following factors:

- Pay Governance provides no other services to the Company;
- the amount of fees received from the Company by Pay Governance as a percentage of its total revenue;
- the policies and procedures that Pay Governance has in place to prevent conflicts of interest;
- any business or personal relationships between the consultant at Pay Governance performing consulting services and any Compensation and Benefits Committee members or any executive officer; and
- any ownership of Company stock by the consultant.

During 2012, the Company continued to retain Pearl Meyer & Partners to provide consultation services regarding non-employee director compensation. The Company did not find any conflict of interest with Pearl Meyer and considered the following factors in its determination:

- Pearl Meyer provides no other services to the Company;
-

the amount of fees received from the Company by Pearl Meyer as a percentage of its total revenue;

- the policies and procedures that Pearl Meyer has in place to prevent conflicts of interest;

- any business or personal relationships between the consultant at Pearl Meyer performing consulting services and any Board members or any executive officer; and

- any ownership of Company stock by the consultant.

Other Matters

Litigation Proceedings Involving Directors or Officers. As previously reported in the Company's other SEC filings, on July 21, 2008, the Teamsters Local #500 Severance Fund and the Southeastern Pennsylvania Transportation Authority (collectively, "Teamsters") filed a shareholder derivative suit in the civil division of the Court of Common Pleas of Allegheny County, Pennsylvania. On October 12, 2009, the Court overruled the defendants' preliminary objections based on failure to exhaust intra-corporate remedies and failure to plead sufficient facts, but nonetheless stayed this action until further order of the Court. On March 6, 2009, the Philadelphia Gas Works Retirement Fund ("Philadelphia Gas") filed a separate shareholder derivative suit in the civil division of the Court of Common Pleas of Philadelphia County, Pennsylvania. On September 18, 2009 pursuant to an unopposed motion of certain defendants, the Court of Common Pleas of Allegheny County transferred the Philadelphia Gas case to Allegheny County from Philadelphia County. Thereafter, on October 31, 2009, the Court assigned this action to the Commerce and Complex Litigation division of the Allegheny Court of Common Pleas and on November 20, 2009, the Court granted defendants' motion to stay all proceedings in the Philadelphia Gas action until the earlier of the Court lifting the stay in the Teamsters derivative action or further order of the Court in this action. On June 19, 2012, Catherine Rubery ("Rubery") filed a separate shareholder derivative suit in the United States District Court for the Western District of Pennsylvania. All three shareholder derivative actions were brought against certain officers or employees and directors of Alcoa claiming breach of fiduciary duty and other violations and are based on the allegations made in the previously disclosed civil litigation brought by Aluminium Bahrain B.S.C ("Alba") against Alcoa, Alcoa World Alumina LLC, Victor Dahdaleh, and others, and the subsequent investigations of Alcoa by the United States Department of Justice and the Securities and Exchange Commission with respect to Alba's claims. The Teamsters and Philadelphia Gas derivative actions claim that the defendants caused or failed to prevent the conduct alleged in the Alba lawsuit. The Rubery derivative action claims that the defendants caused or failed to prevent illegal bribes of foreign officials, failed to implement an internal controls system to prevent bribes from occurring and wasted corporate assets by paying improper bribes and incurring substantial legal liability. The Alba civil suit, the corresponding government investigations and the three derivative suits are more fully described in Alcoa's Annual Report on Form 10-K/A for the year ended December 31, 2012 in Part 1, Item 3 "Legal Proceedings."

Pursuant to the indemnification described under "Director Independence and Related Person Transactions" above, the Company is paying the expenses, including attorneys' fees, incurred by certain officers and directors of Alcoa in defending these actions. Each of these individuals has provided an undertaking to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified.

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ALCOA STOCK OWNERSHIP

Stock Ownership of Certain Beneficial Owners

The following shareholders reported to the Securities and Exchange Commission that they beneficially owned more than 5% of Alcoa common stock as of December 31, 2012.

Name and address of beneficial owner	Number of shares owned	Percent of outstanding Alcoa common stock owned
Blackrock, Inc.[1] 40 East 52nd Street New York, NY 10022	75,986,106	7.1%
Capital World Investors[2] 333 South Hope Street Los Angeles, CA 90071	65,835,813	6.1%
State Street Corporation[3] State Street Financial Center One Lincoln Street Boston, MA 02111	64,671,895	6.1%

1.

As reported in a Schedule 13G amendment dated February 4, 2013. Blackrock, Inc., a parent holding company, reported that it had sole power to vote and dispose of all the reported shares and shared power to vote and dispose of none of the reported shares.

2.

As reported in a Schedule 13G amendment dated February 7, 2013. Capital World Investors, a division of Capital Research and Management Company (CRMC), reported that it is deemed to be the beneficial owner of the reported shares as a result of CRMC acting as investment adviser to various investment companies and that the reported shares include 7,385,813 shares resulting from the assumed conversion of $47,500,000 principal amount of the Company's 5.25% convertible notes due 2014. It reported that it had sole power to vote 58,450,000 shares, sole power to dispose of all of the reported shares, and shared power to vote or dispose of none of the reported shares. It disclaimed beneficial ownership of all shares reported.

3.

As reported in a Schedule 13G amendment dated February 8, 2013. State Street Corporation, a parent holding company, reported that it had shared power to vote and dispose of all the reported shares and sole power to vote and dispose of none of the reported shares.

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Stock Ownership of Directors and Executive Officers

The following table shows the ownership of Alcoa common stock, as of February 15, 2013, by each director and nominee, each of the named executive officers, and all directors and executive officers as a group.

Mr. Kleinfeld is required to own shares of Alcoa common stock equal in value to six times his annual salary and each of the other named executive officers is required to own shares of Alcoa common stock equal to three times their annual salaries. These officers are required to maintain that investment until retirement from the Company.

Each director is required to invest 50% of his or her fees annually to purchase Alcoa common stock until the director owns shares worth $350,000 (increased to $400,000 effective for 2013), and each director is required to maintain that investment until retirement from the Board. To satisfy this requirement, directors may defer fees into the Alcoa share equivalent fund under the Company's 2005 Deferred Fee Plan for Directors, or purchase shares in the market.

Name of Beneficial Owner	**Number of Shares of Common Stock**[1]	**Number of Shares Subject to Exercisable Options**[2]	**Total Number of Shares Beneficially Owned**	**Deferred Stock Units**[3]	**Total Number of Shares Beneficially Owned Plus Deferred Stock Units**	**Percent of Outstanding Shares Beneficially Owned**
Klaus Kleinfeld	379,778	3,793,903	4,173,681	28,632	4,202,313	*
Arthur D. Collins, Jr.	-	-	-	56,429	56,429	*
Kathryn S. Fuller	-	-	-	44,584	44,584	*
Judith M. Gueron	15,565	-	15,565	37,984	53,549	*
Michael G. Morris	-	-	-	47,715	47,715	*
E. Stanley O'Neal	-	-	-	56,062	56,062	*
James W. Owens	15,025[4]	-	15,025	25,859	40,884	*
Patricia F. Russo	10,000[5]	-	10,000	22,205	32,205	*
Sir Martin Sorrell	8,063	-	8,063	-	8,063	*
Ratan N. Tata	33,799	-	33,799	-	33,799	*
Ernesto Zedillo	-	-	-	68,474	68,474	*
	175,937	266,693	442,630	9,276	451,906	*

Charles D. McLane, Jr.						
Olivier M. Jarrault	53,040	169,631	222,671	-	222,671	*
Chris L. Ayers	14,420[6]	73,217	87,637	5,016	92,653	*
Audrey Strauss	2,077	-	2,077	893	2,970	*
All Directors and Executive Officers as a Group (19 individuals)	801,000	4,564,248	5,365,248	408,423	5,773,671	*

*

Less than 1% of the total issued and outstanding shares of Alcoa common stock.

1.

This column lists beneficial ownership of voting securities as calculated under SEC rules. Unless otherwise noted, voting power and investment power in Alcoa common stock are exercisable solely by the named person. This column includes shares held of record, shares held by a bank, broker or nominee for the person's account, shares held through family trust arrangements, and for executive officers, share equivalent units held in the Alcoa Retirement Savings Plan (which confer voting power through the plan trustee) and investment power over shares of Alcoa common stock).

2.

Exercisable stock options include the number of shares of Alcoa common stock that the executive officer has a right to acquire as of or within 60 days after February 15, 2013 through the exercise of employee stock options. Non-employee directors are eligible for stock option grants under the 2009 Alcoa Stock Incentive Plan but no awards have been granted to directors under that plan.

3.

This column lists (i) for executive officers, deferred share equivalent units held under the Alcoa Deferred Compensation Plan, and (ii) for directors, deferred share equivalent units held under the 2005 Deferred Fee Plan for Directors and the Deferred Fee Plan for Directors (in effect before 2005). Deferred share equivalent units track the performance of Alcoa common stock but do not confer voting or investment power over shares of common stock and are payable in cash upon termination of employment or when Board service ends.

4.

Held by a trust of which Mr. Owens and his spouse are trustees and beneficiaries.

5.

Held by a trust of which Ms. Russo is the trustee and a beneficiary.

6.

Includes 10,340 shares held jointly with Mr. Ayers' spouse.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who beneficially own more than ten percent of a registered class of the Company's equity securities, to file initial reports of ownership and reports of changes in ownership of the Company's common stock and other equity securities with the SEC within specified periods. Due to the complexity of the reporting rules, the Company undertakes to file such reports on behalf of its directors and executive officers and has instituted procedures to assist them with these obligations. Based solely on a review of filings with the SEC and written representations from the Company's directors and executive officers, the Company believes that during 2012 all of its directors and executive officers filed the required reports on a timely basis under Section 16(a).

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ITEM 2 RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The charter of the Audit Committee of the Board of Directors provides in relevant part:

"The committee shall have sole authority and be directly responsible for the appointment, retention, compensation, oversight, evaluation and termination (subject in each case, if applicable, to shareholder ratification) of the work of the company's outside auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the company. The company's outside auditors shall report directly to the committee."

In accordance with its charter, each year the Audit Committee evaluates the qualifications, performance and independence of the Company's independent auditors, including a review and evaluation of the lead audit partner. The Audit Committee also assures the regular rotation of the lead audit partner and considers whether there should be regular rotation of the audit firm itself in order to assure the continuing independence of the outside auditors.

Based on its evaluation, the Audit Committee has appointed PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013. PricewaterhouseCoopers LLP served as the Company's independent auditors for 2012 and prior years.

Although the Company's By-Laws do not require that shareholders ratify the appointment of the independent auditors, the Board determined in 2004 that the annual selection of the independent auditors would be so submitted for ratification as a matter of good corporate governance. If the shareholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers LLP.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the annual meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions by shareholders.

The Board of Directors recommends a vote "FOR" ITEM 2, to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013. The proxy committee will vote your proxy for this item unless you give instructions to the contrary on the proxy.