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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2010</div><br><br><b>This Form is Open to Public Inspection</b> |
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|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input checked="" type="checkbox"/>                                                                                                                                                                                                       |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                       | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>ALCOA RETIREMENT PLAN II</u>                                                                                                                                                                            | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>01/01/1944</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>002</u>                                                  | <b>1c</b> Effective date of plan<br><u>01/01/1944</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                             | <u>002</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>01/01/1944</u>                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><br><u>ALCOA INC.</u><br><br><br><u>201 ISABELLA STREET</u><br><u>PITTSBURGH, PA 15212-5858</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>25-0317820</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>412-553-4545</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>331310</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>25-0317820</u> | <b>2c</b> Sponsor's telephone number<br><u>412-553-4545</u> | <b>2d</b> Business code (see instructions)<br><u>331310</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>25-0317820</u>                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>412-553-4545</u>                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>331310</u>                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/16/2011 | JOHN KENNA                                                   |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)  
v.092307.1

|                                                                                                                                                               |                                                                                                               |
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| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>ALCOA INC.<br><br>201 ISABELLA STREET<br>PITTSBURGH, PA 15212-5858 | <b>3b</b> Administrator's EIN<br>25-0317820<br><br><b>3c</b> Administrator's telephone number<br>412-553-4545 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                       |                                   |       |
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| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |       |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                               | <b>5</b>                          | 58411 |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                |                                   |       |
| <b>a</b> Active participants.....                                                                                                                                                                                     | <b>6a</b>                         | 10492 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                    | <b>6b</b>                         | 27028 |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                     | <b>6c</b>                         | 11848 |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                              | <b>6d</b>                         | 49368 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                             | <b>6e</b>                         | 8807  |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                               | <b>6f</b>                         | 58175 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                        | <b>6g</b>                         |       |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                            | <b>6h</b>                         | 387   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                  | <b>7</b>                          |       |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
1G 1B 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)  
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)  
(2) ☐ **I** (Financial Information – Small Plan)  
(3) ☐ **A** (Insurance Information)  
(4) ☒ **C** (Service Provider Information)  
(5) ☒ **D** (DFE/Participating Plan Information)  
(6) ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>ALCOA RETIREMENT PLAN II</u>                                                                                  | <b>B</b> Three-digit plan number (PN) ▶ <u>002</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>ALCOA INC.</u>                                             | <b>D</b> Employer Identification Number (EIN)<br><u>25-0317820</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                       |                                   |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------|
| <b>Part I</b>                                                                                                                                                                                         | <b>Basic Information</b>          |                           |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>                                                                                                                     |                                   |                           |
| <b>2</b> Assets:                                                                                                                                                                                      |                                   |                           |
| <b>a</b> Market value .....                                                                                                                                                                           | <b>2a</b> <u>3238667525</u>       |                           |
| <b>b</b> Actuarial value .....                                                                                                                                                                        | <b>2b</b> <u>3453679471</u>       |                           |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                   |                                   |                           |
|                                                                                                                                                                                                       | <b>(1) Number of participants</b> | <b>(2) Funding Target</b> |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                           | <b>3a</b> <u>34917</u>            | <u>3029444040</u>         |
| <b>b</b> For terminated vested participants .....                                                                                                                                                     | <b>3b</b> <u>13304</u>            | <u>336561397</u>          |
| <b>c</b> For active participants:                                                                                                                                                                     |                                   |                           |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                  | <b>3c(1)</b>                      | <u>50186767</u>           |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                      | <b>3c(2)</b>                      | <u>612742293</u>          |
| <b>(3)</b> Total active .....                                                                                                                                                                         | <b>3c(3)</b> <u>10981</u>         | <u>662929060</u>          |
| <b>d</b> Total .....                                                                                                                                                                                  | <b>3d</b> <u>59202</u>            | <u>4028934497</u>         |
| <b>4</b> If the plan is at-risk, check the box and complete items (a) and (b) .....                                                                                                                   | <input type="checkbox"/>          |                           |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                             | <b>4a</b>                         |                           |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                         |                           |
| <b>5</b> Effective interest rate .....                                                                                                                                                                | <b>5</b>                          | <u>6.62 %</u>             |
| <b>6</b> Target normal cost .....                                                                                                                                                                     | <b>6</b>                          | <u>35827707</u>           |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                         |                                        |
|-------------------------------------------------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                        | <u>09/28/2011</u>                      |
| Signature of actuary                                                    | Date                                   |
| <u>A. CHRISTINE CHIOCCA</u>                                             | <u>11-07509</u>                        |
| Type or print name of actuary                                           | Most recent enrollment number          |
| <u>BUCK CONSULTANTS, LLC</u>                                            | <u>412-281-2506</u>                    |
| Firm name                                                               | Telephone number (including area code) |
| <u>500 GRANT STREET, SUITE 2900</u><br><u>PITTSBURGH, PA 15219-2513</u> |                                        |
| Address of the firm                                                     |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2010**  
**v.092308.1**

| <b>Part II</b>                                                                                           | <b>Beginning of year carryover and prefunding balances</b> |                               |           |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------|-----------|
|                                                                                                          | <b>(a) Carryover balance</b>                               | <b>(b) Prefunding balance</b> |           |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 272221291                                                  |                               | 0         |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 135830455                                                  |                               | 0         |
| <b>9</b> Amount remaining (Item 7 minus item 8).....                                                     | 136390836                                                  |                               | 0         |
| <b>10</b> Interest on item 9 using prior year's actual return of <u>14.16</u> % .....                    | 19312942                                                   |                               |           |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                                                            |                               |           |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                                                            |                               | 245364102 |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>8.23</u> % .....                        |                                                            |                               | 28248212  |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                                                            |                               | 273612314 |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                           |                                                            |                               |           |
| <b>12</b> Reduction in balances due to elections or deemed elections.....                                |                                                            |                               |           |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....              | 155703778                                                  |                               | 0         |

| <b>Part III</b>                                                                                                                                                           | <b>Funding percentages</b> |       |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------|---|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b>                  | 81.85 | % |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b>                  | 81.85 | % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b>                  | 92.11 | % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b>                  |       | % |

| <b>Part IV</b>                                                                           | <b>Contributions and liquidity shortfalls</b> |                                 |                          |                                   |                                 |              |
|------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|--------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                               |                                 |                          |                                   |                                 |              |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s)             | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |              |
| 01/24/2011                                                                               | 232264372                                     |                                 |                          |                                   |                                 |              |
|                                                                                          |                                               |                                 |                          |                                   |                                 |              |
|                                                                                          |                                               |                                 |                          |                                   |                                 |              |
|                                                                                          |                                               |                                 |                          |                                   |                                 |              |
|                                                                                          |                                               |                                 |                          |                                   |                                 |              |
|                                                                                          |                                               |                                 |                          |                                   |                                 |              |
|                                                                                          |                                               |                                 | <b>Totals ▶</b>          | <b>18(b)</b>                      | 232264372                       | <b>18(c)</b> |

|                                                                                                                                      |                                                                     |           |
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| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                                     |           |
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years.....                                   | <b>19a</b>                                                          | 0         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                   | <b>19b</b>                                                          | 0         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....               | <b>19c</b>                                                          | 216965010 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |           |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |           |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |           |
| <b>c</b> If 20a is "Yes," see instructions and complete the following table as applicable:                                           |                                                                     |           |
| Liquidity shortfall as of end of Quarter of this plan year                                                                           |                                                                     |           |
| (1) 1st                                                                                                                              | (2) 2nd                                                             | (3) 3rd   |
| 0                                                                                                                                    | 0                                                                   | 0         |
|                                                                                                                                      |                                                                     | (4) 4th   |
|                                                                                                                                      |                                                                     | 0         |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.03 % | 2nd segment:<br>6.73 % | 3rd segment:<br>6.82 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                   | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                            | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions).....                                                                                                        | <b>31</b>           | 35827707           |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 730958804           | 148931476          |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                     |                    |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....                                                   | <b>34</b>           | 184759183          |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          | 155703778           | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35).....                                                                                                                   | <b>36</b>           | 29055405           |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....                                                   | <b>37</b>           | 216965010          |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions).....                                                                                            | <b>38</b>           | 187909605          |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....                                                                       | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2010</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |
| For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010                                                                                                                                |                                                                                                                                                                                                                        |                                                |
| <b>A</b> Name of plan<br>ALCOA RETIREMENT PLAN II                                                                                                                                                                         | <b>B</b> Three-digit plan number (PN) ▶                                                                                                                                                                                | 002                                            |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>ALCOA INC.                                                                                                                                               | <b>D</b> Employer Identification Number (EIN)<br>25-0317820                                                                                                                                                            |                                                |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------|
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |
| <b>(a)</b> Enter name and EIN or address of service provider (see instructions) | <b>(b)</b> Nature of Service Code(s) | <b>(c)</b> Describe the information that the service provider failed or refused to provide |
|                                                                                 |                                      |                                                                                            |

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                                                                               |                     |              |
|--------------------|-------------------------------------------------------------------------------|---------------------|--------------|
| <b>a</b> Name:     | DAVID R. JARRETT                                                              | <b>b</b> EIN:       | 13-3954297   |
| <b>c</b> Position: | ACTUARY                                                                       |                     |              |
| <b>d</b> Address:  | BUCK CONSULTANTS<br>500 GRANT STREET, SUITE 2900<br>PITTSBURGH, PA 15219-2513 | <b>e</b> Telephone: | 412-394-6054 |
|                    |                                                                               |                     |              |

Explanation: ACTUARY ASSIGNMENTS WITHIN BUCK CONSULTANTS WERE REASSIGNED.

|                    |  |                     |  |
|--------------------|--|---------------------|--|
| <b>a</b> Name:     |  | <b>b</b> EIN:       |  |
| <b>c</b> Position: |  |                     |  |
| <b>d</b> Address:  |  | <b>e</b> Telephone: |  |
|                    |  |                     |  |

Explanation:

|                    |  |                     |  |
|--------------------|--|---------------------|--|
| <b>a</b> Name:     |  | <b>b</b> EIN:       |  |
| <b>c</b> Position: |  |                     |  |
| <b>d</b> Address:  |  | <b>e</b> Telephone: |  |
|                    |  |                     |  |

Explanation:

|                    |  |                     |  |
|--------------------|--|---------------------|--|
| <b>a</b> Name:     |  | <b>b</b> EIN:       |  |
| <b>c</b> Position: |  |                     |  |
| <b>d</b> Address:  |  | <b>e</b> Telephone: |  |
|                    |  |                     |  |

Explanation:

|                    |  |                     |  |
|--------------------|--|---------------------|--|
| <b>a</b> Name:     |  | <b>b</b> EIN:       |  |
| <b>c</b> Position: |  |                     |  |
| <b>d</b> Address:  |  | <b>e</b> Telephone: |  |
|                    |  |                     |  |

Explanation:



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2010</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                        |            |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------|
| For calendar plan year 2010 or fiscal plan year beginning <b>01/01/2010</b> and ending <b>12/31/2010</b> |                                                                        |            |
| <b>A</b> Name of plan<br><b>ALCOA RETIREMENT PLAN II</b>                                                 | <b>B</b> Three-digit plan number (PN)                                  | <b>002</b> |
|                                                                                                          |                                                                        |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>ALCOA INC.</b>                       | <b>D</b> Employer Identification Number (EIN)<br><br><b>25-0317820</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 267000000             | 232264372       |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 2973468316            | 3293617319      |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 3240468316            | 3525881691      |

**Liabilities**

|                                                                           |           |        |        |
|---------------------------------------------------------------------------|-----------|--------|--------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |        |        |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 358359 | 529639 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |        |        |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |        |        |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 358359 | 529639 |

**Net Assets**

|                                                           |           |            |            |
|-----------------------------------------------------------|-----------|------------|------------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 3240109957 | 3525352052 |
|-----------------------------------------------------------|-----------|------------|------------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 232264372  |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 232264372 |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 0         |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| (C) Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                         | <b>2b(4)(C)</b> |            | 0         |

|                                                                                                   |          | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|----------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | 2b(5)(A) |            |           |
| (B) Other .....                                                                                   | 2b(5)(B) |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines 2b(5)(A) and (B).....                   | 2b(5)(C) |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | 2b(6)    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | 2b(7)    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | 2b(8)    |            | 388146283 |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | 2b(9)    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | 2b(10)   |            |           |
| <b>c</b> Other income.....                                                                        | 2c       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | 2d       |            | 620410655 |

**Expenses**

|                                                                                            |       |           |           |
|--------------------------------------------------------------------------------------------|-------|-----------|-----------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |       |           |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | 2e(1) | 323188528 |           |
| (2) To insurance carriers for the provision of benefits .....                              | 2e(2) |           |           |
| (3) Other .....                                                                            | 2e(3) |           |           |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                               | 2e(4) |           | 323188528 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | 2f    |           |           |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | 2g    |           |           |
| <b>h</b> Interest expense.....                                                             | 2h    |           |           |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | 2i(1) | 11980032  |           |
| (2) Contract administrator fees .....                                                      | 2i(2) |           |           |
| (3) Investment advisory and management fees .....                                          | 2i(3) |           |           |
| (4) Other .....                                                                            | 2i(4) |           |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                        | 2i(5) |           | 11980032  |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |           | 335168560 |

**Net Income and Reconciliation**

|                                                                |       |  |           |
|----------------------------------------------------------------|-------|--|-----------|
| <b>k</b> Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 285242095 |
| <b>l</b> Transfers of assets:                                  |       |  |           |
| (1) To this plan.....                                          | 2l(1) |  |           |
| (2) From this plan .....                                       | 2l(2) |  |           |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS

(2) EIN: 13-4008324

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |          |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |          |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 25000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   |     | X  |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |          |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

| 5b(2) EIN(s) | 5b(3) PN(s) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

|                                                                                    |                                                                    |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>ALCOA RETIREMENT PLAN II</u>                           | <b>B</b> Three-digit plan number (PN) ▶<br><u>002</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>ALCOA INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>25-0317820</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                |          |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                          | <b>1</b> | <u>0</u>   |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br>EIN(s): <u>25-1919275</u> |          |            |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                               |          |            |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                | <b>3</b> | <u>653</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                         |                                                                                                                         |                                        |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                     | <input type="checkbox"/> Yes                                                                                            | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                    |                                                                                                                         |                                        |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____                        | If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                                        |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                             | <b>6a</b>                                                                                                               |                                        |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                              | <b>6b</b>                                                                                                               |                                        |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                         | <b>6c</b>                                                                                                               |                                        |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                           |                                                                                                                         |                                        |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                      | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... | <input checked="" type="checkbox"/> Yes                                                                                 | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                                          |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input checked="" type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 28% Investment-Grade Debt: 49% High-Yield Debt: 0% Real Estate: 5% Other: 18%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☒ Other (specify): OPTION ADJUSTED DURATION

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**

**Financial Statements and Supplemental Schedules  
December 31, 2010 and 2009**

# Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

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| Employees' Retirement Plan of Alcoa Inc. Plan II (Alcoa Hourly Plan)                                                                                                                                             |          |
| Alcoa Subsidiaries Merged Inactive Pension Plan                                                                                                                                                                  |          |
| Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan I (Suriname Plan I)                                                                                                                           |          |
| Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan II (Suriname Plan II)                                                                                                                         |          |
| Huck International Inc., Retirement Plan (Huck Plan)                                                                                                                                                             |          |
| Howmet Corporation Muskegon County Operations Hourly Employees' Pension Plan (Muskegon Plan)                                                                                                                     |          |
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| * Other supplemental schedules are not required as the Plans' assets are held within a<br>Master Trust.                                                                                                          |          |



## Report of Independent Auditors

To the Participants and Administrator of  
the Plans included in the Alcoa Inc. Retirement Plans' Master Trust

We were engaged to audit the individual financial statements and supplemental schedules of the Employees' Retirement Plan of Alcoa Inc. Plan I (Alcoa Salary Plan), Employees' Retirement Plan of Alcoa Inc. Plan II (Alcoa Hourly Plan), Alcoa Subsidiaries Merged Inactive Pension Plan, Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan I (Suriname Plan I), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan II (Suriname Plan II), Huck International Inc., Retirement Plan (Huck Plan), Howmet Corporation Muskegon County Operations Hourly Employees' Pension Plan (Muskegon Plan), and the Howmet Corporation Pension Plan (Howmet Plan) (collectively the "Plans"), which participate in the Alcoa Inc. Retirement Plans' Master Trust at December 31, 2010 and 2009, and for the years then ended, as listed in the accompanying index. These individual financial statements and schedules are the responsibility of the Plans' management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by The Bank of New York Mellon, the trustee of the Plans, except for comparing such information with the related information included in the individual financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plans' investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying individual financial statements and schedules taken as a whole. The form and content of the information included in the individual financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*PricewaterhouseCoopers LLP*

Pittsburgh, Pennsylvania  
October 14, 2011

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**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Statements of Individual Plan Net Assets Available for Benefits**  
**December 31, 2010**

|                                                                              | Alcoa<br>Salary<br>Plan | Alcoa<br>Hourly<br>Plan | Alcoa<br>Subsidiaries Merged<br>Inactive Plan | Suriname<br>Plan I    | Suriname<br>Plan II  | Huck<br>Plan         | Muskegon<br>Plan     | Howmet<br>Plan        |
|------------------------------------------------------------------------------|-------------------------|-------------------------|-----------------------------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Assets</b>                                                                |                         |                         |                                               |                       |                      |                      |                      |                       |
| Plans' interest in Alcoa Inc. Retirement Plans' Master Trust (Notes 2 and 3) | \$ 3,281,913,301        | \$ 3,293,617,319        | \$ 301,771,616                                | \$ 141,333,568        | \$ 98,950,065        | \$ 18,208,610        | \$ 80,656,626        | \$ 101,413,191        |
| Net assets held in 401(h) account (Notes 2 and 3)                            | 57,929,073              | -                       | -                                             | -                     | -                    | -                    | -                    | -                     |
| Employer contributions receivable                                            | 295,114,114             | 232,264,372             | -                                             | -                     | -                    | -                    | 10,000,000           | 2,155,490             |
| Total assets                                                                 | <u>3,634,956,488</u>    | <u>3,525,881,691</u>    | <u>301,771,616</u>                            | <u>141,333,568</u>    | <u>98,950,065</u>    | <u>18,208,610</u>    | <u>90,656,626</u>    | <u>103,568,681</u>    |
| <b>Liabilities</b>                                                           |                         |                         |                                               |                       |                      |                      |                      |                       |
| Administrative expenses payable                                              | 397,111                 | 529,639                 | 96,276                                        | 45,537                | 44,149               | 22,241               | 51,062               | 75,777                |
| Amounts related to obligation of 401(h) account                              | 57,929,073              | -                       | -                                             | -                     | -                    | -                    | -                    | -                     |
| Total liabilities                                                            | <u>58,326,184</u>       | <u>529,639</u>          | <u>96,276</u>                                 | <u>45,537</u>         | <u>44,149</u>        | <u>22,241</u>        | <u>51,062</u>        | <u>75,777</u>         |
| Net assets available for benefits                                            | <u>\$ 3,576,630,304</u> | <u>\$ 3,525,352,052</u> | <u>\$ 301,675,340</u>                         | <u>\$ 141,288,031</u> | <u>\$ 98,905,916</u> | <u>\$ 18,186,369</u> | <u>\$ 90,605,564</u> | <u>\$ 103,492,904</u> |

The accompanying notes are an integral part of these financial statements.

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Statements of Individual Plan Net Assets Available for Benefits**  
**December 31, 2009**

|                                                                              | Alcoa<br>Salary<br>Plan | Alcoa<br>Hourly<br>Plan | Alcoa<br>Subsidiaries Merged<br>Inactive Plan | Suriname<br>Plan I    | Suriname<br>Plan II  | Huck<br>Plan         | Muskegon<br>Plan     | Howmet<br>Plan       |
|------------------------------------------------------------------------------|-------------------------|-------------------------|-----------------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Assets</b>                                                                |                         |                         |                                               |                       |                      |                      |                      |                      |
| Plans' interest in Alcoa Inc. Retirement Plans' Master Trust (Notes 2 and 3) | \$ 2,939,737,633        | \$ 2,973,468,316        | \$ 261,466,655                                | \$ 134,002,054        | \$ 94,833,886        | \$ 17,196,320        | \$ 70,413,530        | \$ 91,824,556        |
| Net assets held in 401(h) account (Notes 2 and 3)                            | 110,911,456             | -                       | -                                             | -                     | -                    | -                    | -                    | -                    |
| Employer contributions receivable                                            | 280,000,000             | 267,000,000             | 23,500,000                                    | -                     | -                    | -                    | 6,500,000            | 8,000,000            |
| Total assets                                                                 | <u>3,330,649,089</u>    | <u>3,240,468,316</u>    | <u>284,966,655</u>                            | <u>134,002,054</u>    | <u>94,833,886</u>    | <u>17,196,320</u>    | <u>76,913,530</u>    | <u>99,824,556</u>    |
| <b>Liabilities</b>                                                           |                         |                         |                                               |                       |                      |                      |                      |                      |
| Administrative expenses payable                                              | 243,910                 | 358,359                 | 68,056                                        | 29,887                | 20,229               | 27,092               | 45,311               | 38,080               |
| Amounts related to obligation of 401(h) account                              | 110,911,456             | -                       | -                                             | -                     | -                    | -                    | -                    | -                    |
| Total liabilities                                                            | <u>111,155,366</u>      | <u>358,359</u>          | <u>68,056</u>                                 | <u>29,887</u>         | <u>20,229</u>        | <u>27,092</u>        | <u>45,311</u>        | <u>38,080</u>        |
| Net assets available for benefits                                            | <u>\$ 3,219,493,723</u> | <u>\$ 3,240,109,957</u> | <u>\$ 284,898,599</u>                         | <u>\$ 133,972,167</u> | <u>\$ 94,813,657</u> | <u>\$ 17,169,228</u> | <u>\$ 76,868,219</u> | <u>\$ 99,786,476</u> |

The accompanying notes are an integral part of these financial statements.

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Statements of Changes in Individual Plan Net Assets Available for Benefits**  
**Year Ended December 31, 2010**

|                                                                                   | Alcoa<br>Salary<br>Plan | Alcoa<br>Hourly<br>Plan | Alcoa<br>Subsidiaries Merged<br>Inactive Plan | Suriname<br>Plan I    | Suriname<br>Plan II  | Huck<br>Plan         | Muskegon<br>Plan     | Howmet<br>Plan        |
|-----------------------------------------------------------------------------------|-------------------------|-------------------------|-----------------------------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Additions</b>                                                                  |                         |                         |                                               |                       |                      |                      |                      |                       |
| Employer contributions                                                            | \$ 295,114,114          | \$ 232,264,372          | \$ -                                          | \$ -                  | \$ -                 | \$ -                 | \$ 10,000,000        | \$ 2,155,490          |
| Plans' interest in Alcoa Inc. Retirement Plans'<br>Master Trust investment income | 386,333,627             | 388,146,283             | 34,994,309                                    | 16,351,594            | 11,493,082           | 2,105,366            | 9,388,780            | 11,887,121            |
| <b>Deductions</b>                                                                 |                         |                         |                                               |                       |                      |                      |                      |                       |
| Benefit payments                                                                  | 313,697,650             | 323,188,528             | 17,046,348                                    | 8,827,901             | 7,219,828            | 955,063              | 5,223,354            | 9,717,145             |
| Administrative expenses                                                           | 10,613,510              | 11,980,032              | 1,171,220                                     | 207,829               | 180,995              | 133,162              | 428,081              | 619,038               |
| Net increase                                                                      | 357,136,581             | 285,242,095             | 16,776,741                                    | 7,315,864             | 4,092,259            | 1,017,141            | 13,737,345           | 3,706,428             |
| <b>Net assets available for benefits</b>                                          |                         |                         |                                               |                       |                      |                      |                      |                       |
| Beginning of the year                                                             | 3,219,493,723           | 3,240,109,957           | 284,898,599                                   | 133,972,167           | 94,813,657           | 17,169,228           | 76,868,219           | 99,786,476            |
| End of year                                                                       | <u>\$ 3,576,630,304</u> | <u>\$ 3,525,352,052</u> | <u>\$ 301,675,340</u>                         | <u>\$ 141,288,031</u> | <u>\$ 98,905,916</u> | <u>\$ 18,186,369</u> | <u>\$ 90,605,564</u> | <u>\$ 103,492,904</u> |

The accompanying notes are an integral part of these financial statements.

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Statements of Changes in Individual Plan Net Assets Available for Benefits**  
**Year Ended December 31, 2009**

|                                                 | Alcoa<br>Salary<br>Plan | Alcoa<br>Hourly<br>Plan | Alcoa<br>Subsidiaries Merged<br>Inactive Plan | Suriname<br>Plan I    | Suriname<br>Plan II  | Huck<br>Plan         | Muskegon<br>Plan     | Howmet<br>Plan       |
|-------------------------------------------------|-------------------------|-------------------------|-----------------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Additions</b>                                |                         |                         |                                               |                       |                      |                      |                      |                      |
| Employer contributions                          | \$ 280,000,000          | \$ 267,000,000          | \$ 23,500,000                                 | \$ -                  | \$ -                 | \$ -                 | \$ 6,500,000         | \$ 8,000,000         |
| Plans' interest in Alcoa Inc. Retirement Plans' |                         |                         |                                               |                       |                      |                      |                      |                      |
| Master Trust investment income                  | 386,643,730             | 389,993,352             | 23,943,323                                    | 17,412,178            | 12,366,762           | 2,231,976            | 10,104,136           | 12,330,703           |
| Assets transferred from other plans (Note 12)   | -                       | -                       | 77,962,419                                    | -                     | -                    | -                    | -                    | -                    |
| <b>Deductions</b>                               |                         |                         |                                               |                       |                      |                      |                      |                      |
| Benefit payments                                | 317,969,070             | 322,124,784             | 12,955,456                                    | 8,748,906             | 8,237,713            | 1,051,147            | 21,769,417           | 13,817,831           |
| Administrative expenses                         | 8,122,059               | 10,025,496              | 839,458                                       | 177,902               | 146,618              | 117,862              | 289,816              | 528,271              |
| Net increase (decrease)                         | 340,552,601             | 324,843,072             | 111,610,828                                   | 8,485,370             | 3,982,431            | 1,062,967            | (5,455,097)          | 5,984,601            |
| <b>Net assets available for benefits</b>        |                         |                         |                                               |                       |                      |                      |                      |                      |
| Beginning of the year                           | 2,878,941,122           | 2,915,266,885           | 173,287,771                                   | 125,486,797           | 90,831,226           | 16,106,261           | 82,323,316           | 93,801,875           |
| End of year                                     | <u>\$ 3,219,493,723</u> | <u>\$ 3,240,109,957</u> | <u>\$ 284,898,599</u>                         | <u>\$ 133,972,167</u> | <u>\$ 94,813,657</u> | <u>\$ 17,169,228</u> | <u>\$ 76,868,219</u> | <u>\$ 99,786,476</u> |

The accompanying notes are an integral part of these financial statements.

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**

## **Notes to Financial Statements**

### **December 31, 2010 and 2009**

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#### **1. Description of Plans**

The following description of each Plan's provisions provides only general information. Participants should refer to each Plan document for a more complete description of each Plan's provisions.

##### **General**

The Alcoa Inc. and Subsidiary Companies ("Alcoa" or the "Company") Employees' Retirement Plan of Alcoa Inc. Plan I (Alcoa Salary Plan), Employees' Retirement Plan of Alcoa Inc. Plan II (Alcoa Hourly Plan), Alcoa Subsidiaries Merged Inactive Pension Plan (Alcoa Subsidiaries Merged Inactive Plan), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan I (Suriname Plan I), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan II (Suriname Plan II), Huck International, Inc. Retirement Plan (Huck Plan), Howmet Corporation Muskegon County Operations Hourly Employees' Pension Plan (Muskegon Plan) and the Howmet Corporation Pension Plan (Howmet Plan) (collectively the "Plans") are noncontributory defined benefit plans that cover United States employees and certain employees in foreign countries and participate in the Alcoa Inc. Retirement Plans' Master Trust ("Alcoa Master Trust" or "Master Trust") at December 31, 2010 and 2009.

The investments of the Plans are maintained under one trust pursuant to a "Master Trust Agreement" with the trustee, The Bank of New York Mellon ("trustee").

All fiduciary responsibility for the Plans is maintained by the Alcoa Benefits Management Committee. The Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plans provide, in general, for monthly pensions upon retirement at or after age 65, or earlier upon disability, incapacity, special circumstances or with certain minimum age and service requirements. Pension benefits generally depend upon length of service, job grade or remuneration, and certain social security and other benefits.

##### **Eligibility and Vesting**

Employees hired before March 1, 2006 are eligible to participate in the Alcoa Salary Plan and the Alcoa Hourly Plan after they have attained age 21 with one year of service. Effective March 1, 2006, certain new hires are not eligible to participate in the Alcoa Salary Plan and the Alcoa Hourly Plan.

Employees are eligible to participate in Suriname Plan I and Suriname Plan II after they have attained age 21 with one year of service.

There are no longer any active participants accruing benefits in the Alcoa Subsidiaries Merged Inactive Plan, or the Huck Plan. Benefits are being provided to retired participants and will be provided to deferred vested participants in accordance with Plan provisions applicable at the time of their termination.

Employees are eligible to participate immediately in the Muskegon Plan.

Employees hired before March 1, 2006 are eligible to participate immediately in the Howmet Plan. Effective March 1, 2006, certain new hires are not eligible to participate in the Howmet Plan.

All eligible participants in the Plans fully vest after a five-year period except the eligible participants in the Muskegon Plan which fully vest after five years of continuous service, the eligible salaried participants in the Howmet Plan which fully vest after three years of service, and the eligible hourly participants of certain locations in the Howmet Plan which fully vest after seven years.

## **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**

### **Notes to Financial Statements**

#### **December 31, 2010 and 2009**

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#### **Benefit Provisions**

The benefit provisions for the Alcoa Salary Plan, the Suriname Plan I, and the Howmet Plan determine the retirement benefit on a compensation-based formula.

The Alcoa Hourly Plan, the Suriname Plan II, and the Muskegon Plan determine the retirement benefits on a factor times years of service.

Benefit provisions for certain participants of the Alcoa Subsidiaries Merged Inactive Plan determine the retirement benefit on a compensation-based formula while the remaining are based on hypothetical account balances.

The benefit provisions for the Huck Plan determine the benefits using a percentage of monthly earnings based on age at month-end.

Normal retirement for the Alcoa Salary Plan, the Alcoa Hourly Plan, the Alcoa Subsidiaries Merged Inactive Plan and the Huck Plan is age 65 with five years of service.

Normal retirement for the Suriname Plan I is age 60 with 18 months of service or age 55 with 30 years of service.

Normal retirement for the Suriname Plan II is the earlier of the date of (i) age 60, or (ii) the later of the date of age 65 or 18 months of service.

Normal retirement for the Muskegon Plan and the Howmet Plan is age 62 with five years of service.

#### **Risks and Uncertainties**

The Plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of individual plan net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the individual Plans' financial statements.

#### **Termination of Plans**

Benefits under the Plans are insured by the Pension Benefit Guaranty Corporation ("PBGC"). Should the Plans' terminate at some future time, the net assets of the Plans generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

A full description of each Plan's termination priorities is available in each Plan document.

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**

## **Notes to Financial Statements**

### **December 31, 2010 and 2009**

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## **2. Summary of Accounting Policies**

### **Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting.

### **Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

### **Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Plans' interest in Alcoa Inc. Retirement Plans' Master Trust Investment income includes the Plans' unrealized and realized gains and losses on investments along with dividends, interest income and investment management/trustee fees.

The fair value of the Plans' interest in the Master Trust is based on the beginning-of-year value of the Plans' interest in the Master Trust plus actual contributions and allocated investment income less actual distributions, allocated investment loss and administrative expenses.

The individual Plans participate in the operations of the Master Trust through the purchase and sale of units. Cash inflows and outflows between the Plans and the Master Trust are accounted for at the beginning-of-the-month unit value. Units are revalued monthly to reflect changes in the investment values. Net investment income and losses are allocated to the Plans that participate in the Master Trust based on each Plan's units held.

### **Benefit Payments**

Benefit payments to participants are recorded upon distribution.

### **Administrative Expenses**

Trustee, audit, legal, actuarial, investment management and other administrative expenses are paid by the Plans. Investment management fees are included in Plans' interest in Alcoa Inc. Retirement Plans' Master Trust Investment income.

### **Employer Contributions Receivable**

Employer contributions receivable represent the remaining funding amounts Alcoa is required to contribute to meet the minimum contribution levels established by law or as a result of a formal commitment by Alcoa to make a contribution into the respective Plans.

# Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

## Notes to Financial Statements

### December 31, 2010 and 2009

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#### **Funding Policy**

The Plans are defined benefit pension plans. No employee contributions to the Plans are required or permitted. Alcoa contributes such amounts as are necessary on an actuarial basis to provide the individual Plans with assets sufficient to meet the benefits to be paid to current and future retirees or their beneficiaries. The minimum contributions required, if any, for the Plans are designed to fund the Target Normal cost and an amortization installment towards any funding shortfalls. A funding shortfall occurs when there is an excess of Funding Target liability over the Actuarial Value of Plan Assets. The amortization installment is designed to fully fund the funding shortfall in a given year over a 7 year period. Alcoa may also voluntarily contribute amounts in excess of those minimum required amounts to meet certain funding thresholds or company objectives.

The actuarial determined pension contribution is calculated using the Unit Credit Cost Method. The Funding Target liability is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected expenses to be paid from plan assets during the year.

The Plans have met the minimum funding requirements under the provisions of ERISA in 2010 and 2009.

#### **Investment Policy and Strategy**

The Alcoa Master Trust's investment policy and weighted average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

| <b>Asset Category</b> | <b>Policy Range</b> |
|-----------------------|---------------------|
| Equity securities     | 20-55%              |
| Debt securities       | 30-65%              |
| Other                 | 5-25%               |

The principal objectives underlying the investments of the Alcoa Master Trust's assets are to ensure that Alcoa can properly fund benefit obligations as they become due under a broad range of potential economic and financial scenarios, maximize the long-term investment return with an acceptable level of risk based on such obligations, and to broadly diversify investments across and within the capital markets to protect asset value against adverse market movements in any one market. Specific objectives for long-term investment strategy include reducing the volatility of pension assets relative to pension liabilities and achieving risk factor diversification across the balance of the asset portfolio. Investments are diversified by strategy, asset class, geography, and sector to enhance returns and mitigate downside risk. A large number of external investment managers are used to gain broad exposure to the financial markets and to mitigate manager concentration risk.

Investment practices must comply with the requirements of ERISA and any other applicable laws and regulations. The use of derivative instruments is permitted where appropriate and necessary for achieving overall investment policy objectives. Derivatives are used primarily to manage interest rate risk with the portfolio. Currently, the use of derivative instruments is not significant when compared to the overall investment portfolio.

## Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

### Notes to Financial Statements

#### December 31, 2010 and 2009

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#### **New Accounting Pronouncements**

On September 30, 2009, the Plans adopted changes issued by the Financial Accounting Standards Board (FASB) to the authoritative hierarchy of Generally Accepted Accounting Principles ("GAAP"). These changes establish the FASB Accounting Standards Codification<sup>TM</sup> (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates ("ASU's"). Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Plans' financial statements.

In April 2009, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions that are Not Orderly*, ("FSP FAS 157-4"). FSP FAS 157-4 provides additional guidance for estimating fair value in accordance with Accounting Standards Codification ("ASC") No. 820, Fair Value Measurements and Disclosures, when the volume and level of activity for the asset or liability have significantly decreased and includes guidance for identifying circumstances that indicate a transaction is not orderly. This guidance is necessary to maintain the overall objective of fair value measurements, which is that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. FSP FAS 157-4 is effective for fiscal years ending after June 15, 2009. The adoption of this new guidance did not have a material impact on the Plans' financial statements.

In September 2009, the FASB issued ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2009-12 provides amendments to Subtopic 820-10, "Fair Value Measurements and Disclosures - Overall," for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The adoption of this new guidance did not have a material impact on the Plans' financial statements.

For the year ending December 31, 2009, the Plan adopted ASC No. 855, *Subsequent Events*, an update to general standards on accounting for disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The adoption of this guidance did not have a material impact on the Plans' financial statements. See Note 14, Subsequent Events, for further discussion of subsequent events.

Effective January 1, 2010 the Plans adopted changes issued by the FASB in ASU 2010-06, *Improving Disclosure about Fair Value Measurements*. ASU 2010-06 requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. The changes also clarify existing disclosure requirements related to how assets and liabilities should be grouped by class and valuation techniques used for recurring and nonrecurring fair value measurements. The adoption of these changes had no impact on the financial statements. Additionally, effective for reporting periods beginning after December 15, 2010, ASU 2010-6 requires changes to the Level 3 activity disclosures.

# Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

## Notes to Financial Statements

### December 31, 2010 and 2009

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#### Recently Issued Accounting Guidance

In May 2011, the FASB issued ASU 2011-04 *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. ASU 2011-4 is intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The amendments are of two types: (i) those that clarify the Board's intent about the application of existing fair value measurement and disclosure requirements and (ii) those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. Plan management does not believe the adoption of this update will have a material impact on the Plans' financial statements.

### 3. Plans' Interest in Alcoa Inc. Retirement Plans' Master Trust

The Plans' investments are held in the Alcoa Master Trust. At December 31, Master Trust net assets were comprised of the following:

|                                                                                                                                                   | 2010             | 2009             |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Assets</b>                                                                                                                                     |                  |                  |
| Investments                                                                                                                                       |                  |                  |
| Cash and cash equivalents (includes \$300,779,715 and \$540,988,611 of securities lending collateral at December 31, 2010 and 2009, respectively) | \$ 589,363,109   | \$ 643,975,747   |
| Fixed income securities                                                                                                                           | 3,521,510,808    | 3,548,456,868    |
| Equity securities - common stocks                                                                                                                 | 1,077,199,391    | 1,072,218,254    |
| Equity securities - commingled trust funds                                                                                                        |                  |                  |
| Mellon Capital S&P 500 Fund *                                                                                                                     | 394,275,422      | 290,266,959      |
| Mellon Large Capital Value Stock *                                                                                                                | 245,518,193      | 337,272,504      |
| Other commingled trust funds                                                                                                                      | 428,494,802      | 459,303,271      |
| Futures contracts                                                                                                                                 | 574,876          | 332,016          |
| Gold trust-exchange traded fund                                                                                                                   | 170,490,361      | 131,681,950      |
| Alternative investments                                                                                                                           | 1,241,669,949    | 712,101,873      |
| Total investments                                                                                                                                 | 7,669,096,911    | 7,195,609,442    |
| Receivable for sales pending settlement (net of payable for investments purchased)                                                                | 7,974,398        | 39,233,575       |
| Total assets                                                                                                                                      | 7,677,071,309    | 7,234,843,017    |
| <b>Liabilities</b>                                                                                                                                |                  |                  |
| Payable for return of securities lending collateral                                                                                               | (300,779,715)    | (540,988,611)    |
| Other liabilities                                                                                                                                 | (498,225)        | -                |
| Master Trust net assets                                                                                                                           | \$ 7,375,793,369 | \$ 6,693,854,406 |

\* Represents 5 percent or more of Master Trust net assets at either December 31, 2010 or 2009.

## Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

### Notes to Financial Statements

#### December 31, 2010 and 2009

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In the normal course of managing the Alcoa Master Trust investments, the trustee loans securities owned by the Alcoa Master Trust to brokers/dealers in exchange for a fee. The securities are then returned to the Alcoa Master Trust in accordance with the Broker Agreement. The loaned securities are included in the investment information disclosed above. At December 31, the amount of securities loaned to brokers/dealers was as follows:

|                                                  | 2010                  | 2009                  |
|--------------------------------------------------|-----------------------|-----------------------|
| <b>Investments</b>                               |                       |                       |
| U.S. government or government agency obligations | \$ 195,060,196        | \$ 443,998,363        |
| Corporate debt instruments                       | <u>112,062,751</u>    | <u>93,834,535</u>     |
|                                                  | <u>\$ 307,122,947</u> | <u>\$ 537,832,898</u> |

Of the total securities loaned to brokers/dealers, approximately \$176,000,000 and \$392,000,000 is concentrated with five brokers/dealers at December 31, 2010 and 2009, respectively.

In support of these transactions, the brokers/dealers provide collateral of cash, treasury obligations or letters of credit which exceed the value of the securities loaned. The brokers/dealers provide collateral to secure each loan in an amount equal to 102% and 105% of the market value of securities loaned of United States issuers and of non United States issuers, respectively. The Master Trust bears the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the brokers/dealers bear the risk of loss related to the decrease in fair value of the noncash collateral. At December 31, the amount of collateral provided by the brokers/dealers was as follows:

|                                                  | 2010                  | 2009                  |
|--------------------------------------------------|-----------------------|-----------------------|
| Cash                                             | \$ 300,779,715        | \$ 540,988,611        |
| U.S. government or government agency obligations | <u>13,453,610</u>     | <u>8,478,016</u>      |
|                                                  | <u>\$ 314,233,325</u> | <u>\$ 549,466,627</u> |

A portion of the income generated upon investment of cash collateral is remitted to the brokers/dealers, and the remainder is allocated between the Master Trust and the trustee in its capacity as a security lending agent. The Master Trust investment income disclosed below includes income from investment of cash collateral of \$478,053 and \$1,705,037 at December 31, 2010 and 2009, respectively.

## Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

### Notes to Financial Statements

#### December 31, 2010 and 2009

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For the years ended December 31, Master Trust investment income was comprised of the following:

|                                                      | 2010                  | 2009                  |
|------------------------------------------------------|-----------------------|-----------------------|
| <b>Investment income</b>                             |                       |                       |
| Interest                                             | \$ 169,584,457        | \$ 182,919,651        |
| Dividends                                            | 26,394,250            | 21,995,469            |
| Net increase (decrease) in fair value of investments |                       |                       |
| Fixed income securities                              | 183,544,889           | 201,689,185           |
| Equity securities - common stocks                    | 133,188,059           | 259,880,626           |
| Equity securities - commingled trust funds           | 127,376,968           | 228,134,127           |
| Alternative investments                              | 197,721,266           | 15,190,365            |
| Registered investment companies                      | -                     | -                     |
| Gold trust - exchange traded fund                    | 38,812,814            | 6,763,554             |
| Futures contracts                                    | 7,597,887             | (21,760,749)          |
| Investment management/trustee fees                   | (14,325,560)          | (14,815,726)          |
|                                                      | <u>\$ 869,895,030</u> | <u>\$ 879,996,502</u> |

The following table lists the ownership percentage of the Plans in the Alcoa Master Trust net assets as of December 31:

|                                         | 2010            | 2009            |
|-----------------------------------------|-----------------|-----------------|
| Alcoa Salary Plan                       | 45.29 %         | 45.57 %         |
| Alcoa Hourly Plan                       | 44.65           | 44.42           |
| Alcoa Subsidiaries Merged Inactive Plan | 4.09            | 3.91            |
| Suriname Plan I                         | 1.92            | 2.00            |
| Suriname Plan II                        | 1.34            | 1.42            |
| Huck Plan                               | 0.25            | 0.26            |
| Muskegon Plan                           | 1.09            | 1.05            |
| Howmet Plan                             | 1.37            | 1.37            |
|                                         | <u>100.00 %</u> | <u>100.00 %</u> |

On January 26, 2010, Alcoa Inc. made a contribution of 44,313,146 shares of its common stocks, par value \$1.00 per share to the Alcoa Master Trust in consideration for a credit against Alcoa's future funding obligations to the Master Trust. The Shares were valued for purposes of the contribution at \$585 million in the aggregate. The Shares were newly issued shares and were contributed to the Master Trust in a private placement pursuant to the Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). During 2010, the Alcoa Master Trust received \$ 4,211,513 of dividends from those common shares. At December 31, 2010 the Master Trust no longer held shares of Alcoa common stock as all 44,313,146 were sold during the year. Also See Note 14 for disclosure of the stock contribution made in 2011.

## **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**

### **Notes to Financial Statements**

#### **December 31, 2010 and 2009**

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#### **4. Fair Value Measurements**

FASB ASC No. 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2010 and 2009:

##### **Cash and Cash Equivalents**

Includes investments in U.S. government securities with maturities less than one year and commingled funds. The commingled funds are valued at cost which approximates fair value. Investments in U.S. government securities are valued at fair value, as determined by the trustee through independent sources, which approximates the last reported closing price on the last business day of the year.

##### **Fixed Income Securities**

Investments in publicly traded domestic and foreign fixed interest obligations (principally corporate bonds and debentures along with U.S. government securities with maturities of one year or greater). Valued by a pricing service which determines valuations of normal institutionalized trading units of such securities using methods based on market transactions for comparable securities and various relationships between securities which are generally recognized by individual traders, or at fair value as determined in good faith by the Trustee of the Trust.

# Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

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#### Equity Securities – Common Stocks and Futures Contracts

Valued at the closing price reported on the active market on which the individual securities are traded.

#### Equity Securities – Commingled Trust Funds and Gold Trust-Exchange Traded Fund

Valued at the net asset value ("NAV") of shares held by the Plans at year end.

#### Alternative Investments

Estimated at fair market value which considers, but is not limited to fair values reported by the investment advisor, audited financial statements, and independently appraised values. In the event that audited financial statements for these investments are not available in time to prepare the financial statements or management believes the value reported by the investment advisor does not accurately reflect fair value due to an event in the market place, management will adjust the reported value to fair value based upon information provided by the investment manager and independent valuation experts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value.

|                                                | Assets at Fair Value as of December 31, 2010 |                  |                  |                  |
|------------------------------------------------|----------------------------------------------|------------------|------------------|------------------|
|                                                | Level 1                                      | Level 2          | Level 3          | Total            |
| Cash and cash equivalents                      | \$ -                                         | \$ 288,583,394   | \$ -             | \$ 288,583,394   |
| Equity securities - common stocks              |                                              |                  |                  |                  |
| Technology                                     | 64,167,413                                   | -                | -                | 64,167,413       |
| Health care                                    | 30,877,182                                   | -                | -                | 30,877,182       |
| Consumer services                              | 27,923,193                                   | -                | -                | 27,923,193       |
| Consumer nondurables                           | 22,883,869                                   | -                | -                | 22,883,869       |
| Financial services                             | 32,153,333                                   | -                | -                | 32,153,333       |
| Energy                                         | 12,526,363                                   | -                | -                | 12,526,363       |
| Capital goods                                  | 32,117,506                                   | -                | -                | 32,117,506       |
| Real estate investment trusts                  | 86,420,713                                   | -                | -                | 86,420,713       |
| Other                                          | 768,129,818                                  | -                | -                | 768,129,818      |
| Equity securities - commingled trust funds     | -                                            | 1,068,288,418    | -                | 1,068,288,418    |
| Fixed income securities                        |                                              |                  |                  |                  |
| US government debt                             | 807,834,891                                  | -                | -                | 807,834,891      |
| Corporate debt - banking and finance           | 637,197,444                                  | -                | -                | 637,197,444      |
| Corporate debt - industrial                    | 254,837,794                                  | -                | -                | 254,837,794      |
| Corporate debt - other                         | 1,235,873,052                                | 585,767,627      | -                | 1,821,640,679    |
| Futures contracts                              | 574,876                                      | -                | -                | 574,876          |
| Gold Trust - exchange traded fund              | 170,490,361                                  | -                | -                | 170,490,361      |
| Private real estate - direct                   | -                                            | -                | 254,182,090      | 254,182,090      |
| Timber - direct                                | -                                            | -                | 64,319,894       | 64,319,894       |
| Venture capital - direct                       | -                                            | -                | 93,971,290       | 93,971,290       |
| Private equity - direct                        | -                                            | -                | 364,918,108      | 364,918,108      |
| Private debt - direct                          | -                                            | -                | 16,731,105       | 16,731,105       |
| Private equity/venture capital - fund of funds | -                                            | -                | 91,202,622       | 91,202,622       |
| Hedge funds                                    | -                                            | -                | 356,344,840      | 356,344,840      |
| Security lending collateral                    |                                              |                  |                  |                  |
| Cash and cash equivalents                      | 300,779,715                                  | -                | -                | 300,779,715      |
| Total assets at fair value                     | \$ 4,484,787,523                             | \$ 1,942,639,439 | \$ 1,241,669,949 | \$ 7,669,096,911 |

# Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

## Notes to Financial Statements

### December 31, 2010 and 2009

| Assets at Fair Value as of December 31, 2009   |                         |                         |                       |                         |
|------------------------------------------------|-------------------------|-------------------------|-----------------------|-------------------------|
|                                                | Level 1                 | Level 2                 | Level 3               | Total                   |
| Cash and cash equivalents                      | \$ 1,851,420            | \$ 101,135,716          | \$ -                  | \$ 102,987,136          |
| Equity securities - common stocks              |                         |                         |                       |                         |
| Technology                                     | 241,359,190             | -                       | -                     | 241,359,190             |
| Health care                                    | 146,797,521             | -                       | -                     | 146,797,521             |
| Consumer services                              | 145,384,744             | -                       | -                     | 145,384,744             |
| Consumer nondurables                           | 71,782,027              | -                       | -                     | 71,782,027              |
| Financial services                             | 100,017,056             | -                       | -                     | 100,017,056             |
| Energy                                         | 79,814,506              | -                       | -                     | 79,814,506              |
| Capital goods                                  | 71,006,817              | -                       | -                     | 71,006,817              |
| Real estate investment trusts                  | 67,341,667              | -                       | -                     | 67,341,667              |
| Other                                          | 148,714,726             | -                       | -                     | 148,714,726             |
| Equity securities - commingled trust funds     | -                       | 1,086,842,734           | -                     | 1,086,842,734           |
| Fixed income securities                        |                         |                         |                       |                         |
| US government debt                             | 647,401,895             | -                       | -                     | 647,401,895             |
| Corporate debt - banking and finance           | 702,798,265             | -                       | -                     | 702,798,265             |
| Corporate debt - industrial                    | 412,083,147             | -                       | -                     | 412,083,147             |
| Corporate debt - other                         | 1,220,996,083           | 565,177,478             | -                     | 1,786,173,561           |
| Futures contracts                              | 332,016                 | -                       | -                     | 332,016                 |
| Gold Trust - exchange traded fund              | 131,681,950             | -                       | -                     | 131,681,950             |
| Private real estate - direct                   | -                       | -                       | 193,581,120           | 193,581,120             |
| Timber - direct                                | -                       | -                       | 60,619,382            | 60,619,382              |
| Venture capital - direct                       | -                       | -                       | 65,093,320            | 65,093,320              |
| Private equity - direct                        | -                       | -                       | 301,396,070           | 301,396,070             |
| Private debt - direct                          | -                       | -                       | 13,265,378            | 13,265,378              |
| Private equity/venture capital - fund of funds | -                       | -                       | 78,146,603            | 78,146,603              |
| Security lending collateral                    |                         |                         |                       |                         |
| Cash and cash equivalents                      | 540,988,611             | -                       | -                     | 540,988,611             |
| <b>Total assets at fair value</b>              | <b>\$ 4,730,351,641</b> | <b>\$ 1,753,155,928</b> | <b>\$ 712,101,873</b> | <b>\$ 7,195,609,442</b> |

The following table sets forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the year ended December 31, 2010 and 2009.

#### Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

|                                       | Level 3 Investment Rollforward |                 |                          |                        |                      |                        |                |                  |
|---------------------------------------|--------------------------------|-----------------|--------------------------|------------------------|----------------------|------------------------|----------------|------------------|
|                                       | Private Real Estate - Direct   | Timber - Direct | Venture Capital - Direct | Private Equity- Direct | Private Debt- Direct | Private Equity/Venture | Hedge Funds    | Total            |
| Ending balance, December 31, 2008     | \$ 258,497,003                 | \$ 65,765,551   | \$ 45,920,659            | \$ 232,380,856         | \$ 6,697,383         | \$ 65,777,449          | \$ -           | \$ 675,038,901   |
| Realized gains (losses)               | (981,094)                      | 216,914         | 6,396,955                | (13,295,120)           | -                    | 966,538                | -              | (6,695,807)      |
| Unrealized (losses) gains             | (64,539,293)                   | (2,381,883)     | 8,502,690                | 71,481,554             | 3,274,595            | 5,548,509              | -              | 21,886,172       |
| Transfers in                          | -                              | -               | -                        | -                      | -                    | -                      | -              | -                |
| Purchases, sales and settlements, net | 604,504                        | (2,981,200)     | 4,273,016                | 10,828,780             | 3,293,400            | 5,854,107              | -              | 21,872,607       |
| Ending balance, December 31, 2009     | \$ 193,581,120                 | \$ 60,619,382   | \$ 65,093,320            | \$ 301,396,070         | \$ 13,265,378        | \$ 78,146,603          | \$ -           | \$ 712,101,873   |
| Realized gains (losses)               | 1,343,037                      | 425,406         | 11,088,549               | 15,738,590             | -                    | 3,337,364              | 722,144        | 32,655,090       |
| Unrealized (losses) gains             | 47,141,912                     | 7,315,842       | 13,167,010               | 58,766,396             | 1,061,285            | 6,991,036              | 30,622,696     | 165,066,177      |
| Transfers in                          | -                              | -               | -                        | -                      | -                    | -                      | -              | -                |
| Purchases, sales and settlements, net | 12,116,021                     | (4,040,736)     | 4,622,411                | (10,982,948)           | 2,404,442            | 2,727,619              | 325,000,000    | 331,846,809      |
| Ending balance, December 31, 2010     | \$ 254,182,090                 | \$ 64,319,894   | \$ 93,971,290            | \$ 364,918,108         | \$ 16,731,105        | \$ 91,202,622          | \$ 356,344,840 | \$ 1,241,669,949 |

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The Master Trust uses the NAV to determine the fair value of all of the underlying investments which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principals of an investment company.

The following table sets forth a summary of liquidity consideration of the investments classified as Level 2 and 3 investments.

| Category of Investment                            | Investment Strategy                               | December 31, 2010<br>Fair Value | December 31, 2009<br>Fair Value | Unfunded<br>Commitments at<br>December 31,<br>2010 | Remaining Life<br>at December 31,<br>2010 | Redemption<br>Restrictions<br>and<br>Terms |
|---------------------------------------------------|---------------------------------------------------|---------------------------------|---------------------------------|----------------------------------------------------|-------------------------------------------|--------------------------------------------|
| Equity Securities-<br>Commingled Trust Funds      | US Equity markets                                 | \$ 1,068,288,418                | \$ 1,086,842,734                | Not applicable                                     | Not applicable                            | (A)                                        |
| Private Real Estate - Direct                      | Global Private Real Estate<br>strategy            | 254,182,090                     | 193,581,120                     | 41,636,164                                         | Up to 7 years                             | (A)                                        |
| Timber - Direct                                   | Global Timber strategy                            | 64,319,894                      | 60,619,382                      | -                                                  | Up to 6 years                             | (A)                                        |
| Venture Capital - Direct                          | strategy                                          | 93,971,290                      | 65,093,320                      | 56,715,770                                         | Up to 12 years                            | (A)                                        |
| Private Equity - Direct                           | Global Private Equity strategy                    | 364,918,108                     | 301,396,070                     | 88,907,080                                         | Up to 15 years                            | (A)                                        |
| Private Debt - Direct                             | Distressed Debt                                   | 16,731,105                      | 13,265,378                      | 35,452,632                                         | Up to 15 years                            | (A)                                        |
| Private Equity/Venture Capital -<br>Fund of Funds | Global Private Equity/Venture<br>Capital strategy | 91,202,622                      | 78,146,603                      | 60,698,392                                         | Up to 12 years                            | (A)                                        |
| Hedge Funds                                       | Global Macro                                      | 356,344,840                     | -                               | Not applicable                                     | Not applicable                            | (B)                                        |

- (A) Redemption not permitted during the life of funds. Sale or transfer subject to approval of the general partner.
- (B) Hedge Fund redemption terms vary by fund. Full Liquidity is typically available within 90-180 days, but can be further restricted based on actions of other investors. At worst, 80% of funds are available within one year of notice.

## 5. Derivatives

### Derivatives Policy

The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to (1) manage interest rate risk within the portfolio, (2) manage exposure to a market more efficiently than could be accomplished through the use of cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or by capturing value disparities between financial instruments. The Master Trust utilizes exchange traded instruments such as interest rate futures, options on futures, interest rate swaps and foreign currency forward contracts.

The following is a summary of the Master Trust's usage of derivatives:

### Futures Contracts

A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated future exchange.

The Master Trust may use treasury, eurodollar, and other fixed income futures contracts to manage exposure to interest rate risk and exposure in the market. Buying futures tends to increase the Master Trust's exposure to the underlying instrument held, while selling futures tends to reduce the exposure. The balance of futures at year-end is indicative of the average balance during the year.

# Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

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A summary of the open futures contracts as of December 31, 2010 and 2009 is presented below:

|                                  | Long Contracts                 |                                 |                                |                                 | Short Contracts                |                                 |                                |                                 |
|----------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
|                                  | 2010<br>Number of<br>Contracts | 2010<br>Aggregate<br>Face Value | 2009<br>Number of<br>Contracts | 2009<br>Aggregate<br>Face Value | 2010<br>Number of<br>Contracts | 2010<br>Aggregate<br>Face Value | 2009<br>Number of<br>Contracts | 2009<br>Aggregate<br>Face Value |
| 90 Day Eurodollar Future         | 1,709                          | \$ 424,156,725                  | 2,121                          | \$524,293,050                   |                                | \$ -                            |                                | \$ -                            |
| Euro-BOBL Future                 |                                |                                 | 5                              | 829,716                         |                                |                                 |                                |                                 |
| Euro-BUND Future                 |                                |                                 | 10                             | 1,738,774                       |                                |                                 |                                |                                 |
| US Treasury Bond Future          | 501                            | 61,184,625                      | 928                            | 107,068,000                     | 34                             | 4,152,250                       | 148                            | 17,075,500                      |
| US 10 Year Treasury Notes Future |                                |                                 | 80                             | 9,236,250                       | 1,288                          | 155,123,500                     | 944                            | 108,987,750                     |
| US 5 Year Treasury Notes Future  | 1,288                          | 151,621,750                     | 786                            | 89,904,891                      | 52                             | 6,121,375                       | 153                            | 17,500,570                      |
| US 2 Year Treasury Notes Future  | 62                             | 13,572,188                      | 422                            | 91,264,094                      |                                |                                 |                                |                                 |
| US Ultra Bond Future             | 526                            | 66,851,313                      |                                |                                 | 321                            | 40,797,094                      |                                |                                 |
| Grand Total                      | 4,086                          | \$ 717,386,601                  | 4,352                          | \$824,334,775                   | 1,695                          | \$ 206,194,219                  | 1,245                          | \$ 143,563,820                  |

### Options on Futures Contracts

The Master Trust may buy or sell options on futures contracts to capture value disparities between financial instruments. Options strategies may be used to improve yields and enhance performance of the fixed income portfolio. Options on futures contracts are purchased or sold on regulated futures exchanges.

### Interest Rate Swaps

The Master Trust may use interest rate swaps to manage exposure to interest rates within the portfolio or to capture value disparities between financial instruments. An interest rate swap typically involves the agreement with a counterparty to exchange variable rate and fixed rate payments with respect to a notional amount of principal on the value of an underlying instrument or index. Interest rate swaps are purchased or sold on regulated futures exchanges.

### Foreign Currency Forwards

The Master Trust may use foreign currency forwards to capture value disparities between the fixed income and currency markets. Currency forwards may be purchased or sold to enhance returns in the fixed income portfolio. Foreign currency forwards are purchased or sold on regulated futures exchanges.

Activity and year end holdings of Options on Futures Contracts, Interest Rates Swaps and Foreign Currency Forwards were not significant to overall investment portfolio.

## 6. 401(h) Account

The Alcoa Salary Plan includes a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code ("IRC"). A separate account has been established and maintained in the Alcoa Salary Plan for the net assets related to the medical-benefit component (401(h) account). In accordance with IRC Section 401(h), the Alcoa Salary Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the plan year must be transferred out of the account to the pension plan. The related obligations for health benefits are not included in the Alcoa Salary Plan's obligations in the accumulated plan benefits but are reflected as obligations in the financial statements of the plan sponsor. The Alcoa Salary Plan's participants do not contribute to the 401(h) account. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of Alcoa. Certain of the Alcoa Salary Plan's interest in the Master Trust are restricted to fund a portion of postretirement

## Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

### Notes to Financial Statements

#### December 31, 2010 and 2009

---

health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h). Alcoa pays medical benefits to retirees through the Alcoa Retiree Healthcare Plan, which is not included in the Alcoa Salary Plan. This plan represents a portion of Alcoa's other postretirement employee benefits. During 2010 and 2009, 401(h) assets were used to pay \$62,177,251 and \$64,148,013 of retiree health benefits.

#### 7. Accumulated Plan Benefits

Accumulated plan benefits are those future benefit payments that are attributable, under each Plan's provisions, to employees' service rendered to the benefit information date. Accumulated plan benefits comprise benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The Plans' actuary made this determination.

Based upon actuarial estimates at January 1, 2010, the present value of accumulated plan benefits for the Plans included in the Master Trust is as follows:

|                                         | Actuarial Present Value of<br>Accumulated Plan Benefits at January 1, 2010 |                             |                       |                                                           |
|-----------------------------------------|----------------------------------------------------------------------------|-----------------------------|-----------------------|-----------------------------------------------------------|
|                                         | Vested Benefits<br>of Participants<br>Currently<br>Receiving<br>Benefits   | Other<br>Vested<br>Benefits | Nonvested<br>Benefits | Total Present<br>Value of<br>Accumulated<br>Plan Benefits |
| Alcoa Salary Plan                       | \$ 2,987,589,611                                                           | \$ 1,160,928,052            | \$ 86,323,948         | \$ 4,234,841,611                                          |
| Alcoa Hourly Plan                       | 2,933,118,502                                                              | 981,038,913                 | 67,187,811            | 3,981,345,226                                             |
| Alcoa Subsidiaries Merged Inactive Plan | 143,766,667                                                                | 201,634,359                 | -                     | 345,401,026                                               |
| Suriname Plan I                         | 88,226,549                                                                 | 21,894,151                  | 1,914,093             | 112,034,793                                               |
| Suriname Plan II                        | 76,869,365                                                                 | 17,537,647                  | 1,781,133             | 96,188,145                                                |
| Huck Plan                               | 4,769,979                                                                  | 12,035,993                  | -                     | 16,805,972                                                |
| Muskegon Plan                           | 32,034,054                                                                 | 71,438,264                  | 3,251,401             | 106,723,719                                               |
| Howmet Plan                             | 12,814,201                                                                 | 105,641,502                 | 3,053,213             | 121,508,916                                               |

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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The change in the actuarial present value of accumulated plan benefits resulted from the following:

|                                         | Actuarial Present<br>Value of<br>Accumulated<br>Plan Benefits<br>January 1, 2009 | Plan<br>Merger | Plan<br>Amendments/<br>Early<br>Retirement | Change in<br>Actuarial<br>Assumptions | Interest       | Benefits<br>Paid | Benefits<br>Accumulated<br>and Other<br>Experience (A) | Actuarial Present<br>Value of<br>Accumulated<br>Plan Benefits<br>January 1, 2010 |
|-----------------------------------------|----------------------------------------------------------------------------------|----------------|--------------------------------------------|---------------------------------------|----------------|------------------|--------------------------------------------------------|----------------------------------------------------------------------------------|
| Alcoa Salary Plan                       | \$ 4,047,206,986                                                                 | \$ -           | \$ 14,241,036                              | \$ 131,943,452                        | \$ 248,846,237 | \$ (317,969,070) | \$ 110,572,970                                         | \$ 4,234,841,611                                                                 |
| Alcoa Hourly Plan                       | 3,890,114,172                                                                    |                |                                            | 136,123,409                           | 238,659,314    | (322,124,784)    | 38,573,115                                             | 3,981,345,226                                                                    |
| Alcoa Subsidiaries Merged Inactive Plan | 228,350,793                                                                      | 104,992,160    | 1,633,560                                  | 7,611,053                             | 14,199,876     | (12,955,456)     | 1,569,040                                              | 345,401,026                                                                      |
| Suriname Plan I                         | 110,353,117                                                                      |                |                                            | 2,498,695                             | 6,782,634      | (8,748,906)      | 1,149,253                                              | 112,034,793                                                                      |
| Suriname Plan II                        | 94,469,691                                                                       |                |                                            | 1,379,051                             | 5,782,453      | (8,237,713)      | 2,794,663                                              | 96,188,145                                                                       |
| Huck Plan                               | 16,944,912                                                                       |                |                                            | 323,391                               | 1,050,838      | (1,051,147)      | (462,022)                                              | 16,805,972                                                                       |
| Muskegon Plan                           | 109,264,306                                                                      |                | 2,801,255                                  | 6,009,169                             | 6,296,294      | (21,769,417)     | 4,122,112                                              | 106,723,719                                                                      |
| Howmet Plan                             | 123,104,865                                                                      |                |                                            | 2,135,727                             | 7,436,541      | (13,817,831)     | 2,649,614                                              | 121,508,916                                                                      |

<sup>(A)</sup> Consists of expected increase in benefits and other experience.

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies** **Notes to Financial Statements** **December 31, 2010 and 2009**

The significant assumptions underlying the actuarial computations for the Plans at January 1, 2010 and 2009 are as follows:

## **Interest Rate**

The interest rate used for the Plans is 6.15% and 6.40% as of January 1, 2010 and 2009, respectively.

## **Life Expectancy of Participants**

The following tables list the mortality tables used for the calculation of the Accumulated Plan Benefits and lump-sum distributions for each of the plans for the years ended 2010 and 2009.

| Plan                                                                                                                                                           | 2009/2010 Valuation                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alcoa Salary Plan (non Trinidad participants)<br>Alcoa Subsidiaries Merged Inactive Plan (salaried employees)<br>Huck Plan<br>Howmet Plan (salaried employees) | For deaths after service retirement and deaths after disability retirement, RP-2000 Combined Healthy Male Table projected to 2005, setback 1 year for males and the RPP-2000 Combined Healthy Female table projected to 2005 for females.                                                                                                                                                                                                                |
| Alcoa Hourly Plan<br>Alcoa Subsidiaries Merged Inactive Plan (hourly employees)<br>Muskegon Plan<br>Howmet Plan (hourly employees)                             | For deaths after service retirement, RP-2000 Combined Healthy Male Table with Blue Collar Adjustment for males and RP-2000 Combined Healthy Male table with Blue Collar Adjustment setback 3 years for females. For deaths after disability retirement, RP-2000 Combined Health Male Table with Blue Collar Adjustment set forward 5 years for males and RP-2000 Combined Healthy Male table with Blue Collar Adjustment set-forward 1 year for females. |
| Suriname Plan I<br>Alcoa Salary Plan (Trinidad participants)                                                                                                   | For deaths after service retirement, 1983 Group Annuity Mortality Table deaths after disability retirement, based upon a special mortality table.                                                                                                                                                                                                                                                                                                        |
| Suriname Plan II                                                                                                                                               | For deaths after service retirement, 1983 Group Annuity Mortality Table set forward 1 year, deaths after disability retirement based upon a special mortality table.                                                                                                                                                                                                                                                                                     |

| Plan                                                                               | 2009/2010 Lump Sum Distributions                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alcoa Salary Plan<br>Alcoa Hourly Plan<br>Howmet Plan                              | For the 2009 and 2010 plan years, lump sum distributions are based on the greater of: the Modified 1994 Group Annuity Reserving Tables as presented by Revenue Ruling 2001-62, and the PPA benefit calculated using modified segment rates and the Applicable Mortality Table as provided in Section 417(e)(3) of the Code.                                                                                                                                     |
| Alcoa Subsidiaries<br>Merged Inactive<br>Plan                                      | For the 2009 and 2010 plan year, lump sum distributions are based on the PPA benefit calculated using modified segment rates and the Applicable Mortality Table as provided in Section 417(e)(3) of the Code.                                                                                                                                                                                                                                                   |
| Howmet Corporation<br>Muskegon County Operations<br>Hourly Employees' Pension Plan | For the 2009 plan year, lump sum distributions are based on the greater of the 1971 TPF&C Forecast Mortality Table for Males at an age one year younger than the Employee's attained age, the lump sum calculated using the Modified 1994 Group Annuity Reserving tables as presented by Revenue Ruling 2001-62, and the "PPA benefit" calculated using modified segment rates and the Applicable Mortality Table as provided in Section 417(e)(3) of the Code. |

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies** **Notes to Financial Statements** **December 31, 2010 and 2009** ---

## **Retirement**

The assumed weighted average retirement age is:

|                                         |    |
|-----------------------------------------|----|
| Alcoa Salary Plan                       | 63 |
| Alcoa Hourly Plan                       | 62 |
| Alcoa Subsidiaries Merged Inactive Plan | 64 |
| Suriname Plan I                         | 58 |
| Suriname Plan II                        | 58 |
| Huck Plan                               | 64 |
| Muskegon Plan                           | 61 |
| Howmet Plan                             | 63 |

## **8. Tax Status**

The Internal Revenue Service has determined and informed the Company that the Plans and related trust are designed in accordance with applicable sections of the IRC. The Plans have been amended since receiving the determination letters. However, the Plans' administrator and tax counsel believe that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC.

Determination letters received were dated as follows:

|                                         |                   |
|-----------------------------------------|-------------------|
| Alcoa Salary Plan                       | January 9, 2003   |
| Alcoa Hourly Plan                       | January 9, 2003   |
| Alcoa Subsidiaries Merged Inactive Plan | August 6, 2002    |
| Suriname Plan I                         | July 1, 2002      |
| Suriname Plan II                        | July 1, 2002      |
| Huck Plan                               | August 6, 2002    |
| Muskegon Plan                           | August 6, 2002    |
| Howmet Plan                             | December 20, 2002 |

US GAAP require plan management to evaluate tax positions taken by the plan and recognized a tax liability (or asset) if the organization has taken an uncertain position that would not be sustained upon examination by the IRS. The plan administrator and its tax council have analyzed the tax positions taken by the plan and has concluded that as of December 31, 2010, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure to the financial statements. As such, no reserve is required under US GAAP. The plan is subject to audit by the IRS; however, there are no current IRS audits for any tax periods in progress. The plan administrator and its tax council believe the Plan is no longer subject to IRS audit outside the statutory audit period.

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies** **Notes to Financial Statements** **December 31, 2010 and 2009** ---

## **9. Information Certified by the Plans' Trustee**

The information included in the Plans' financial statements and Note 3 was prepared by Bank of New York Mellon, the Trustee of the Plans, as of and for the years ended December 31, 2010 and 2009 and furnished to the plan administrator. The plan administrator has obtained a certification from the Trustee that such information is complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

- Statements of Individual Plan Net Assets Available for Benefits – investments at fair value except for the alternative investments of \$1,241,669,949 and \$712,101,873 identified in Note 3 as of December 31, 2010 and 2009, respectively.
- Statements of Changes in Individual Plan Net Assets Available for Benefits – interest, dividends and net depreciation or appreciation in fair value of investments except for the net appreciation or depreciation in fair value of alternative investments of \$197,721,267 and \$15,190,365 identified in Note 3 for years ended December 31, 2010 and 2009, respectively.

## **10. Related Party Transactions**

At December 31, 2010 and 2009, the Plans are invested in funds managed by the trustee; therefore, these transactions qualify as party-in-interest transactions. The Master Trust also participates in a securities lending program with the trustee as described in Note 3, which qualifies as party-in-interest transactions. During 2010, the Plans invested in Alcoa common stock. Refer to Note 3 for more details.

## **11. Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available for pension benefits and of the Alcoa Salary Plan's interest in Alcoa Inc. Retirement Plans' Master Trust investment income per the financial statements to the Form 5500 at December 31:

|                                                                   | <b>Alcoa Salary Plan</b> |                         |
|-------------------------------------------------------------------|--------------------------|-------------------------|
|                                                                   | <b>2010</b>              | <b>2009</b>             |
| Net assets available for benefits per the financial statements    | \$ 3,576,630,304         | \$ 3,219,493,723        |
| Net assets held in 401(h) account included as assets in Form 5500 | 57,929,073               | 110,911,456             |
| Net assets available for benefits per the Form 5500               | <u>\$ 3,634,559,377</u>  | <u>\$ 3,330,405,179</u> |

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Notes to Financial Statements**  
**December 31, 2010 and 2009**

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|                                                                                                             | <b>Alcoa Salary Plan</b> |                       |
|-------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|
|                                                                                                             | <b>2010</b>              | <b>2009</b>           |
| Plan's interest in Alcoa Inc. Retirement Plans' Master Trust investment income per the financial statements | \$ 386,333,627           | \$ 386,643,730        |
| Net gain in 401(h) account included as investment income from Master Trust in Form 5500                     | <u>9,194,868</u>         | <u>14,861,217</u>     |
| Plan's interest in Alcoa Inc. Retirement Plans' Master Trust investment income per the Form 5500            | <u>\$ 395,528,495</u>    | <u>\$ 401,504,947</u> |
| Benefit payments per the financial statements                                                               | \$ 313,697,650           | \$ 317,969,070        |
| Benefit payments made from the 401(h) account                                                               | <u>62,177,251</u>        | <u>64,148,014</u>     |
| Benefit payments per the financial statements                                                               | <u>\$ 375,874,901</u>    | <u>\$ 382,117,084</u> |

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits. The net assets of the 401(h) account can be used only to pay retiree health benefits.

**12. Plan Specific Activities**

**Alcoa Salary Plan**

In 2009, a plan amendment recognized the change in the definition of actuarial equivalence which increased the actuarial present value of accumulated plan benefits by approximately \$14,241,000.

**Alcoa Hourly Plan**

In 2010, plan amendments recognized the effect of participants receiving pension factor increases for employees at certain locations. These amendments increased the actuarial present value of accumulated plan benefits by approximately \$23,809,000 in 2010.

**Alcoa Subsidiaries Merged Inactive Plan**

Effective December 31, 2009 the Alcoa Fujikura Ltd. Plan and the Reynolds Hourly Plan merged into the Alcoa Subsidiaries Merged Inactive Plan with the Alcoa Subsidiaries Merged Inactive Plan remaining as the surviving plan. Alcoa Fujikura Ltd. Plan assets of \$70,000,314 and accumulated benefits of \$94,436,908 were transferred to the Alcoa Subsidiaries Merged Inactive Plan.

Reynolds Hourly Plan assets of \$7,962,105 and accumulated benefits of \$10,555,252 were transferred to the Alcoa Subsidiaries Merged Inactive Plan.

In 2009, a plan amendment recognized the change in the definition of actuarial equivalence which increased the actuarial present value of accumulated plan benefits by approximately \$1,633,000.

**Muskegon Plan**

In 2009, a plan amendment recognized the effect of participants receiving pension factor increases. This amendment increased the actuarial present value of accumulated plan benefits by approximately \$2,801,000.

# **Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies** **Notes to Financial Statements** **December 31, 2010 and 2009** ---

## **2010 Contributions**

On January 26, 2010, Alcoa Inc. made a contribution of 44,313,146 shares of its common stock, par value \$1.00 per share to the Alcoa Master Trust in consideration for a credit against Alcoa's future funding obligations to the Master Trust. The Shares were valued for purposes of the contribution at \$585 million in the aggregate. The Shares were newly issued shares and were contributed to the Master Trust in a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). In the plan financial statements, this is considered a 2009 contribution. The following Plans established receivables at December 31, 2009.

|                                         |                |
|-----------------------------------------|----------------|
| Alcoa Salary Plan                       | \$ 280,000,000 |
| Alcoa Hourly Plan                       | 267,000,000    |
| Alcoa Subsidiaries Merged Inactive Plan | 23,500,000     |
| Muskegon Plan                           | 6,500,000      |
| Howmet Plan                             | 8,000,000      |

## **13. Commitments and Contingencies**

The Alcoa Master Trust has capital commitments of \$283,400,000 and \$324,600,000 at December 31, 2010 and 2009, respectively, in relation to additional funding for Limited Partnerships in which it invests.

## **14. Subsequent Events**

Management has evaluated the events and transactions that have occurred through October 14, 2011, the date the financial statements were available to be issued, and noted no items requiring adjustment of the financial statements or additional disclosures, other than that which is noted below.

On January 24, 2011, Alcoa Inc. made a contribution of 36,518,563 shares of its common stock, par value \$1.00 per share to the Alcoa Master Trust in consideration for a credit against Alcoa's future funding obligations to the Master Trust. The Shares were valued for purposes of the contribution at \$588 million in the aggregate. The Shares were newly issued shares and were contributed to the Master Trust in a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). In the plan financial statements, \$538 million of the contribution is being applied to the 2010 Plan year and is reflected as an Employer Contribution receivable, on the Statements of Individual Plan Net Assets Available for Benefits and Employer Contribution of the Statements of Changes in Individual Plan Net Assets Available for Benefits. The remaining contribution will be applied to the 2011 Plan year. The following Plans established receivables at December 31, 2010.

|                   |                |
|-------------------|----------------|
| Alcoa Salary Plan | \$ 295,114,114 |
| Alcoa Hourly Plan | 232,264,372    |
| Muskegon Plan     | 8,000,000      |
| Howmet Plan       | 2,155,490      |

On March 31, 2011, Alcoa Inc. made an additional discretionary contribution of \$2 million to the Muskegon Plan in cash. This contribution is being applied to the 2010 Plan year and is reflected as an Employer Contribution receivable, on the Statements of Individual Plan Net Assets Available for Benefits and Employer Contribution of the Statements of Changes in Individual Plan Net Assets Available for Benefits.

## **Supplemental Schedules**

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Schedule G – Financial Transaction Schedules Part III Nonexempt Transactions**  
**Suriname Plan I**  
**Year Ended December 31, 2010**

| (a)                                  | (b)                                                            | (c)                                                                                                              | (d)               | (e)              | (f)             | (g)                                                       | (h)              | (i)                          | (j)                                             |
|--------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------|------------------|-----------------|-----------------------------------------------------------|------------------|------------------------------|-------------------------------------------------|
| Identity of<br>Party Involved        | Relationship to Plan<br>Employer or Other<br>Party in Interest | Description of Transaction<br>Including Maturity Date,<br>Rate of Interest, Collateral,<br>Par or Maturity Value | Purchase<br>Price | Selling<br>Price | Lease<br>Rental | Expenses<br>Incurred in<br>Connection With<br>Transaction | Cost of<br>Asset | Current<br>Value<br>of Asset | Net Gain<br>or (Loss)<br>on Each<br>Transaction |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>September 28, 2010                                    | \$ -              | \$ -             | \$ 4,878        | \$ -                                                      | \$ -             | \$ -                         | \$ -                                            |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>October 25, 2010                                      | -                 | -                | 7,074           | -                                                         | -                | -                            | -                                               |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>December 30, 2010                                     | -                 | -                | 5,851           | -                                                         | -                | -                            | -                                               |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>December 30, 2010                                     | -                 | -                | 7,651           | -                                                         | -                | -                            | -                                               |

As of opinion date, Suriname Aluminum Company LLC has corrected and remitted to the plan the settlor expenses on September 28, 2011 and the associated interest on October 11, 2011.

**Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies**  
**Schedule G – Financial Transaction Schedules Part III Nonexempt Transactions**  
**Suriname Plan II**  
**Year Ended December 31, 2010**

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| (a)                                  | (b)                                                            | (c)                                                                                                              | (d)               | (e)              | (f)             | (g)                                                       | (h)              | (i)                          | (j)                                             |
|--------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------|------------------|-----------------|-----------------------------------------------------------|------------------|------------------------------|-------------------------------------------------|
| Identity of<br>Party Involved        | Relationship to Plan<br>Employer or Other<br>Party in Interest | Description of Transaction<br>Including Maturity Date,<br>Rate of Interest, Collateral,<br>Par or Maturity Value | Purchase<br>Price | Selling<br>Price | Lease<br>Rental | Expenses<br>Incurred in<br>Connection With<br>Transaction | Cost of<br>Asset | Current<br>Value<br>of Asset | Net Gain<br>or (Loss)<br>on Each<br>Transaction |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>September 28, 2010                                    | \$ -              | \$ -             | \$ 4,878        | \$ -                                                      | \$ -             | \$ -                         | \$ -                                            |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>October 25, 2010                                      | -                 |                  | 7,074           | -                                                         | -                | -                            | -                                               |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>December 30, 2010                                     | -                 |                  | 5,851           | -                                                         | -                | -                            | -                                               |
| Suriname<br>Aluminum<br>Company LLC. | Employer                                                       | Settlor expenses inadvertently<br>paid from the Plan on<br>December 30, 2010                                     | -                 |                  | 7,651           | -                                                         | -                | -                            | -                                               |

As of opinion date, Suriname Aluminum Company LLC has corrected and remitted to the plan the settlor expenses on September 28, 2011 and the associated interest on October 11, 2011.

The required attachment is included with the signed Schedule SB pdf. file included with this 5500 filing.

**SCHEDULE SB  
(Form 5500)**Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

**2010****This Form is Open to Public  
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                                                          |                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>A</b> Name of plan<br><br>Alcoa Retirement Plan II                                                                                                                    | <b>B</b> Three-digit plan number (PN) ▶<br><br>002              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>Alcoa Inc.                                                                               | <b>D</b> Employer Identification Number (EIN)<br><br>25-0317820 |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B <input type="checkbox"/> Other |                                                                 |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500                  |                                                                 |

**Part I Basic Information**

|                                                                                                                                                                                                      |                            |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------|
| <b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>                                                                                                                      |                            |                    |
| <b>2</b> Assets:                                                                                                                                                                                     |                            |                    |
| <b>a</b> Market value.....                                                                                                                                                                           | <b>2a</b>                  | 3,238,667,525      |
| <b>b</b> Actuarial value.....                                                                                                                                                                        | <b>2b</b>                  | 3,453,679,471      |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                  | (1) Number of participants | (2) Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                           | <b>3a</b> 34,917           | 3,029,444,040      |
| <b>b</b> For terminated vested participants.....                                                                                                                                                     | <b>3b</b> 13,304           | 336,561,397        |
| <b>c</b> For active participants:                                                                                                                                                                    |                            |                    |
| (1) Non-vested benefits.....                                                                                                                                                                         | <b>3c(1)</b>               | 50,186,767         |
| (2) Vested benefits.....                                                                                                                                                                             | <b>3c(2)</b>               | 612,742,293        |
| (3) Total active.....                                                                                                                                                                                | <b>3c(3)</b> 10,981        | 662,929,060        |
| <b>d</b> Total.....                                                                                                                                                                                  | <b>3d</b> 59,202           | 4,028,934,497      |
| <b>4</b> If the plan is at-risk, check the box and complete items (a) and (b) <input type="checkbox"/>                                                                                               |                            |                    |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions.....                                                                                                                             | <b>4a</b>                  |                    |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>                  |                    |
| <b>5</b> Effective interest rate.....                                                                                                                                                                | <b>5</b>                   | 6.62 %             |
| <b>6</b> Target normal cost.....                                                                                                                                                                     | <b>6</b>                   | 35,827,707         |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                              |                                                                                                          |                                        |
|------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>SIGN<br/>HERE</b>         | A. Christine Chiocca  | 9/28/2011                              |
|                              | Signature of actuary                                                                                     | Date                                   |
| A. CHRISTINE CHIOCCA         | Type or print name of actuary                                                                            | 11-07509                               |
| BUCK CONSULTANTS, LLC        | Firm name                                                                                                | Most recent enrollment number          |
| 500 GRANT STREET, SUITE 2900 |                                                                                                          | (412) 281-2506                         |
| PITTSBURGH                   | Address of the firm                                                                                      | Telephone number (including area code) |
|                              | PA 15219-2513                                                                                            |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010  
v.092308.1

**Part II Beginning of year carryover and prefunding balances**

|                                                                                                          | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... | 272,221,291           | 0                      |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         | 135,830,455           | 0                      |
| <b>9</b> Amount remaining (Item 7 minus item 8) .....                                                    | 136,390,836           | 0                      |
| <b>10</b> Interest on item 9 using prior year's actual return of <u>14.16</u> % .....                    | 19,312,942            |                        |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                       |                        |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                       | 245,364,102            |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>8.23</u> % .....                        |                       | 28,248,212             |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                       | 273,612,314            |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                          |                       |                        |
| <b>12</b> Reduction in balances due to elections or deemed elections .....                               |                       |                        |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d - item 12) .....             | 155,703,778           | 0                      |

**Part III Funding percentages**

|                                                                                                                                                                            |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 81.85 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 81.85 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 92.11 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %       |

**Part IV Contributions and liquidity shortfalls**

| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 01/24/2011                                                                               | 232,264,372                       |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>                                                                          |                                   |                                 | <b>18(b)</b>             | 232,264,372                       | <b>18(c)</b> 0                  |

|                                                                                                                                      |                        |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>19</b> Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year: |                        |
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years .....                                  | <b>19a</b> 0           |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                   | <b>19b</b> 0           |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....              | <b>19c</b> 216,965,010 |

20

Quarterly contributions and liquidity shortfalls:

a

Did the plan have a "funding shortfall" for the prior year?

☒ Yes
☐ No

b

If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?

☒ Yes
☐ No

c

If 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of Quarter of this plan year |         |         |         |   |
|------------------------------------------------------------|---------|---------|---------|---|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |   |
| 0                                                          | 0       | 0       |         | 0 |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.03 % | 2nd segment:<br>6.73 % | 3rd segment:<br>6.82 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 62                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment. ....                  | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                      |           |   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                             | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) ..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                    | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions) .....                                                                                                       | <b>31</b>           | 35,827,707         |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 730,958,804         | 148,931,476        |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                     |                    |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) .....                                                  | <b>34</b>           | 184,759,183        |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          | 155,703,778         | 0                  |
| <b>36</b> Additional cash requirement (item 34 minus item 35) .....                                                                                                                  | <b>36</b>           | 29,055,405         |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) .....                                                  | <b>37</b>           | 216,965,010        |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions) .....                                                                                           | <b>38</b>           | 187,909,605        |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) .....                                                                      | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

*ALCOA RETIREMENT PLAN II*

*EIN: 25-0317820*

*PN: 002*

*ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500*

*Schedule SB – Statement by Enrolled Actuary*

In preparing this Schedule SB, the actuary relied on other parties for – and applied reasonability tests to – information on assets, contributions, plan provisions, and data on people covered by the plan.

**ALCOA RETIREMENT PLAN II****EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500****Schedule SB, Line 22 – Description of Weighted Average Retirement Age**

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the “½” is not used for  $t = \text{FRA} - \text{ERA}$ .

FRA-ERA

$$\sum_{t=0}^{\text{FRA-ERA}} ({}_tP_{\text{ERA}}) * (q_{\text{ERA}+t}^r) * (\text{ERA} + t + \frac{1}{2})$$

FRA-ERA

$$\sum_{t=0}^{\text{FRA-ERA}} ({}_tP_{\text{ERA}}) * (q_{\text{ERA}+t}^r)$$

where FRA = age everyone is assumed to retire  
 ERA = earliest retirement age  
 ${}_tP_{\text{ERA}}$  = probability of surviving to age ERA + t  
 $q_{\text{ERA}+t}^r$  = probability of retiring at age ERA + t

**NORMAL RETIREMENT:**

| Age | Annual Rate<br>(Except Rule IIQ<br>and IIAA) | Annual Rate<br>(Rule IIQ, IIAA,<br>and IICC* Only) |
|-----|----------------------------------------------|----------------------------------------------------|
| 65  | 50.0%                                        | 100.0%                                             |
| 66  | 50.0                                         | 100.0                                              |
| 67  | 40.0                                         | 100.0                                              |
| 68  | 30.0                                         | 100.0                                              |
| 69  | 25.0                                         | 100.0                                              |
| 70  | 100.0                                        | 100.0                                              |

\* Normal Retirement is age 63 for South Carolina participants hired prior to 1994

| Age | Annual Rates of                                  |                               |                             |                          |                           |                                                   |                                             |
|-----|--------------------------------------------------|-------------------------------|-----------------------------|--------------------------|---------------------------|---------------------------------------------------|---------------------------------------------|
|     | (All but IIAA) Early Retirement (60/10 or 55/10) | IIAA Early Retirement (55/12) | Early Retirement (30 Year)* | Early Retirement (62/10) | 70/80 or 75/80 Retirement | IICC – South Carolina (Reduced, Early, or Normal) | IICC – South Carolina 30 Year Retirement ** |
| 50  |                                                  |                               | 5.5%                        |                          | 1.0%                      |                                                   | 5.5%                                        |
| 51  |                                                  |                               | 5.5                         |                          | 1.0                       |                                                   | 5.5                                         |
| 52  |                                                  |                               | 6.0                         |                          | 1.0                       |                                                   | 6.0                                         |
| 53  |                                                  |                               | 6.5                         |                          | 1.0                       |                                                   | 6.5                                         |
| 54  |                                                  |                               | 7.0                         |                          | 1.0                       |                                                   | 7.0                                         |
| 55  | 3.0%                                             | 3.0%                          | 7.0                         |                          | 1.0                       |                                                   | 7.0                                         |
| 56  | 4.0                                              | 4.0                           | 7.0                         |                          | 1.0                       |                                                   | 7.0                                         |
| 57  | 5.0                                              | 5.0                           | 8.0                         |                          | 1.0                       |                                                   | 8.0                                         |
| 58  | 6.0                                              | 6.0                           | 8.5                         |                          | 1.0                       | 6.0%                                              | 8.5                                         |
| 59  | 6.5                                              | 6.5                           | 10.0                        |                          | 1.0                       | 6.5                                               | 10.0                                        |
| 60  | 7.0                                              | 7.0                           | 12.0                        |                          | 1.0                       | 7.0                                               | 12.0                                        |
| 61  | 8.0                                              | 8.0                           | 24.0                        |                          | 1.0                       | 8.0                                               | 24.0                                        |
| 62  | 20.0                                             | 20.0                          |                             | 50.0%                    | 1.0                       | 20.0                                              | 24.0                                        |
| 63  | 20.0                                             | 100.0                         |                             | 45.0                     | 1.0                       | 100.0                                             |                                             |
| 64  | 20.0                                             | 100.0                         |                             | 40.0                     | 1.0                       |                                                   |                                             |

\* An additional 5% probability applies in the first year of eligibility for 30 year retirement

\*\* Applied only to those participants hired prior to January 1, 2000

**60/10 or 55/10** - Applied only to those participants who meet age and service requirements but are not yet eligible for 30 Year, 62/10 or Normal Retirement as applicable for each Rule.

**30 Year** - Applied to all Rules except Rules IIR, IIX, and IY for only those participants who meet the service requirements but are not yet eligible for 62/10 or Normal Retirement as applicable for each Rule.

**62/10** - Applied only to those participants of Rules IID, IIV, IIW, and IIX who meet age and service requirements but are not yet eligible for Normal Retirement.

**70/80 or 75/80** - Applied only to those participants of Rules IID, IIV, and IIW who meet age and service requirements but are not yet eligible for 62/10 or Normal Retirement.

**ALCOA RETIREMENT PLAN II****EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500****Schedule SB, Part V – Statement of Actuarial Assumptions/Methods****FOR DETERMINATION OF FUNDING REQUIREMENTS****INTEREST RATE:** PPA Segment Rates for September of the prior Plan Year.

First Segment Rate 5.03%

Second Segment Rate 6.73%

Third Segment Rate 6.82%

Effective Interest Rate 6.62%

The long-term expected return rate is 8.75%, limited to the third segment rate.

**SEPARATIONS BEFORE NORMAL RETIREMENT:** Representative values of the assumed annual rates of disability, withdrawal, vesting, early retirement, 30 year retirement, and 70/80 or 75/80 retirement are as follows:

| Age | Annual Rate of |             |        |           |
|-----|----------------|-------------|--------|-----------|
|     | Disability     | Withdrawal* |        | Vesting** |
|     |                | Male        | Female |           |
| 20  | -              | 20.9%       | 17.0%  | 21.0%     |
| 25  | .1%            | 16.0        | 15.0   | 16.0      |
| 30  | .1             | 12.0        | 13.0   | 10.0      |
| 35  | .1             | 10.5        | 11.0   | 8.0       |
| 40  | .1             | 10.0        | 9.0    | 6.0       |
| 45  | .2             | 9.5         | 8.0    | 3.0       |
| 50  | .4             | 9.5         | 7.0    | 2.0       |
| 55  | .8             | 9.5         | 6.0    | 2.0       |
| 60  | 1.2            | 9.5         | 6.0    | 2.0       |
| 65  |                | 9.5         | 6.0    |           |
| 69  |                | 9.5         | 6.0    |           |

- Less than .1%.

\* Applied only to participants who have not completed service and/or age requirements to be eligible for deferred vested or early retirement.

\*\* Applied only to participants who have completed service requirements to be eligible for deferred vested retirement but have not completed service and/or age requirements to be eligible for early retirement.

| Age | Annual Rates of                                 |                               |                             |                          |                           |                                                   |                                             |
|-----|-------------------------------------------------|-------------------------------|-----------------------------|--------------------------|---------------------------|---------------------------------------------------|---------------------------------------------|
|     | (All but IAA) Early Retirement (60/10 or 55/10) | IIAA Early Retirement (55/12) | Early Retirement (30 Year)* | Early Retirement (62/10) | 70/80 or 75/80 Retirement | IICC – South Carolina (Reduced, Early, or Normal) | IICC – South Carolina 30 Year Retirement ** |
| 50  |                                                 |                               | 5.5%                        |                          | 1.0%                      |                                                   | 5.5%                                        |
| 51  |                                                 |                               | 5.5                         |                          | 1.0                       |                                                   | 5.5                                         |
| 52  |                                                 |                               | 6.0                         |                          | 1.0                       |                                                   | 6.0                                         |
| 53  |                                                 |                               | 6.5                         |                          | 1.0                       |                                                   | 6.5                                         |
| 54  |                                                 |                               | 7.0                         |                          | 1.0                       |                                                   | 7.0                                         |
| 55  | 3.0%                                            | 3.0%                          | 7.0                         |                          | 1.0                       |                                                   | 7.0                                         |
| 56  | 4.0                                             | 4.0                           | 7.0                         |                          | 1.0                       |                                                   | 7.0                                         |
| 57  | 5.0                                             | 5.0                           | 8.0                         |                          | 1.0                       |                                                   | 8.0                                         |
| 58  | 6.0                                             | 6.0                           | 8.5                         |                          | 1.0                       | 6.0%                                              | 8.5                                         |
| 59  | 6.5                                             | 6.5                           | 10.0                        |                          | 1.0                       | 6.5                                               | 10.0                                        |
| 60  | 7.0                                             | 7.0                           | 12.0                        |                          | 1.0                       | 7.0                                               | 12.0                                        |
| 61  | 8.0                                             | 8.0                           | 24.0                        |                          | 1.0                       | 8.0                                               | 24.0                                        |
| 62  | 20.0                                            | 20.0                          |                             | 50.0%                    | 1.0                       | 20.0                                              | 24.0                                        |
| 63  | 20.0                                            | 100.0                         |                             | 45.0                     | 1.0                       | 100.0                                             |                                             |
| 64  | 20.0                                            | 100.0                         |                             | 40.0                     | 1.0                       |                                                   |                                             |

\* An additional 5% probability applies in the first year of eligibility for 30 year retirement

\*\* Applied only to those participants hired prior to January 1, 2000

**60/10 or 55/10** - Applied only to those participants who meet age and service requirements but are not yet eligible for 30 Year, 62/10 or Normal Retirement as applicable for each Rule.

**30 Year** - Applied to all Rules except Rules IIR, IIX, and IIV for only those participants who meet the service requirements but are not yet eligible for 62/10 or Normal Retirement as applicable for each Rule.

**62/10** - Applied only to those participants of Rules IID, IIV, IIW, and IIX who meet age and service requirements but are not yet eligible for Normal Retirement.

**70/80 or 75/80** - Applied only to those participants of Rules IID, IIV, and IIW who meet age and service requirements but are not yet eligible for 62/10 or Normal Retirement.

**SEPARATIONS DUE TO UNPREDICTABLE CONTINGENT EVENT:** Certain employees on permanent layoff as a result of partial plant closings are assumed to terminate employment two years after the date of layoff.

**SALARY INCREASE:** Representative values of the assumed annual rates of future pension earnings increases are as follows.

| Age | Annual Rate of Pension Earnings Increase |
|-----|------------------------------------------|
| 20  | 5.8%                                     |
| 25  | 5.3                                      |
| 30  | 4.8                                      |
| 35  | 4.3                                      |
| 40  | 3.8                                      |
| 45  | 3.3                                      |
| 50  | 2.8                                      |
| 55  | 2.3                                      |
| 60  | 2.3                                      |
| 65  | 2.3                                      |
| 69  | 2.3                                      |

**DEATHS BEFORE RETIREMENT:** The IRS 2010 prescribed non-annuitant mortality tables for males and females.

**DEATHS AFTER RETIREMENT:** The IRS 2010 prescribed annuitant mortality tables for males and females.

**DEATHS AFTER DISABILITY RETIREMENT:** The IRS 2010 prescribed annuitant mortality tables for males and females.

**NORMAL RETIREMENT:**

| Age | Annual Rate (Except Rule IIQ and IIAA) | Annual Rate (Rule IIQ, IIAA, and IICC* Only) |
|-----|----------------------------------------|----------------------------------------------|
| 65  | 50.0%                                  | 100.0%                                       |
| 66  | 50.0                                   | 100.0                                        |
| 67  | 40.0                                   | 100.0                                        |
| 68  | 30.0                                   | 100.0                                        |
| 69  | 25.0                                   | 100.0                                        |
| 70  | 100.0                                  | 100.0                                        |

\* Normal Retirement is age 63 for South Carolina participants hired prior to 1994

**RETIREMENT FROM DEFERRED VESTED STATUS:** Former employees are assumed to retire at the earlier of Normal Retirement Age or the earliest age eligible for unreduced benefits.

**FUTURE EXPENSES:** Have been included in the normal cost based on prior year experience.

**LUMP SUM MORTALITY:** 2010 lump sum mortality as prescribed by IRS Code 417(e).

**FORM OF PAYMENT:** It was assumed that 85% of participants would be married upon commencement of payment and 95% of those married would elect a 50% joint and survivor benefit. The restoration of a benefit in the event that the spouse pre-deceases the participant is being recognized for certain Rules that permit a "pop-up". The husband was assumed to be three years older than his wife. For Rule IICC only, 50% of employees not eligible for lump sums elect a life annuity and 50% elect a Joint and Survivor annuity, while 100% of employees eligible for lump sums elect a lump sum.

**ASSET VALUATION METHOD:** Two-year average of adjusted market values. This method spreads asset gains/(losses) over a two year period on an annual basis. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the valuation assets.

**VALUATION METHOD:** The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal cost is the present value of benefits expected to be accrued during the current plan year, including the effect of expected compensation increases during the year.

**MISCELLANEOUS:** The valuation was prepared on an ongoing-plan basis. The valuation assumptions provide for plant closings, which are part of the ordinary course of business. No allowance has been made for certain additional liabilities, which may arise following other plant closings. The valuation was based on participants in the Plan as of the valuation date and those employees who would be participants in the Plan except for the provision that the employee be at least 21 with 1 year of service. The valuation did not take other future participants into account. No provision has been made for contingent liabilities with respect to non-vested terminated participants who may be reemployed. The determination of the portion allocable to this Plan of the total assets of the pooled trust fund for various retirement plans of the employer was made by the plan administrator.

***ALCOA RETIREMENT PLAN II***

***EIN: 25-0317820***

***PN: 002***

***ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500***

***Schedule SB, Part V – Summary of Plan Provisions***

The following summary outlines the main provisions applicable to future retirements and terminations from active service. Prior terminations/retirements are subject to provisions applicable at the time of termination.

***DEFINITIONS***

***"Service"*** is based on years, months, and days of continuous regular employment with the Company. Certain locations included do not recognize benefit service for all periods of service with the Company. These limitations are specified in the Plan document.

***"Other Pension"*** is a portion (based upon service covered by the Railroad Retirement Act) of the Tier II benefit determined in accordance with the Railroad Retirement Act, plus the amount of any Supplemental Retirement Benefit provided under the Railroad Retirement Act. In addition, Other Pension is any pension, other than Social Security or Railroad Retirement benefits, that a participant is entitled to from a governmental plan, foreign or domestic, or a benefit from a nongovernmental plan to which Alcoa or a subsidiary has contributed.

### ***PLAN COVERAGE***

Every hourly employee of a Company authorized by the Board of Directors to participate who (1) has attained age 21 and completed at least one year of service, (2) is not accruing service countable for pension benefit accrual purposes under another retirement plan of Alcoa or a Subsidiary, (3) is in a collective bargaining unit that has agreed to participate in this plan or a non-bargained employee working at a location authorized to participate in this plan, and (4) is not in receipt of a pension (with certain limited exceptions), commissions, severance pay, retainer or fee under contract is generally covered under the Plan.

### ***PROTECTION OF BENEFITS***

For former participants of other Plans who become participants in this Plan as the result of mergers and acquisitions, benefits accrued, eligibilities, and optional forms of payment available under the former Plan are protected as required by law.

### ***CONTRIBUTIONS***

All contributions to provide the benefits under the Plan are made by the Company.

**RULE IID*****Accrued Benefit***

Consists of sum of service as noted times applicable factor for service period reduced by Other Pension.

Factors as shown in the table below apply to most locations.

| Job Grade  | Pension Factor            |                            |                           |
|------------|---------------------------|----------------------------|---------------------------|
|            | First 15 Years of Service | For Service Years 16 to 30 | For Service Years Over 30 |
| 1 – 4      | \$ 38.25                  | \$ 40.25                   | \$ 51.00                  |
| 5 – 8      | 40.05                     | 42.05                      | 53.00                     |
| 9 – 12     | 41.90                     | 43.90                      | 55.00                     |
| 13 – 16    | 43.75                     | 45.75                      | 57.50                     |
| 17 – 20    | 45.55                     | 47.55                      | 60.00                     |
| 21 – 24    | 47.90                     | 49.90                      | 63.00                     |
| 25 – 27    | 50.25                     | 52.25                      | 66.00                     |
| 28 & above | 51.25                     | 53.25                      | 68.25                     |

**Cleveland locations**

- The IAM represented participants receive the following factors:

| Classification         | Pension Factor            |                            |                           |
|------------------------|---------------------------|----------------------------|---------------------------|
|                        | First 15 Years of Service | For Service Years 16 to 30 | For Service Years Over 30 |
| Bench Hands            | \$ 43.75                  | \$ 45.75                   | \$ 57.50                  |
| Die Sinker, Die Welder | 51.25                     | 53.25                      | 68.25                     |

- The UPG represented participants receive the following factors:

| Classification | Pension Factor            |                            |                           |
|----------------|---------------------------|----------------------------|---------------------------|
|                | First 15 Years of Service | For Service Years 16 to 30 | For Service Years Over 30 |
| Guards         | \$ 43.75                  | \$ 45.75                   | \$ 57.50                  |
| Sergeants      | 51.25                     | 53.25                      | 68.25                     |

Alcoa Tennessee Brick Masons receive a \$61.25 pension factor.

***Normal Retirement***

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (62/10)***

Eligibility: Age 62 with 10 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (30 Year Rule)***

Eligibility: 30 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (60/10)***

Eligibility: Age 60 with 10 years of service.

Benefit: Accrued Benefit payable at age 62 or immediate actuarial equivalent of Accrued Benefit reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. Minimum benefit of \$100 per month.

***70/80 Retirement***

Eligibility: Age 55 and age plus service at least 70 or age plus service at least 80. Payable only if the Company does not offer suitable long-term employment within 2 years after layoff.

Benefit: Accrued Benefit payable immediately with an additional supplement of \$400 payable until age 62. Minimum benefit of \$100 per month.

***Rule of 65***

Eligibility: 20 years of service at layoff date and age plus service at least 65. Payable only if the Company does not offer suitable long-term employment within 2 years after layoff.

Benefit: Same as 70/80 Retirement.

***Disability***

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Same as 70/80 Retirement except guaranteed minimum of \$400 per month. Supplement is paid only if denied Social Security disability benefits.

***Deferred Vested***

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 62 or an actuarial equivalent benefit as early as age 60 reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback.

***Preretirement Surviving Spouse Benefit***

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death including the Additional Supplemental Pension.

***Special Retirement Payment***

Eligibility: Any employee retiring under Normal, Early 60/10, Early 62/10, Early 30 Year Rule, 70/80 or Rule of 65.

Benefit: In lieu of 3 months pension, employee receives 10 plus the number of weeks of vacation pay in the year of retirement times weekly rate of vacation pay minus any vacation pay received or receivable.

***Additional Supplemental Pension Benefit***

Eligibility: Age 55 with 30 years of service.

Benefit: Consists of Benefit Amount (shown below) minus Accrued Benefit minus any Supplemental benefit provided under the plan such as disability or 70/80 supplements. Additional Supplement is payable until age 62.

| Job Grade  | Benefit Amount |
|------------|----------------|
| 1 – 4      | \$ 1,070       |
| 5 – 8      | 1,100          |
| 9 – 12     | 1,130          |
| 13 – 16    | 1,160          |
| 17 – 20    | 1,190          |
| 21 – 24    | 1,220          |
| 25 & above | 1,250          |

***Postretirement Surviving Spouse Benefit***

Monthly Accrued Benefit payable to participant is reduced by 5%. 50% of the reduced Accrued Benefit and the Additional Supplemental Pension Benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 5% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

***Forms of Payment***

Single Life Annuity and Joint and Survivor Annuity

**RULE IIQ*****Accrued Benefit***

For former Kawneer participants, the monthly benefit is credited service multiplied by the greater of:

- 1% of average monthly earnings over the employee's career **accrued as of December 31, 2002.**
- The minimum benefit level as defined below for active locations.

| Location                                                                                                                                               | Benefit Level                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Chicago, Visalia, Billerica, Brite Vue, Carlstadt, Cleveland, Orlando, Springdale, Charlotte, Memphis, Salt Lake City, Bristol, Atlanta and Louisville | 1/1/2003      \$ 27.00                                                                               |
| Bloomsburg                                                                                                                                             | 1/1/2004      \$ 28.00<br>1/1/2005      \$ 29.00<br>1/1/2006      \$ 30.00<br>1/1/2008      \$ 31.00 |

For former Extrusions participants, the monthly benefit is credited service multiplied by the benefit level defined below:

| Location   | Benefit Level                                                                     |
|------------|-----------------------------------------------------------------------------------|
| Hernando   | 10/1/2002 \$ 25.00<br>5/1/2004 \$ 28.00<br>5/1/2007 \$ 29.00<br>5/1/2008 \$ 30.00 |
| Yankton    | 1/1/2003      \$ 29.00                                                            |
| Plant City | 6/9/2003      \$ 25.00<br>7/1/2005      \$ 27.00                                  |
| Catawba    | 1/1/2000      \$ 31.00                                                            |

***Normal Retirement***

Eligibility: Age 65.

Benefit: Accrued Benefit payable immediately.

***Early Retirement (55/15)***

Eligibility: Age 55 and 15 years of credited service.

Benefit: Accrued Benefit payable at 65 or an actuarially reduced benefit payable immediately. Actuarial reduction is based on UP-84 mortality and 5.5% interest rate.

***Deferred Vested***

Eligibility: 5 years of credited service.

Benefit: Accrued Benefit payable at 65 or an actuarially reduced benefit payable immediately as early as age 55. Actuarial reduction is based on UP-84 mortality and 5.5% interest rate.

***Disability***

Eligibility: 15 years of credited service.

Benefit: Accrued Benefit payable at 65 or an actuarially reduced benefit payable immediately. Actuarial reduction is based on UP-84 mortality and 5.5% interest rate.

***Death Benefit***

Eligibility: 5 years of service.

Benefit: Less than 15 years of credited service and not eligible for early retirement – benefit commences to spouse on participant's Normal Retirement Date based on a 50% joint and survivor annuity assuming termination of employment at date of death and commencement at Normal Retirement Date.

15 years of credited service and not eligible for early retirement – same as above except can commence payment at date participant would have been eligible for early retirement with applicable early retirement reductions.

Eligible for early retirement – same as above except can commence payment immediately with applicable early retirement reductions.

*Forms of Payment*

Straight life: payments to retiree until death.

50% joint and survivor: actuarially reduced benefit to retiree until death and then 50% of the benefit payable to the spouse.

10 year certain and life: payments to retiree until death or for the balance of 10 years to survivor if death precedes 10 years after retirement.

Joint and 2/3 contingent survivor: actuarially reduced benefit payable during joint lifetime of participant and spouse, 2/3 of the benefit payable upon the death of the participant or spouse.

## **RULES IIR**

### ***Accrued Benefit***

- IIR - \$10.00 times service prior to 10/1/1986 plus \$30.00 (effective 9/1/2004) times service after 10/1/1986 for the Randolph location reduced by Other Pension.
- \$26.00 times service after 1/1/1998 for the Northwood location effective 1/1/2005 (previously \$25.00).

### ***Normal Retirement***

- Eligibility: Age 65 with 5 years of service.
- Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

### ***Early Retirement (55/10)***

- Eligibility: Age 55 with 10 years of service.
- Benefit: Accrued Benefit payable at age 65 or immediate Accrued Benefit reduced from age 65 using 6% per year for each year commencement precedes age 65. Minimum benefit of \$100 per month.

### ***Deferred Vested***

- Eligibility: 5 years of service.
- Benefit: Accrued Benefit payable at age 65 or Accrued Benefit as early as age 55 reduced from age 65 by 6% per year.

### ***Preretirement Surviving Spouse Benefit***

- Eligibility: Death after 5 years of service.
- Benefit: 50% of the benefit accrued as of the date of death. If death in active service occurs before attainment of age 55, the spouse's benefit is payable at the date the deceased employee would have attained age 55.

### ***Postretirement Surviving Spouse Benefit***

Monthly benefit payable to participant is reduced by 10% for retirees or the actuarial equivalence factor for deferred vested terminations. 50% of the reduced benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 10% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

### ***Forms of Payment***

Single Life Annuity and Joint and Survivor Annuity

**RULE IIV AND IIW*****Accrued Benefit*****Rule IIV**

Consists of the applicable pension factor times service reduced by Other Pension.

| <b>Job Classification</b>                 | <b>Pension Factor</b> |
|-------------------------------------------|-----------------------|
| Utility Operator                          | \$ 41.90              |
| Heavy Equipment Operator                  | 51.25                 |
| Electrician, Mechanic, Drag Line Operator | 51.25                 |

**Rule IIW**

Consists of the applicable pension factor times service reduced by Other Pension.

| <b>Job Classification</b>                   | <b>Pension Factor</b> |
|---------------------------------------------|-----------------------|
| Auxiliary Equipment Operator                | \$ 47.90              |
| Power Plant Operator, Electrician, Mechanic | 51.25                 |

***Normal Retirement***

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (62/10)***

Eligibility: Age 62 with 10 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (30 Year Rule)***

Eligibility: 30 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (60/10)***

Eligibility: Age 60 with 10 years of service.

Benefit: Accrued Benefit payable at age 62 or immediate actuarial equivalent of Accrued Benefit reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. Minimum benefit of \$100 per month.

***70/80 Retirement***

Eligibility: Age 55 and age plus service at least 70 or age plus service at least 80. Payable only if the Company does not offer suitable long-term employment within 2 years after layoff.

Benefit: Accrued Benefit payable immediately with an additional supplement of \$400 payable until age 62. Minimum benefit of \$100 per month.

***Disability***

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Accrued Benefit payable immediately with a guaranteed minimum of \$400 per month. An additional supplement of \$400 is payable until age 62.

***Deferred Vested***

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 62 or an actuarial equivalent benefit as early as age 60 reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback.

***Preretirement Surviving Spouse Benefit***

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death including the Additional Supplemental Pension.

***Special Retirement Payment***

**Eligibility:** Any employee retiring under Normal, Early 60/10, Early 30 Year Rule or Early 62/10.

**Benefit:** In lieu of 3 months pension, employee receives 10 plus the number of weeks of vacation pay in the year of retirement times weekly rate of vacation pay minus any vacation pay received or receivable.

***Additional Supplemental Pension Benefit***

**Eligibility:** Age 55 with 30 years of service.

**Benefit:** Consists of Benefit Amount (shown below) minus Accrued Benefit minus any Supplemental benefit provided under the plan such as disability or 70/80 supplements. Additional Supplement is payable until age 62.

**Rule IIV**

| <b>Job Classification</b>                 | <b>Benefit Amount</b> |
|-------------------------------------------|-----------------------|
| Utility Operator                          | \$ 1,100              |
| Heavy Equipment Operator                  | 1,190                 |
| Electrician, Mechanic, Drag Line Operator | 1,250                 |

**Rule IIW**

| <b>Job Classification</b>       | <b>Benefit Amount</b> |
|---------------------------------|-----------------------|
| Auxiliary Operator              | \$ 1,190              |
| Electrician, Mechanic, Operator | 1,250                 |

***Postretirement Surviving Spouse Benefit***

Monthly Accrued Benefit payable to participant is reduced by 5%. 50% of the reduced Accrued Benefit and the Additional Supplemental Pension Benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 5% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

***Forms of Payment***

Single Life Annuity and Joint and Survivor Annuity

### **RULE IIX**

#### ***Accrued Benefit***

Consist of the applicable pension factor times service reduced by Other Pension.

Danville - \$29.00

Newburgh (Alcoa Power Generating) - \$42.25, \$45 effective January 1, 2006 , \$47 effective January 1, 2008

Vidalia - \$26.00 effective May 1, 2003

Leetsdale is based on the following table:

| Effective Date | Pension Factor |
|----------------|----------------|
| May 1, 2004    | \$ 28.00       |
| May 1, 2005    | 29.00          |

#### ***Normal Retirement***

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 (\$200 for the Vidalia location) per month.

#### ***Early Retirement (62/10)***

Eligibility: Age 62 with 10 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 (\$200 for the Vidalia location) per month.

#### ***Early Retirement (60/10)***

Eligibility: Age 60 with 10 years of service.

Benefit: Accrued Benefit payable at age 62 or immediate actuarial equivalent of Accrued Benefit reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. Minimum benefit of \$100 (\$200 for the Vidalia location) per month.

***Disability***

|              |                                                                                                                                              |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility: | Permanently incapacitated and 10 or more years of pension service.                                                                           |
| Benefit:     | Accrued Benefit payable immediately with a guaranteed minimum of \$100 per month. An additional supplement of \$250 is payable until age 62. |

***Deferred Vested***

|              |                                                                                                                                                                                            |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility: | 5 years of service.                                                                                                                                                                        |
| Benefit:     | Accrued Benefit payable at age 62 or an actuarial equivalent benefit as early as age 60 reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. |

***Preretirement Surviving Spouse Benefit***

|              |                                                     |
|--------------|-----------------------------------------------------|
| Eligibility: | Death after 5 years of service.                     |
| Benefit:     | 50% of the benefit accrued as of the date of death. |

***Special Retirement Payment***

|              |                                                                                                                                                                                                       |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility: | Any employee retiring under Normal, Early 60/10, or Early 62/10.                                                                                                                                      |
| Benefit:     | In lieu of 3 months pension, employee receives 10 plus the number of weeks of vacation pay in the year of retirement times weekly rate of vacation pay minus any vacation pay received or receivable. |

***Postretirement Surviving Spouse Benefit***

Monthly benefit payable to participant is actuarially reduced. 50% of the reduced benefit is payable to the spouse if the participant dies first. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 (\$200 for the Vidalia location) per month.

***Forms of Payment***

Single Life Annuity and Joint and Survivor Annuity

**RULE III*****Accrued Benefit***

Consists of applicable pension factor times service reduced by Other Pension.

Pimalco - \$31.00 for service on and after January 1, 1998.

Auburn - \$29.00 for service on or after January 1, 2002  
 \$30.00 for service on or after January 1, 2002 effective November 1, 2004.  
 \$31.50 for service on or after January 1, 2002 effective November 1, 2006.  
 \$34.00 for service on or after January 1, 2002 effective January 1, 2008.

Halethorpe is based on the following table for service on and after May 26, 2000:

| Effective Date | Pension Factor |            |             |
|----------------|----------------|------------|-------------|
|                | Grade 1-5      | Grade 6-11 | Grade 12-17 |
| May 26, 2002   | \$ 24.00       | \$ 26.00   | \$ 28.00    |

Hawesville is based on the following table for service on and after January 1, 2000:

| Effective Date  | Pension Factor |           |           |
|-----------------|----------------|-----------|-----------|
|                 | Grade 1-5      | Grade 6-9 | Grade > 9 |
| January 1, 2000 | \$ 24.00       | \$ 26.00  | \$ 28.00  |

***Normal Retirement***

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

***Early Retirement (55/10)***

Eligibility: Age 55 with 10 years of service.

Benefit: Accrued Benefit payable at age 65 or immediate Accrued Benefit reduced from age 65 by 6% per year for each year commencement precedes age 65. Minimum benefit of \$100 per month.

***Disability***

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Accrued Benefit payable immediately with a guaranteed minimum of \$400 per month.

***Deferred Vested***

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 65 or Accrued Benefit as early as age 55 reduced from age 65 by 6% per year.

***Preretirement Surviving Spouse Benefit***

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death. If death in active service occurs before attainment of age 55, the spouse's benefit is payable at the date the deceased employee would have attained age 55.

***Postretirement Surviving Spouse Benefit***

Monthly benefit payable to participant is reduced by 10% for retirees or the actuarial equivalence factor for deferred vested terminations. 50% of the reduced benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 10% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

***Forms of Payment***

Single Life Annuity and Joint and Survivor Annuity

**RULE IIAA**

***Accrued Benefit***

Consists of years of credit service multiplied by the benefit level in effect at the time of termination. Currently, the benefit level is \$41.50 effective 10/1/2000.

***Normal Retirement***

Eligibility: Age 63.

Benefit: Accrued Benefit payable immediately.

***Early Retirement (55/12)***

Eligibility: Age 55 and 12 years of service.

Benefit: Accrued Benefit payable at age 63 reduced 3% per year for the first 3 years and 5% per year thereafter that the commencement date precedes Normal Retirement Date.

***Deferred Vested***

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 63 or reduced benefit described above at any time after age 55 if the participant has 12 or more years of vesting service at termination.

***Disability***

Eligibility: 10 years of service.

Benefit: Accrued Benefit based on credited service to the date of disablement.

***Death Benefit***

Eligibility: 5 years of service.

Benefit: Less than 12 years of credited service and not eligible for early retirement – benefit commences to spouse on participant's Normal Retirement Date based on a 50% joint and survivor annuity assuming termination of employment at date of death and commencement at Normal Retirement Date.

15 years of credited service and not eligible for early retirement – same as above except can commence payment at date participant would have been eligible for early retirement with applicable early retirement reductions.

Eligible for early retirement – same as above except can commence payment immediately with applicable early retirement reductions.

If participant dies while still active, the surviving spouse is eligible for a supplementary benefit equal to 40% of the participant's Accrued Benefit. The benefit will commence on the first of the month following the date of death and cease upon the earliest of the spouse's death, attainment of age 62, remarriage, or commencement of the qualified survivor annuity.

### ***Forms of Payment***

Straight life: payments to retiree until death.

50% joint and survivor: actuarially reduced benefit to retiree until death and then 50% of the benefit payable to the spouse.

100% joint and survivor: actuarially reduced benefit to retiree until death and then 100% of the benefit payable to the spouse.

Joint and 2/3 contingent survivor: actuarially reduced benefit payable during joint lifetime of participant and spouse, 2/3 of the benefit payable upon the death of the participant or spouse.

**RULE IIBB*****Accrued Benefit***

Consists of sum of service as noted times applicable factor for service period.

Factors as shown in the table below apply to most locations.

| Job Grade    | Pension Factor               |                             |
|--------------|------------------------------|-----------------------------|
|              | Years of Service<br>up to 20 | Years of Service<br>over 20 |
| 1 – 4        | \$ 33.00                     | \$ 38.25                    |
| 5 – 8        | 34.55                        | 40.05                       |
| 9 – 12       | 36.15                        | 41.90                       |
| 13 – 16      | 37.50                        | 43.75                       |
| 17 – 20      | 39.05                        | 45.55                       |
| 21 – 24      | 41.15                        | 47.90                       |
| 25 – 27      | 43.25                        | 50.25                       |
| 28 and above | 44.00                        | 51.25                       |

**Cleveland locations**

- The IAM represented participants receive the following factors:

| Classification         | Pension Factor               |                             |
|------------------------|------------------------------|-----------------------------|
|                        | Years of Service<br>up to 20 | Years of Service<br>over 20 |
| Bench Hands            | \$ 37.50                     | \$ 43.75                    |
| Die Sinker, Die Welder | 44.00                        | 51.25                       |

- The UPG represented participants receive the following factors:

| Classification | Pension Factor               |                              |
|----------------|------------------------------|------------------------------|
|                | Years of Service<br>up to 20 | Years of Service<br>up to 20 |
| Guards         | \$ 34.05                     | \$ 39.55                     |
| Sergeants      | 36.75                        | 42.25                        |

***Normal Retirement***

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately.

***Early Retirement (57/35)***

Eligibility: 35 years of service with minimum age of 57.

Benefit: Accrued Benefit payable immediately.

***Disability Retirement***

Eligibility: 10 years of service and permanently incapacitated.

Benefit: Accrued Benefit payable immediately. Additional \$400 supplemental monthly pension paid until the earlier of attainment of age 65 or eligibility for social security disability benefits.

***Deferred Vested***

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 65.

***Preretirement Surviving  
Spouse Benefit***

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death..

***Forms of Payment***

Single Life Annuity and Joint and Survivor.

### **RULE IICC**

**ELIGIBILITY:** Certain hourly-rated employees of Alumax are eligible to participate in the Plan, provided such employees are not covered by a collective bargaining agreement which does not provide for participation in this Plan. In addition, all participants of the individual plans prior to the merger are participants of the merged plan.

**PARTICIPATION:** Eligible employees are covered by the Plan on the first day of service.

**ACCRUED BENEFIT:** The monthly benefit is years of benefit service multiplied by the benefit level applicable to the participant at the time of termination as described below.

**For South Carolina (Mt. Holly) participants:**

| Labor Grade | Benefit Level Effective 1/1/2003 | Benefit Level Effective 1/1/2007 |                       |
|-------------|----------------------------------|----------------------------------|-----------------------|
|             |                                  | Service Less Than 30 Years       | Service Over 30 Years |
| 1-7         | \$49.00                          | \$51.00                          | \$60.00               |
| 8-15        | 50.00                            | 52.00                            | 65.00                 |
| 16-26       | 51.00                            | 53.00                            | 67.00                 |
| 27-30       | 51.00                            | 54.00                            | 69.00                 |

**For Texarkana participants:**

| Job Grade | Benefit Level After 1/1/2004 | Benefit Level After 1/1/2006 | Benefit Level After 1/1/2008 | Benefit Level After 1/1/2010 |
|-----------|------------------------------|------------------------------|------------------------------|------------------------------|
| 1-6       | \$26.00                      | \$27.00                      | \$28.00                      | \$29.00                      |
| 7-12      | 28.00                        | 29.00                        | 30.00                        | 31.00                        |
| 13-17     | 30.00                        | 31.00                        | 32.00                        | 33.00                        |

**For Aluminum Combined - Mill Products (Lancaster) participants:**

| Participant's Classification | Benefit Level Effective 1/1/2005 | Benefit Level Effective 1/1/2006 | Benefit Level Effective 1/1/2007 | Benefit Level Effective 1/1/2008 |
|------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 1 - 2                        | \$43.00                          | \$44.00                          | \$46.00                          | \$47.00                          |
| 3 - 4                        | 42.00                            | 43.00                            | 45.00                            | 46.00                            |
| 5 - 6                        | 41.00                            | 42.00                            | 43.00                            | 44.00                            |
| 7 - 8                        | 40.00                            | 41.00                            | 42.00                            | 43.00                            |
| 9 - 10                       | 39.00                            | 39.00                            | 40.00                            | 41.00                            |

**NORMAL RETIREMENT:** For participants who were members of any of the individual plans prior to the merger, Normal Retirement Age under the merged plan is the same as Normal Retirement Age under the prior plan. For all other participants, Normal Retirement Age is 65. Monthly benefit is the accrued benefit as defined above.

**EARLY RETIREMENT (30-Year Rule):** Available to participants at the Mt. Holly location who were hired prior to January 1, 2000. Eligibility is 30 years of service. The monthly benefit is the Accrued Benefit payable immediately.

**EARLY RETIREMENT:** Each participant who has attained age 55 and has completed five years of eligibility service is eligible for early retirement. Certain closed locations had different early retirement eligibility requirements not defined here. The participant's accrued benefit will be reduced for each month by which the participant's age at early retirement is less than his Normal Retirement Age according to the following table:

| Group                                                                                                                | Reduction per Month |
|----------------------------------------------------------------------------------------------------------------------|---------------------|
| Aluminum Combined<br>-hired before January 1, 1998<br>-hired January 1, 1998 or later                                | .25%<br>5/12 of 1%  |
| Other Non Closed Locations<br>-receive pension prior to January 1, 1998<br>-receive pension January 1, 1998 or later | 5%<br>5/12 of 1%    |

**DEFERRED VESTED RETIREMENT:** A participant terminating employment with five years of eligibility service will be eligible to receive a benefit at any time after attaining age 55 reduced for early commencement prior to Normal Retirement Age by 5% per year.

**DISABILITY RETIREMENT:** No disability benefits are currently payable from the Plan except for disabilities that occurred in the past.

**PRE-RETIREMENT SPOUSE'S BENEFIT:** If an active or terminated participant with five or more years of eligibility service dies prior to receiving retirement benefits, a death benefit is payable under the Plan.

The death benefit is an annuity for the spouse's lifetime equal to the monthly pension which would have been payable to the spouse if the participant had terminated employment just prior to death and elected a qualified joint and survivor annuity commencing on the later of date of death or Early Retirement Age.

**POST-RETIREMENT SPOUSE'S BENEFIT:** Payable in accordance with the form of benefit payment elected by the participant.

***FORMS OF PAYMENT:***

- Straight life: payments to retiree until death.
- 50%, 66 2/3%, and 100% joint and survivor: actuarially reduced benefit to retiree until death and then X% of the benefit payable to the spouse.
- 5 or 10 year certain and life: payments to retiree until death or for the balance of X years to survivor if death precedes X years after retirement.
- Joint and 2/3 contingent survivor: actuarially reduced benefit payable during joint lifetime of participant and spouse, 2/3 of the benefit payable upon the death of the participant or spouse.

***CONTRIBUTIONS:*** All contributions to support the Plan are made by the Company.

***ALCOA RETIREMENT PLAN II***

***EIN: 25-0317820***

***PN: 002***

***ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500***

***Schedule SB, Line 24 – Change in Actuarial Assumptions***

Expected expenses included in the Target Normal Cost increased from \$6,000,000 in 2009 to \$10,000,000 in 2010.

Assumed annual rates of salary increases were reduced to a 3.5% weighted average for all participants to reflect the actuary's best estimate of future anticipated experience under the Plan.

***ALCOA RETIREMENT PLAN II***

***EIN: 25-0317820***

***PN: 002***

***ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500***

***Schedule SB, Line 25 – Change in Method***

The interest rate method changed from the full yield curve with a two month lookback to the segment rates with a four month lookback. This change is granted automatic approval according to Regulation 1.430(h)(2)-1(h)(3) of the Internal Revenue Code.

**ALCOA RETIREMENT PLAN II****EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500**

**Schedule SB, Line 26 – Schedule of Active Participant Data**  
**Distributed by Age and Service as of January 1, 2010**

| AGE     | SERVICE |       |       |         |         |         |         |         |         |      |
|---------|---------|-------|-------|---------|---------|---------|---------|---------|---------|------|
|         | < 1     | 1 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30 - 34 | 35 - 39 | 40 + |
| < 25    | 9       | 185   | 7     |         |         |         |         |         |         |      |
| 25 - 29 | 13      | 525   | 119   | 3       |         |         |         |         |         |      |
| 30 - 34 | 9       | 464   | 264   | 111     | 5       |         |         |         |         |      |
| 35 - 39 | 4       | 474   | 372   | 341     | 70      | 7       |         |         |         |      |
| 40 - 44 | 6       | 360   | 339   | 457     | 221     | 76      | 4       |         |         |      |
| 45 - 49 | 6       | 281   | 291   | 461     | 299     | 192     | 108     | 21      |         |      |
| 50 - 54 | 4       | 183   | 241   | 363     | 254     | 235     | 391     | 403     | 70      |      |
| 55 - 59 | 2       | 93    | 128   | 192     | 173     | 147     | 313     | 275     | 478     | 25   |
| 60 - 64 | 1       | 23    | 48    | 92      | 66      | 73      | 108     | 89      | 198     | 103  |
| 65 - 69 |         | 2     | 10    | 19      | 5       | 13      | 10      | 6       | 5       | 19   |
| 70+     | 1       |       | 1     | 1       | 2       |         | 2       | 3       | 3       | 4    |

Note: Although certain supplemental benefits are based on compensation, the primary benefit formula is not based on compensation. Therefore, salary information has not been provided.

**ALCOA RETIREMENT PLAN II****EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2010 FORM 5500****Schedule SB, Line 32 – Schedule of Amortization Bases**

The Plan Sponsor made a funding relief election to amortize the shortfall amortization base established January 1, 2010 over 15 years. The table below details the determination of the amortization installment before this election and after and the calculation of the Installment Acceleration Amount.

|                                                                                         |                   |
|-----------------------------------------------------------------------------------------|-------------------|
| 2010 Shortfall Amortization Installment Before Relief                                   | 39,706,462        |
| 2010 Shortfall Amortization Installment With Relief<br>Before Installment Accelerations | 23,536,429        |
| Excess Compensation plus Excess Shareholder Payments                                    | 56,087,815        |
| Cumulative Shortfall Amortization Installments Before Relief                            | 39,706,462        |
| Cumulative Shortfall Amortization Installments With Relief                              | <u>23,536,429</u> |
| Annual Limit on Installment Acceleration Amount                                         | 16,170,033        |
| 2010 Installment Acceleration Amount (preliminary)                                      | 56,087,815        |
| 2010 Installment Acceleration Amount, final amount as limited                           | 16,170,033        |
| 2010 Shortfall Amortization Installments With Relief After IAA                          | 39,706,462        |
| Installment Acceleration Amount Carry-Forward to Next Year                              | 39,917,782        |

**Shortfall Amortization Before Relief**

| Date Established | Outstanding Balance | Years Remaining | Amortization Installment |
|------------------|---------------------|-----------------|--------------------------|
| 1/1/2008         | \$504,069,438       | 5               | \$ 110,943,450           |
| 1/1/2009         | (9,048,478)         | 6               | (1,718,436)              |
| 1/1/2010         | <u>235,937,844</u>  | 7               | <u>39,706,462</u>        |
| Total            | \$730,958,804       |                 | \$148,931,476            |

**Shortfall Amortization With Relief, Before IAA**

| Date Established | Outstanding Balance | Years Remaining | Amortization Installment |
|------------------|---------------------|-----------------|--------------------------|
| 1/1/2008         | \$504,069,438       | 5               | \$ 110,943,450           |
| 1/1/2009         | (9,048,478)         | 6               | (1,718,436)              |
| 1/1/2010         | <u>235,937,844</u>  | 15              | <u>23,536,429</u>        |
| Total            | \$730,958,804       |                 | \$132,761,443            |

**Shortfall Amortization With Relief, After IAA**

| <b>Date Established</b> | <b>Outstanding Balance</b> | <b>Years Remaining</b> | <b>Amortization Installment</b> |
|-------------------------|----------------------------|------------------------|---------------------------------|
| 1/1/2008                | \$504,069,438              | 5                      | \$ 110,943,450                  |
| 1/1/2009                | (9,048,478)                | 6                      | (1,718,436)                     |
| 1/1/2010                | <u>235,937,844</u>         | 15                     | <u>39,706,462*</u>              |
| Total                   | \$730,958,804              |                        | \$148,931,476                   |

\* Includes amortization installment of \$23,536,429 and IAA amount of \$16,170,033.

The required attachment is included with the signed Schedule SB pdf. file included with this 5500 filing.

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